

**THIS AGREEMENT MADE THIS 11<sup>th</sup> DAY OF JUNE, 2002**

**BETWEEN:**

Her Majesty the Queen in right of the Province of Saskatchewan, as  
represented by the Minister responsible for the Liquor and Gaming  
Authority  
(the "Government")

**AND:**

The Federation of Saskatchewan Indian Nations, on its own behalf and on  
behalf of First Nation Bands and Tribal Councils in the Province of  
Saskatchewan  
(the "FSIN")

**2002 FRAMEWORK AGREEMENT**

**THIS AGREEMENT MADE THIS 11<sup>th</sup> DAY OF JUNE, 2002**

**BETWEEN:**

Her Majesty the Queen in right of the Province of Saskatchewan, as represented by the Minister responsible for the Liquor and Gaming Authority  
(the "Government")

**AND:**

The Federation of Saskatchewan Indian Nations, on its own behalf and on behalf of First Nation Bands and Tribal Councils in the Province of Saskatchewan  
(the "FSIN")

**2002 FRAMEWORK AGREEMENT**

**WHEREAS** by an agreement dated the 17<sup>th</sup> day of June, 1994 (the "1994 Framework Agreement") between the Government and the FSIN, arrangements were made for the proposed development of casinos in Regina and Saskatoon;

**AND WHEREAS** by an agreement dated February 10<sup>th</sup>, 1995, (the "1995 Framework Agreement") between the Government and the FSIN, an arrangement was agreed upon to permit the development and operation of First Nations casinos in Saskatchewan within the parameters of the *Criminal Code*;

**AND WHEREAS** by an Amending Agreement dated March 31<sup>st</sup>, 2000 between the Government and the FSIN an arrangement was agreed upon to extend the operation of the 1995 Framework Agreement and also for the establishment and funding of certain

Community Development Corporations and the allocation of net profits from the First Nations casinos between the Parties;

**AND WHEREAS** the 1995 Framework Agreement, as amended, has been extended from time to time;

**AND WHEREAS** the Parties wish to enter into a new agreement to replace the 1995 Framework Agreement, as amended, to provide for the long-term stability of First Nations casinos;

**AND WHEREAS** section 35 of the *Constitution Act, 1982* recognizes and affirms the existing aboriginal and Treaty rights of the aboriginal peoples of Canada;

**AND WHEREAS** it is the position of the FSIN and its members, without it being the intention of the Government to in any way confirm such position by this Agreement, that they enjoy an existing inherent right of self-government, confirmed by the six Treaties in Saskatchewan, and have the necessary authority to enact laws on matters of concern to all First Nations in Saskatchewan based on an exercise of that right, including in relation to gaming;

**NOW THEREFORE**, in consideration of the mutual agreements hereinafter contained, the Parties agree as follows:

## **PART 1      DEFINITIONS**

1.1      In this Agreement:

- a)      “casino” means a place that is used for the purpose of conducting games of chance and which includes licensed games and electronic gaming machines, but does not include a VLT site;

- b) “Casino Operating Agreement” means the operating agreement between SIGA and SLGA;
- c) “charitable lottery” means a lottery scheme for which a license may be issued pursuant to subsection 207(1)(b) of the *Criminal Code*;
- d) “Community Development Corporation” means a Community Development Corporation established in accordance with Part 7;
- e) “electronic gaming machines” means slot machines and video lottery terminals;
- f) “fiscal year” means the period April 1 of a year to March 31 of the following year;
- g) “First Nation” means a tribe of Indians that is signatory to the *FSIN Convention* or an Indian Band that is located in Saskatchewan;
- h) “First Nation Gaming Licensing Authority” means a corporation established pursuant to *The Non-profit Corporations Act, 1995* by a First Nation or group of First Nations for the sole purpose of acting as an exclusive authority to issue licenses to charitable and religious organizations to conduct and manage charitable lotteries on the reserve lands of the First Nation or First Nations;
- i) “First Nations Fund” means the fund established pursuant to section 17 of *The Saskatchewan Gaming Corporation Act*;
- j) “First Nations Trust” means the trust established pursuant to Part 6;
- k) “FNARF” means the First Nations Addictions Rehabilitation Foundation established by the FSIN;
- l) “Gaming Licensing Authority” means SIGL or a First Nation Gaming Licensing Authority;
- m) “Indian Band” means a “band” as defined in the *Indian Act*;
- n) “licensed games” means table games which may be licensed pursuant to subsection 207(1)(b) of the *Criminal Code*;
- o) “municipality” means:

- i) an urban municipality as defined in *The Urban Municipality Act, 1984*;
- ii) a rural municipality as defined in *The Rural Municipality Act, 1989*; or
- iii) a northern municipality as defined in *The Northern Municipalities Act*;
- p) “reserve” means a “reserve” as defined in the *Indian Act*;
- q) “review period” means the 180 days prior to the anniversary date that occurs every fifth year from the date of signing this Agreement;
- r) “SGC” means the Saskatchewan Gaming Corporation established pursuant to *The Saskatchewan Gaming Corporation Act*;
- s) “SIGA” means Saskatchewan Indian Gaming Authority Inc., a body incorporated by the FSIN;
- t) “SIGL” means the Saskatchewan Indian Gaming Licensing Inc., a body incorporated by the FSIN;
- u) “SIGL Regulatory Agreement” means the regulatory agreement between SIGL and SLGA;
- v) “SLGA” means the Liquor and Gaming Authority referred to in *The Alcohol and Gaming Regulation Act*; and
- w) “VLT site” means a place, excluding a casino, where video lottery terminals are authorized.

## **PART 2      PROPOSALS RELATING TO FIRST NATIONS GAMING JURISDICTION**

- 2.1 The Parties agree to work together to develop and present to the Government of Canada proposals which would allow First Nations full jurisdiction in relation to all forms of gaming on reserves, either through amendments to the *Criminal Code* or new federal legislation.

- 2.2 Within three (3) months of the execution of this Agreement, the Parties shall establish a committee whose mandate it shall be to develop proposals for submission to the Government of Canada pursuant to section 2.1. The committee shall consist of representatives appointed by each of the Parties.
- 2.3 The committee shall:
- a) develop discussion papers and options for consideration consistent with the provisions of section 2.1;
  - b) develop proposals for submission to the Government of Canada based upon the discussion papers and options referred to in subsection 2.3(a); and
  - c) develop a strategy for taking forward the proposals to the Government of Canada including, where applicable, consideration of utilizing existing jurisdictional processes.
- 2.4 The committee shall use its best efforts to conclude the items referred to in section 2.3 within three (3) years following execution of this Agreement.
- 2.5 Following completion of the items referred to in section 2.3, the Parties shall seek approval of the proposals through their respective internal processes. The Parties undertake to complete their internal approval processes as expeditiously as possible, but in any event each Party shall use its best efforts to complete its internal process within six (6) months of the completion of the items referred to in section 2.3.
- 2.6 Upon completion of the internal approval processes, the committee shall meet to review and refine the proposals as the committee may agree.
- 2.7 Upon completion of the proposals, the Parties shall present the proposals to the Government of Canada.

- 2.8 While the Parties are proceeding with the development of the proposals outlined in this Part, they shall work together to further build the capacity of SIGL and its employees in accordance with the SIGL Regulatory Agreement.
- 2.9 The Parties may, by mutual agreement, extend the time for completion of any of the steps in this Part.

### **PART 3 CASINO OPERATIONS**

- 3.1 The Parties' obligations under the 1994 Framework Agreement shall be suspended only insofar as they relate to the proposed development of a casino in Saskatoon or as are modified by this Agreement, and the provisions of the 1994 Framework Agreement shall otherwise apply to all SGC casinos.
- 3.2 SIGA will be the proponent on behalf of the FSIN pursuant to this Agreement of casinos in Saskatchewan both on reserves and off reserves.
- 3.3 Subject to subsections 3.5 (e), 3.6(d) and paragraph 3.6 (c)(iv):
- a) the maximum number of SIGA casinos in the province is four; and
  - b) the maximum number of electronic gaming machines that can be located at any one time at all SIGA casinos and VLT sites operated pursuant to this Agreement is the greater of:
    - i) 1,120; or
    - ii) the total number of electronic gaming machines installed at all SGC casinos from time to time.
- 3.4 The Parties acknowledge that, pursuant to the 1995 Framework Agreement, the FSIN has 620 electronic gaming machines, with another 250 machines to be made

available on or about September 1, 2002. An additional 250 machines shall be made available as follows:

- a) 125 machines as soon as reasonably possible; and
- b) 125 machines on or about August 15, 2005, provided that SIGA has achieved "Compliance" in accordance with the Casino Operating Agreement.

3.5 Prior to proceeding with the development of a new SIGA casino site, the FSIN shall:

- a) prepare and present to the Government a specific, detailed proposal for the casino, including a development and market plan, supported by market research evidencing an identifiable viable market, that is consistent with the principles of orderly and phased development of gaming in Saskatchewan;
- b) prior to obtaining the approvals required under subsections (c) or (d), engage in a reasonable community notification and consultation process with respect to the proposed casino for each municipality and First Nations from which approval is required;
- c) in the case of a new casino site proposed to be located on a reserve, obtain:
  - i) the approval of the First Nation of the reserve by means of a resolution passed by the Band Council;
  - ii) if the reserve is substantially surrounded by one municipality, the approval of the council of that municipality by means of a resolution passed by the council; and
  - iii) if a municipality in the vicinity of the reserve will constitute the major market for the proposed casino, the approval of the council of that municipality by means of a resolution passed by the council;
- d) in the case of a new casino site proposed to be located on land other than on a reserve, obtain:



- i) the approval of the council of the municipality in which the casino is proposed to be located, by means of a resolution passed by the council; and
- ii) if a municipality in the vicinity of the proposed casino will constitute the major market for the casino, the approval of the council of that municipality by means of a resolution passed by the council;
- e) notwithstanding Part 13, negotiate with the Government any changes to the limitations imposed by section 3.3; and
- f) obtain the approval of the Government for the specific proposed casino development.

3.6 Notwithstanding section 3.5:

- a) the Parties acknowledge that:
  - i) a referendum held in Saskatoon in 1994 indicated that the people of Saskatoon did not, at that time, support the establishment of a casino in Saskatoon;
  - ii) the Government has no intention of promoting the establishment of a casino in Saskatoon; and
  - iii) any possibility for a future casino development in Saskatoon would depend on community support;
- b) as a consequence of these acknowledgements, with respect to a casino in, or in the vicinity of, Saskatoon:
  - i) for a period of three (3) years from the date of this Agreement, the Government shall only permit the development of a casino by the FSIN; and
  - ii) for a further period of five (5) years thereafter, if the Government receives a proposal for the development of such a casino from any other party, the Government will immediately notify the FSIN of the proposal and its scope and provide the FSIN with time to

- prepare and submit a proposal of its own. The Government will give full, fair and equal consideration to both proposals;
- c) prior to proceeding with the development of a new SIGA casino site, or the expansion of an acquired casino site, in or in the vicinity of Saskatoon, the FSIN shall:
    - i) prepare and present to the Government a specific, detailed proposal for the casino, including market research evidencing an identifiable viable market;
    - ii) prior to obtaining the approvals required under paragraph (iii), participate in a reasonable community notification and consultation process with Saskatoon and any First Nation from which approval is required with respect to the proposed casino;
    - iii) obtain the approval of the Saskatoon City Council, by means of a resolution of the City Council and, in the case of a casino site proposed to be located on a reserve, the approval of the First Nation of the reserve by means of a resolution passed by the Band Council;
    - iv) notwithstanding Part 13, negotiate with the Government any changes to the limitations imposed by section 3.3; and
    - v) obtain the approval of the Government for the specific proposed casino development, which approval will not be unreasonably withheld;
  - d) prior to concluding the acquisition of an existing casino site in Saskatoon and notwithstanding Part 13, the FSIN shall negotiate with the Government any changes to the limitations imposed by section 3.3; and
  - e) a casino is considered to be in, or in the vicinity of, Saskatoon if Saskatoon will constitute the major market for the casino.

3.7 All SIGA casinos shall be operated in accordance with the Casino Operating Agreement.

3.8 The Government agrees that:

- a) it will not permit the establishment of a new casino in a municipality in which a SIGA casino already exists;
- b) before permitting the establishment of a new casino that would have a significant negative impact on a SIGA casino or casinos, it will allow the FSIN an opportunity to present a proposal for a SIGA casino and the Government will give full, fair and equal consideration to both proposals. If the FSIN proposal is not accepted, the Government will provide compensation to the First Nations Trust and the Community Development Corporation associated with that SIGA casino or those SIGA casinos for any shortfall of funds that can be attributed to the new casino; and
- c) where the expansion of any non-SIGA casino has a significant negative impact on any SIGA casino or casinos, the Government will provide compensation to the First Nations Trust and the Community Development Corporation associated with that SIGA casino or those SIGA casinos for any shortfall of funds that can be attributed to the expansion.

3.9 The Parties acknowledge that:

- a) one of the FSIN's primary objectives in this Agreement is the creation of employment opportunities for people of First Nations ancestry; and
- b) through the casinos established pursuant to this Agreement, the FSIN intends to continue providing special employment programs, which have as their object the amelioration of joblessness among people of First Nations ancestry, and which ensure that a substantial majority of casino employees are of First Nations ancestry.

## **PART 4 REVENUE SHARING**

4.1 Commencing with the fiscal year 2002/03, the annual net profits of the SIGA casinos shall be distributed as follows:

- a) the sum of \$1,500,000 shall be allocated to FNARF, through the First Nations Trust, for funding of FNARF's activities relating to problem gambling pursuant to Part 8;
- b) the sum of \$250,000 shall be allocated to the FSIN, through the First Nations Trust, for funding of the FSIN's activities pursuant to Part 2, for each of five fiscal years; and
- c) subject to section 4.2, the balance of the annual net profits shall be distributed as follows:
  - i) 37.5% to the First Nations Trust;
  - ii) 37.5% to the Government; and
  - iii) the remaining 25% shall be attributed for the purposes of ultimate distribution to each casino that made a profit in the fiscal year in the proportion equal to the ratio of the net profits of each casino to the total net profits of all such casinos that made a profit in the fiscal year, and:
    - A) in the case of a casino located on reserve, such proportionate share shall be paid to the Community Development Corporation associated with such casino; or
    - B) in the case of a casino located off reserve, such proportionate share shall be paid to the Community Initiatives Fund established under *The Saskatchewan Gaming Corporation Act*, or a fund with similar purposes designated by the Government.

In the event that a Community Development Corporation has not been established or ceases to operate or is dissolved, the share of the net profits that would otherwise have been distributed to the

Community Development Corporation shall be distributed to the First Nations Trust.

- 4.2 The Government shall, subject to necessary appropriations, pay to Saskatchewan Indian Gaming Licensing Inc. ("SIGL"):
- a) within 14 days following the execution of this Agreement, the amount of \$725,000, being the balance of SIGL's budget requirement for the 2001/02 fiscal year. SIGL shall pay to the FSIN the actual amounts disbursed by FSIN for SIGL during the fiscal year 2001/02 plus associated carrying costs and may keep the remainder for use in its operations; and
  - b) within 14 days following execution of this Agreement and on or before July 1, 2002, October 1, 2002, and January 1, 2003, in equal installments, a base operating budget of \$875,000 for fiscal year 2002/03, plus any other budget amounts for SIGL approved in accordance with the SIGL Regulatory Agreement.

For the fiscal years 2001/02 and 2002/03, the amounts above shall be accounted against SIGA's net profits in determining the distributions for those fiscal years pursuant to section 4.1. Thereafter, funding for SIGL shall be provided in accordance with the provisions of the SIGL Regulatory Agreement and the Casino Operating Agreement.

## **PART 5 FLOW OF FUNDS**

- 5.1 The Parties acknowledge that, pursuant to the Casino Operating Agreement, all of SIGA's annual net profits (with the exception of any profits from licensed games) are to be paid to SLGA.
- 5.2 Subject to section 5.3 and subject to the necessary appropriations being available, the Government shall make grants as follows:
- a) the Government shall estimate the annual net profits of the SIGA casinos for each fiscal year and may pay the estimated amount to the First Nations

Trust and the Community Development Corporations pursuant to section 4.1 for that fiscal year in quarterly payments;

- b) following each fiscal year, the Government shall determine the actual net profits of the SIGA casinos for that fiscal year, and shall either:
  - i) pay any amounts due and owing for that fiscal year to the First Nations Trust and the Community Development Corporations; or
  - ii) withhold any overpayment from future amounts to be paid to the First Nations Trust and the Community Development Corporations, or if unable to withhold, to collect in any other manner permitted by law.

The Parties agree that the Government shall not have any obligations in relation to such grants except to the extent of the net profits actually received by it or SLGA.

- 5.3 The FSIN agrees that, with respect to any amounts which are required by the Casino Operating Agreement to be forwarded by SIGA to SLGA and which are not received by SLGA (the “withheld amounts”), the Government may apply the proportion of the withheld amounts which should have been distributed to the Government or the Community Initiatives Fund against and in satisfaction of amounts which are to be distributed to the First Nations Trust pursuant to subsection 4.1(c).

## **PART 6 FIRST NATIONS TRUST**

- 6.1 The FSIN agrees to establish, as expeditiously as possible, the First Nations Trust in accordance with the Trust Indenture attached as Appendix “A”.
- 6.2 The First Nations Trust shall receive and distribute, in accordance with the Trust Indenture, all revenues payable to the FSIN pursuant to this Agreement and the 1994 Framework Agreement, provided that the Trustees are fulfilling their material obligations in accordance with the Trust Indenture.

- 6.3 Once the First Nations Trust is established, the Government agrees to place expeditiously before the Legislative Assembly of Saskatchewan, legislative proposals to amend *The Saskatchewan Gaming Corporation Act* to allow payments made pursuant to section 9(e) of the 1994 Framework Agreement to be made to the First Nations Trust and to dissolve the First Nations Fund.
- 6.4 Until the First Nations Trust is established under this Part, all sums due to the First Nations Trust under section 4.1 shall be paid to the First Nations Fund.

## **PART 7 COMMUNITY DEVELOPMENT CORPORATIONS**

- 7.1 Host Tribal Councils may establish a Community Development Corporation for each SIGA casino located on a reserve.
- 7.2 The host Tribal Councils and Community Development Corporations for the existing SIGA casinos are as follows:
- a) the Prince Albert Grand Council is the host Tribal Council for the Northern Lights Casino and has incorporated the Northern Lights Community Development Corporation, located in the community of Prince Albert;
  - b) the Battlefords Tribal Council is the host Tribal Council for the Gold Eagle Casino and has incorporated the Gold Eagle Community Development Corporation, located in the Community of North Battleford;
  - c) the Yorkton Tribal Council is the host Tribal Council for the Painted Hand Casino and has incorporated the Painted Hand Community Development Corporation, located in the community of Yorkton; and
  - d) the Southeast Treaty 4 Tribal Council is the host Tribal Council for the Bear Claw Casino and is entitled to incorporate the Bear Claw Community

Development Corporation, to be located in or around the community of Carlyle.

7.3 The FSIN shall, through its Economic and Community Development Commission and the FSIN Legislative Assembly, designate the host Tribal Council for each SIGA casino established after the date of this Agreement.

7.4 The Community Development Corporations shall maintain registration as charitable corporations pursuant to *The Non-profit Corporations Act, 1995*.

7.5 The Community Development Corporations shall distribute funds for the following purposes:

- a) economic development;
- b) social development;
- c) justice initiatives;
- d) educational development;
- e) recreational facilities operation and development;
- f) senior and youth programs;
- g) cultural development;
- h) community infrastructure development and maintenance;
- i) health initiatives;
- j) other charitable purposes.

The Community Development Corporations shall make distributions on a fair and equitable basis among the First Nations organizations and non-First Nations organizations in the communities in which each is located and in the surrounding areas, in the manner solely determined by the board of directors of each Community Development Corporation.

7.6 The board of a Community Development Corporation shall consist of an odd number of directors. The minimum number of directors shall be nine (9). The



host Tribal Council, as the sole member of a Community Development Corporation, shall elect directors so as to ensure that:

- a) a simple majority of the Board shall be representatives of the host Tribal Council;
- b) two directors shall be representatives of other Tribal Councils; and
- c) the remaining directors shall be representatives of the community and/or the surrounding area in which the Community Development Corporation is located.

The Government may appoint one representative as an *ex officio* member of the Board.

- 7.7 For the purposes of section 7.6, the FSIN Economic and Community Development Commission shall periodically review which non-host Tribal Councils and independent First Nations ought to be affiliated with each Community Development Corporation.
- 7.8 A Community Development Corporation may invest any monies not presently required for distribution in accordance with the purpose of the Corporation in any investments consistent with those in which trustees are authorized to invest pursuant to *The Trustee Act* and may dispose of those investments and re-invest the proceeds of disposition in similar investments.
- 7.9 A Community Development Corporation shall hold the funds received pursuant to this Agreement in accounts separate and apart from any other revenues of the Corporation from other sources.
- 7.10 A Community Development Corporation shall appoint an auditor for the Corporation. The appointed auditor shall examine the books and records of the Corporation and determine whether, in the auditor's opinion:

- a) the monies received by the Corporation have been fully accounted for and properly disposed of, and the rules and procedures applied are sufficient to ensure an effective check on the receipt and allocation of the monies received by the Corporation; and
- b) the money expended was for the purposes outlined in section 7.5 of this Agreement.

A Community Development Corporation shall provide the Government with a copy of its audited financial statements and reports under this section upon request.

- 7.11 The fiscal year of a Community Development Corporation will be the period commencing April 1<sup>st</sup> of one year and ending on March 31<sup>st</sup> of the following year.
- 7.12 The Parties shall establish a Standing Committee consisting of an equal number of representatives appointed by the Community Development Corporations and by the Government. The Standing Committee's principal role shall be to facilitate and coordinate communications between the Community Development Corporations and the Government concerning the operation of the Community Development Corporations and the distribution of gaming funds to organizations. To the extent practical, communications relative to the Community Development Corporations shall go through the Standing Committee. The Standing Committee shall meet from time to time as it may decide and shall consider and discuss in good faith issues arising from the operation of the Community Development Corporations.
- 7.13 The articles and bylaws of a Community Development Corporation shall not be inconsistent with this Agreement. Each Community Development Corporation shall receive and distribute all revenues payable to it pursuant to this Agreement, provided that the Community Development Corporation is operating in a manner materially consistent with this Part.

7.14 For the purposes of enforcing its rights under this Agreement, a Community Development Corporation may utilize the dispute resolution process contained in Part 11 as if it were a Party to this Agreement.

## **PART 8 REHABILITATION**

8.1 The FSIN has established FNARF to ensure that effective and accessible education, prevention and treatment programs about problem gambling are available to First Nations people.

8.2 FNARF shall work in conjunction with other First Nation agencies and government agencies in order to ensure the effective delivery of prevention and rehabilitation programs for First Nations people with gambling addictions.

8.3 In accordance with subsection 4.1(a), the Government shall pay \$1,500,000 annually to the First Nations Trust for funding of FNARF activities.

## **PART 9 VLT SITES**

9.1 The FSIN may propose VLT sites on reserves in Saskatchewan.

9.2 For each VLT site proposed by the FSIN, the FSIN shall:

- a) submit a joint request from the proposed site operator and from the First Nation of the reserve on which the VLT site is proposed; and
- b) submit a proposal for the VLT site which is consistent with the existing criteria established by SLGA relating to VLT sites.

9.3 Upon satisfaction of the requirements of section 9.2 for a proposed VLT site, the Government and the FSIN will negotiate in good faith a standard form installation

and operating agreement for a VLT site that will ensure that the requirements of subsection 207(1)(a) of the *Criminal Code* are satisfied with respect to the conduct and management of the gaming operations, and which provides for consistency throughout Saskatchewan of provisions relating to VLT sites.

- 9.4 Upon satisfaction of the requirements of section 9.2 and execution of the installation and operating agreement negotiated under section 9.3 for the proposed VLT site, SLGA shall make the appropriate arrangements to establish the VLT site.
- 9.5 With respect to VLT sites established on reserves pursuant to this Agreement, the value of gross play less winnings resulting from the operation of the video lottery terminals at the VLT sites shall be distributed as follows:
- a) 15% to the Government;
  - b) 15% to the site operator;
  - c) 15% to the First Nation where the VLT site is located; and
  - d) 55% to the First Nations Trust.
- 9.6 The FSIN shall be entitled to use up to 50 of the electronic gaming machines allocated pursuant to subsection 3.3(b) in VLT sites established pursuant to this Part. When the machines are not allocated to VLT sites, they may be used as slot machines at casino sites.
- 9.7 Nothing in this Agreement shall preclude any business located on reserve from applying for video lottery terminals under the provincial VLT program.

## **PART 10 LICENSING OF CHARITABLE LOTTERIES ON RESERVES**

- 10.1 The Parties agree that the restrictions, terms and conditions that apply to licenses for charitable gaming in Saskatchewan should be essentially the same whether

such charitable gaming is conducted on or off reserve, except for such variations as are agreed to be necessary to meet special circumstances existing on reserves.

10.2 The Government agrees to recommend to the Lieutenant Governor in Council that each Gaming Licensing Authority that meets the requirements of section 10.3 be specified, pursuant to subsection 207(1)(b) of the *Criminal Code*, as an exclusive authority to issue licences to charitable and religious organizations to conduct and manage charitable lotteries on reserves in Saskatchewan, provided the proceeds are used for charitable or religious objects or purposes. However, SIGL shall be the only Gaming Licensing Authority entitled to license and regulate licensed games at SIGA casinos.

10.3 Prior to the Government's recommendation to the Lieutenant Governor in Council pursuant to section 10.2, the Government and each Gaming Licensing Authority shall:

- a) enter into a capacity building process related to the performance of the roles and responsibilities of a regulator;
- b) enter into a licensing and regulatory agreement with SLGA regarding the restrictions, terms and conditions that shall attach to licences issued by the Gaming Licensing Authority; and
- c) obtain necessary resolutions to designate a Gaming Licensing Authority as an authority to issue licences to charitable or religious organizations to conduct and manage charitable lotteries on reserves.

The capacity building processes and licensing and regulatory agreements with SLGA shall be substantially similar for each Gaming Licensing Authority.

10.4 A Gaming Licensing Authority shall monitor and enforce compliance with the terms and conditions of licences issued by it and shall be entitled to fix and retain all application and licensing fees relating to such licensing.

- 10.5 The Gaming Licensing Authorities shall maintain registration pursuant to *The Non-profit Corporations Act, 1995*.
- 10.6 The Parties acknowledge the need for an appeal body to hear appeals of a Gaming Licensing Authority's licensing and regulatory decisions. The Parties shall use their best efforts to establish, within two years of the date of execution of this Agreement, an appeal body specifically mandated to hear appeals from a Gaming Licensing Authority's licensing and regulatory decisions. As an interim measure, the Government agrees to place expeditiously before the Legislative Assembly of Saskatchewan, legislative proposals to amend *The Alcohol and Gaming Regulation Act* to allow the Liquor and Gaming Licensing Commission to hear appeals from a Gaming Licensing Authority's licensing and regulatory decisions.

## **PART 11 DISPUTE RESOLUTION PROCESS**

- 11.1 The Parties shall attempt to resolve any dispute that may arise between them involving the interpretation or application of this agreement through good faith consultations.
- 11.2 If the Parties are unable to resolve the dispute through consultations, either Party may, by written notice to the other Party, refer the dispute to mediation pursuant to sections 11.3 to 11.9.

### **Mediation Process**

- 11.3 A mediation under this Part shall be conducted by a mediator agreed to by the Parties.
- 11.4 The mediator shall be independent of each Party.

- 11.5 Both Parties shall attend the mediation at a time and place arranged by the mediator. Each Party shall be represented at the mediation by any person(s) with the background, authority and position appropriate to effectively mediate the dispute. Each Party may also be represented by legal counsel at the mediation.
- 11.6 If the Parties are unable to resolve the dispute through mediation, the mediator shall provide non-binding written recommendations to the Parties within 14 days of the last mediation session unless the Parties agree to extend this time.
- 11.7 Each Party will give substantial weight and due regard to the recommendation of the mediator, however, if resolution cannot be achieved, the Parties shall be entitled to enforce their rights under this Agreement and to seek resolution of such dispute in accordance with remedies and recourses available at law.
- 11.8 The mediation shall be without prejudice and confidential. Except with the written consent of the mediator and each of the Parties, or to enforce a settlement obtained at mediation, the following types of evidence shall not be admissible before any arbitrator or court:
- a) evidence arising from anything said in the course of the mediation;
  - b) evidence of anything said in the course of mediation; or
  - c) evidence of an admission or communication made in the course of a mediation.
- 11.9 The Parties will conduct themselves at all times in the utmost good faith in attempting to resolve any outstanding dispute. Notwithstanding that any attempt to mediate a resolution is on a completely without prejudice basis, evidence of bad faith in regard to the mediation process may be led in any subsequent proceeding for such purposes as may be relevant to the issue of damages or costs occasioned by failure to mediate in good faith.

**PART 12 TERM**

12.1 This Agreement shall be effective for a period of 25 years from the date hereof, upon the expiration of which it shall terminate unless renewed by the Parties.

**PART 13 REVIEW**

13.1 The Parties shall review this Agreement every five (5) years during the Review Period.

13.2 Either Party may raise any matter for discussion and negotiation during the Review Period by providing the other Party with reasonable notice in writing of its intention to do so.

13.3 All provisions of this Agreement shall remain in full force and effect during the Review Period or any other period of negotiation.

13.4 In the event that the Parties are unsuccessful in reaching mutual agreement on amendments to this Agreement during the Review Period, all existing terms and provisions of this Agreement, as amended, will remain in full force and effect.

**PART 14 AMENDMENTS**

14.1 The provisions of this Agreement may be amended from time to time by mutual agreement of the Parties, provided that such amendments will not be in effect until reduced into written form and executed with the same formality as this Agreement.



## **PART 15      ENFORCEMENT**

15.1 After March 31, 2003, if:

- a) a First Nation does not designate a Gaming Licensing Authority as an authority to issue licenses to charitable or religious organizations to conduct and manage charitable lotteries on its reserve; and
- b) unlicensed charitable lotteries are being conducted on the reserves of the First Nation,

the FSIN shall direct the Trustees of the First Nations Trust to not pay or distribute, or permit to be paid or distributed, any money from or through the First Nations Trust to that First Nation.

15.2 If any casino or VLT sites are established or operated on reserves other than pursuant to this Agreement the FSIN:

- a) shall make every effort to ensure such casinos or VLT sites cease to operate; and
- b) shall direct the Trustees to not pay or distribute, or permit to be paid or distributed, any money from or through the First Nations Trust to any First Nation or entity which establishes or operates, or permits the establishment or operation, of such a casino or VLT site.

15.3 Sections 15.1 and 15.2 do not in any way limit the Government's obligation or ability to prosecute under applicable laws.

## **PART 16      TERMINATION**

16.1 Either Party may terminate this Agreement if the other Party fails to perform or observe any term, covenant or agreement contained in this Agreement in any material respect and any such failure remains unremedied for thirty (30) days after the date on which the offending Party receives notice of such failure from the

other Party, or such longer period as may be reasonably regarded as necessary to remedy such failure provided that the offending Party has commenced within a reasonable time and in good faith the remedying of such failure within such thirty (30) day period and thereafter prosecutes to completion with diligence and continuity the remedying of the failure.

- 16.2 In the event that the First Nations jurisdiction or authority to manage or control casinos is recognized by Federal legislation or is finally determined by a Court of competent jurisdiction, either Party shall be entitled to terminate this Agreement by providing no less than ninety (90) days written notice to the other Party.

#### **PART 17 NOTICE PROVISIONS**

- 17.1 The following addresses of the Parties, or such other address as a Party may advise the other in writing, shall serve throughout the term of the Agreement as the appropriate address for service of any notices contemplated under this Agreement or otherwise and shall be deemed to have been received the day following the posting of such notice or other documentation, as the case may be:

- a) FSIN                    200 – 103A Packham Avenue  
Saskatoon, Saskatchewan  
S7N 4K4;
- b) Government        c/o SLGA  
900 – 2500 Victoria Avenue  
Regina, Saskatchewan  
S4P 3X2.

#### **PART 18 SURVIVAL OF PROVISIONS**

- 18.1 The following provisions shall survive the expiration or termination of this Agreement:
- a) section 3.1;

- b) section 4.1 and Part 5, for the purposes of final distribution of net profits;
- c) Part 6;
- d) Part 7;
- e) Part 8;
- f) Part 10;
- g) Part 11;
- h) Part 15, except where termination of the Agreement results under section 16.2;
- i) Part 18; and
- j) Section 20.1.

## **PART 19 INTERPRETATION**

- 19.1 Nothing in this Agreement, including the agreement as to the applicability of any particular law, or the implementation of this Agreement is intended to:
- a) confirm, deny, expand or limit any existing Aboriginal or Treaty Rights or jurisdiction of any First Nations;
  - b) confirm, deny, expand or limit the jurisdiction of the Province of Saskatchewan or the Government of Canada; or
  - c) be used as an interpretive aid or be used or admitted in evidence in a court of law or other tribunal to determine such rights or jurisdiction or the extent thereof.

## **PART 20 MISCELLANEOUS**

- 20.1 The Government will not provide any grants for the purposes of this Agreement except as specifically provided. The Government will not provide any loans or guarantees for the purposes of this Agreement and will not be responsible for any losses incurred through casinos or VLT sites established, developed or operated pursuant to this Agreement.

- 20.2 Subject to and without it in any way affecting or limiting the requirements of sections 3.5 and 3.6, no provision of this Agreement by itself is intended to extend the authority of a municipality or a municipality council.
- 20.3 Headings used in this Agreement are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.
- 20.4 This Agreement shall enure to the benefit of and be binding upon the Parties and their successors.
- 20.5 If a provision of this Agreement is determined to be invalid, illegal or unenforceable as written, such provision shall be enforced to the maximum extent permitted by applicable law, or if a court determines that any provision shall be severed from the Agreement, the remainder of the Agreement shall remain in full force and effect.
- 20.6 Time shall in all respects be of the essence provided, however, that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing.

**IN WITNESS WHEREOF** the Parties have duly executed this Agreement as of the date first above written.

Her Majesty the Queen in right of the  
Province of Saskatchewan

By: 

The Federation of Saskatchewan Indian  
Nations

By: 

**APPENDIX "A"**

THIS TRUST INDENTURE made this \_\_\_ day of \_\_\_\_\_, 2002.

BETWEEN:

**FEDERATION OF SASKATCHEWAN INDIAN NATIONS**

(the "FSIN")

OF THE FIRST PART

AND:

(the "Trustees")

OF THE SECOND PART

**WHEREAS** the FSIN and the Government of Saskatchewan (the "Government") entered into the 2002 Framework Agreement which provided for a distribution of net profits from casinos developed and operated under the Framework Agreement;

**AND WHEREAS** the 2002 Framework Agreement provides for the establishment and designation of a trust fund by FSIN for the purpose of receiving monies distributed under the Framework Agreement;

**AND WHEREAS** the FSIN is desirous of hereby establishing and designating the trust established herein for the purpose of receiving monies distributed under the Framework Agreement;

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

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

**1. NAME OF TRUST**

1.01 The Trust created by this Indenture shall be known as the First Nations Trust.

**2. TRUST PROPERTY**

2.01 The Trust Property, as that term is used herein, shall consist of the monies distributed to the Trust pursuant to, among other things, the 2002 Framework Agreement, the 1994 Framework Agreement and the Casino Operating Agreement, and accumulated income thereon (if any) from time to time including, *inter alia*, monies invested by the Trustees pursuant to the terms hereof.

2.02 The Trust cannot be revoked by the FSIN.

2.03 The Trustees shall hold and use the Trust Property for the benefit of the Beneficiaries subject to the terms of this Trust Indenture and all obligations of a Trustee, whether at common law or statute.

2.04 All beneficial right, title, interest and benefit in and to the Trust Property shall vest in the Beneficiaries subject to the terms of this Trust Indenture.

2.05 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 Agreement.

2.06 The mailing address and head office of the Trust shall at all times be on an Indian reserve and all managerial and administrative functions of the Trust shall be performed on an Indian reserve.

### 3. DEFINITIONS

3.01 In this Trust Indenture, the following terms shall have the following meanings, namely:

- (a) “2002 Framework Agreement” means the Framework Agreement entered into between the Government and FSIN on the \_\_\_ day of \_\_\_\_\_, 2002;
- (b) “Beneficiary” means a First Nation, an Indian Band or the Federation of Saskatchewan Indians Nations;
- (c) “Casino Operating Agreement” means the operating agreement entered into between SIGA and SLGA;
- (d) “Chief and Council” with respect to any First Nation means “council of the band” as that term is defined in the *Indian Act*, and for greater certainty includes the Chief thereof;
- (e) “elected Indian government office” means an elected position at the First Nation, Tribal Council, Agency Council, Grand Council or FSIN level namely: Chief, Councillor, or their equivalent, Tribal Council Representative or their equivalent, FSIN Chief and FSIN Vice-Chief;

- (f) “First Nations Fund” means the First Nations Fund established by *The Saskatchewan Gaming Corporation Act* in effect as of the date of signing of this Trust Indenture;
- (g) “Fiscal Year” means the period April 1 to March 31 in the following year;
- (h) “First Nation” means a tribe of Indians that is a signatory to the *FSIN Convention* or a “band” as defined in the *Indian Act*;
- (i) “First Nations people” means the members of Indian Bands and First Nations;
- (j) “FSIN ECDC” means the Economic and Community Development Commission of the FSIN or its successors;
- (k) “Indian Band” means a “band” as defined in the *Indian Act*;
- (l) “SIGA” means the Saskatchewan Indian Gaming Authority Inc.;
- (m) “SGC” means the Saskatchewan Gaming Corporation established pursuant to *The Saskatchewan Gaming Corporation Act*;
- (n) “SLGA” means the Liquor and Gaming Authority referred to in *The Alcohol and Gaming Regulation Act*;
- (o) “Trust” means the First Nations Trust established by this Trust Indenture; and
- (p) “Trustees” means the Trustees for the time being whether original, additional or substituted.

#### **4. PURPOSE OF THE TRUST**

4.01 The purpose of this Trust is to effect the distribution of the monies due to First Nations from, *inter alia*, the profits from SIGA casinos and SGC casinos.



## **5. DISTRIBUTION OF TRUST PROPERTY**

5.01 The Trustees shall, and they hereby agree, to hold the Trust Property in trust and may make payments from the Trust for the following purposes for First Nations and First Nations people:

- (a) economic development;
- (b) social programs;
- (c) justice initiatives;
- (d) education and education facilities;
- (e) the development and operation of recreational facilities;
- (f) senior and youth programs;
- (g) cultural and spiritual development;
- (h) the development and maintenance of community infrastructure;
- (i) health initiatives;
- (j) governance activities;
- (k) Treaty protection; and
- (l) any other charitable purpose.

## **6. NUMBER, APPOINTMENT AND REPLACEMENT OF TRUSTEES**

6.01 Except during a vacancy, there shall at all times be seven (7) Trustees.

6.02 The selection of Trustees will be as follows:

- (a) A majority of the Trustees shall be status Indians who reside on reserve;
- (b) Each Trustee, shall:
  - (i) have attained at least the age of eighteen years as of the date of his or her appointment;

- (ii) not have been declared to be mentally incompetent by a court of competent jurisdiction in Canada or elsewhere;
- (iii) not have been convicted of an offence, involving fraud, dishonesty, breach of trust, theft or forgery;
- (iv) not hold elected Indian government office as of the date of his or her appointment;
- (v) be bondable; and
- (vi) have education or business experience, or a combination of both, suitable to being a Trustee.

6.03 The FSIN Legislative Assembly shall appoint the Trustees in accordance with the following procedure:

- (a) The FSIN ECDC shall solicit applications from individuals who want to be considered for the position of Trustee;
- (b) Potential candidates shall provide the following information to the FSIN ECDC:
  - (i) a statement of his or her qualifications;
  - (ii) a statement that he or she would be eligible for bonding;
  - (iii) if the potential candidate holds elected Indian government office, a written statement that, if selected as a Trustee, he or she will resign his or her elected position; and
  - (iv) any other information requested by the FSIN ECDC.
- (c) The FSIN ECDC shall consider the above information and make the selection of the Trustee or Trustees such that, at all times, at least four (4) of the Trustees shall reside on reserve;
- (d) For the initial Trustees, the FSIN ECDC shall also determine which of the Trustees selected shall have terms of three years and which shall have terms of four years; and

- (e) The FSIN ECDC shall advise the FSIN Legislative Assembly of the selections and recommend that the FSIN Legislative Assembly appoint the selections by resolution.

6.04 The initial Trustees shall serve their term commencing on the signing of this Agreement as follows:

- (a) The first four Trustees selected namely \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ shall serve for a term of four (4) years;
- (b) The next three Trustees selected namely \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ shall serve a term of three (3) years; and
- (c) After the terms of the initial Trustees are completed, the term for all subsequent Trustees shall be for three years.

6.05 A Trustee shall, on being appointed a 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 Indenture 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 Indenture.

6.06 Subject to section 6.07, a Trustee, on being appointed a Trustee, shall obtain and at all times maintain in favour of the Trust, a fidelity bond from a surety company in an amount acceptable to the FSIN Legislative Assembly for the true and faithful performance of the Trustee's obligations under this Agreement.

6.07 The FSIN Legislative Assembly, in its discretion, may by resolution:

- (a) establish the amount of the fidelity bond provided for in section 6.06; or

- (b) waive the requirement that a Trustee obtain and maintain a fidelity bond as required by section 6.06.

6.08 All Trustees upon being appointed as a Trustee shall participate in training to allow them to fully understand and fulfill their obligations under this Trust Indenture.

6.09 A Trustee shall hold office until:

- (a) his or her term expires and he or she is replaced by resolution of the FSIN Legislative Assembly;
- (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 two 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) provide the fidelity bond in accordance with section 5.06 within 30 days of assuming office provided section 5.07 does not apply;
  - (iii) disclose his or her interest in a contract in accordance with subsection 10.01(a) or votes on any resolution contrary to subsection 10.01(c); or
  - (iv) fulfill his or her obligations and duties under and in accordance with this Trust Indenture;

- (j) he or she moves off reserve and is no longer residing on reserve and as a result a majority of the Trustees no longer reside on reserve. The Trustee or those Trustees who have moved off reserve shall be deemed to have resigned as a Trustee or as Trustees and shall immediately be replaced with a new Trustee(s) who resides on reserve; or
- (k) he or she is elected to hold elected Indian government office.

6.10 If a Trustee fails to materially fulfill his or her obligations or duties pursuant to the Trust Indenture or otherwise ceases to be qualified to be a Trustee, the FSIN Legislative Assembly may remove the Trustee by resolution.

6.11 Where a vacancy amongst the Trustees occurs, other than from the expiration of a term, the vacancy shall be filled by the FSIN Legislative Assembly as soon as reasonably possible. The Trustee appointed to fill the vacancy shall hold office for a term equal to the unexpired term of the former Trustee.

## **7. CONDUCT OF MEETINGS**

7.01 The Trustees shall meet at least quarterly 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, with each Trustee to be present in person, or attending by telephone or other communication facility which permits each Trustee to communicate with all other Trustees at the meeting;
- (b) the FSIN Legislative Assembly shall appoint a chairperson from among the Trustees;

- (c) except as specifically otherwise provided or required herein, all decisions and actions of Trustees shall be in accordance with the majority vote of the Trustees at the meeting;
- (d) in case of a tie, the chairperson shall cast the deciding vote;
- (e) meetings of the Trustees shall be held at such place or places within Saskatchewan as the chairperson may determine and wherever possible shall be held on an Indian reserve; and
- (f) minutes of decisions taken at all Trustees' meetings shall be recorded and such record shall be circulated to and signed by the Trustees taking part in the meeting.

## **8. POWERS AND AUTHORITIES OF THE 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 make or retain and subsequently dispose of any investment or investments that they consider advisable in the form of investments in which Trustees are authorized to invest trust funds under the laws of the Province of Saskatchewan and the Trustees shall not be responsible for any loss which may be occasioned by reason of the making of such investments or the retention of the same;

- (b) to register any Trust Property in the names of their nominees or in their own names or to hold the same unregistered or in any such form that title shall pass by delivery, but without thereby increasing or decreasing their liability as Trustees;
- (c) to make any payments, provisions, apportionments, or distributions which may be required under the terms of this Trust Indenture in whole or in part in monies, securities or other property comprising the Trust Property, and every apportionment and distribution, and valuation therefore, which in the discretion of the Trustees shall seem equitable, shall be final, conclusive and binding upon all persons interested hereunder;
- (d) the Trustees may, in their absolute discretion, pay or allocate any amount or amounts, either income or capital to or for the benefit of any one or more of the Beneficiaries or for the benefit of First Nations people, at such time or times, in such proportions, and in such manner as the Trustees, in their absolute discretion, shall determine, provided at all times that any payment made by the Trustees is made for a purpose or purposes as set out in section 5.01. In making any such payments, the Trustees may, in their absolute discretion, completely exclude any one or more of the Beneficiaries. The only exception to the absolute discretion conferred upon the Trustees in this subsection is where the FSIN Legislative Assembly has, by resolution of two-thirds of the Chiefs who voted on the resolution, directed the Trustees to either make any payment that is consistent with the provisions of section 5.01 or to exclude or withhold payment from any one or more of the Beneficiaries provided such exclusion or withholding is in accordance with the FSIN's obligations under the 2002 Framework Agreement. Except as may be otherwise provided, where a discretion is conferred on the Trustees under this subsection, such discretion shall be absolute;

- (e) the Trustees shall accumulate any amount or amounts of net annual income derived from the Trust Property and not paid or otherwise distributed to or for the benefit of any one or more of the Beneficiaries and shall add such amount or amounts to the capital of the Trust Property;
- (f) to waive or agree to waive, in whole or in part, unpaid accrued interest, or accumulated dividends of any investment which may be held by them at any time, or to release any person, firm, company or corporation from any obligation to the Trust, with or without compensation;
- (g) 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;
- (h) to open and operate such bank account or bank accounts as may be expedient in the opinion of the Trustees and to deposit any cash balances in the hands of the Trustees at any time in any credit union, chartered bank or trust company located on an Indian reserve, and for the purposes of the Trust, 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 and to enter into contracts or agreements of any nature or kind, with such credit union, bank or trust company and for such purposes the signatures of that Trustee or those Trustees designated by all of the Trustees in writing, as Trustees, and not in their personal capacity, shall be valid and binding upon the Trust, and all such forms as may be required to open bank accounts, operate same and related matters, shall be completed in the required manner and on the forms required by



such credit union, bank or trust company, and to designate any Trustee or Trustees or any other person or persons as the signing authority for any such accounts opened by the Trustees;

- (i) 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 without any liability for any neglect, omission, misconduct or default of any such employed person, provided he or she was selected and retained with reasonable care;
- (j) as required by section 9.08 of this Agreement, to engage and pay from the Trust Property for the services of a qualified independent auditor to issue an audit report;
- (k) to institute, prosecute and defend any suits or actions or other proceedings affecting them or the Trust Property or any part thereof, to compromise or settle any matter of difference or to submit any such matters to arbitration, to compromise or compound any debts owing to or by the Trust upon evidence that to them as shall seem sufficient;
- (l) 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 Saskatchewan, and such exercise of discretion by the Trustees shall be conclusive and binding; and

- (m) to exercise any powers and authorities, take any actions available to and act as the successor to the Trustees of the First Nations Fund once the First Nations Fund has been dissolved.

## **9. DUTIES OF TRUSTEES**

- 9.01 The Trustees, in consultation with the FSIN Legislative Assembly, shall develop and maintain a fair and equitable method of allocating money pursuant to this Trust.
- 9.02 The Trustees shall comply with any direction given to them by the FSIN Legislative Assembly pursuant to subsection 8.01(d).
- 9.03 The Trustees shall make any payment required pursuant to the 2002 Framework Agreement.
- 9.04 The Trustees shall ensure that any payment made from the Trust is made on the condition that the money be used only for the purposes outlined in section 5.01.
- 9.05 The Trustees shall develop and maintain rules and procedures as set out below to ensure that payments made from the Trust are used for the purposes outlined in section 5.01.
- 9.06 The Trustees shall require recipients of payments from the Trust to provide yearly, a report that demonstrates to the Trustees that all money received from the Trust was used for the purposes outlined in section 5.01.

9.07 The Trustees shall maintain adequate records of all transactions affecting the Trust Property and shall cause to be prepared for each fiscal year audited financial statements prepared in accordance with generally accepted accounting principles, consistently applied.

9.08 The Trustees shall appoint a qualified independent auditor who is a member in good standing of a nationally recognized professional accounting association and who is acceptable to the Trustees, the FSIN and the Government, who shall examine the books and records of the Trust and:

(a) determine whether, in the auditor's opinion, the monies received by the trust have been fully accounted for and properly disposed of, and the rules and procedures applied are sufficient to ensure an effective check on the receipt and allocation of the monies received by the Trust;

(b) determine whether, in the auditor's opinion, the money expended was for the purposes outlined in section 5.01; and

(c) provide a written report on the financial statements for each fiscal year to the Trustees within one hundred and twenty (120) days of the end of each such fiscal year.

9.09 The Trustees shall prepare an annual report on the activities of the Trust which report shall include copies of the audited financial statements of the Trust, a statement of risk management practices of the Trustees and a report on compliance with such practices, a list of all recipients who received monies from the Trust in the previous fiscal year and the amount each recipient received.

9.10 The Trustees shall provide to each Beneficiary:

- (a) a copy of the annual report;
- (b) a copy of the annual audited financial statements;
- (c) such other reports as may be reasonably requested by the Beneficiary;
- (d) a copy of the minutes of each meeting of the Trustees upon request of the Beneficiary; and
- (e) a copy of all ledgers, registers and documents or recordings of transactions affecting the Trust Property as and when requested by the Beneficiary.

9.11 The Trustees shall provide to the FSIN Legislative Assembly:

- (a) a copy of the annual report;
- (b) a copy of the annual audited financial statements; and
- (c) such other reports as may be reasonably requested by the FSIN Legislative Assembly.

9.12 The Trustees shall provide to the Government or its agent:

- (a) a copy of the management letter issued by the auditor for each audit and the response to the management letter;
- (b) a copy of the audited financial statements;
- (c) a copy of the annual report within thirty (30) days following the issuance of the report;
- (d) a copy of reports prepared pursuant to section 9.08 upon request; and
- (e) access to documents that are submitted by the Beneficiaries and are available to the Trust Auditor in completing the reports. For greater certainty, this provision is not intended to provide the Government or its agent with access to the financial

books or records of First Nations or Indian Bands except as specifically provided in this Trust Indenture.

## **10. CONFLICT OF INTEREST**

10.01 (a) A Trustee who:

- (i) is a party to a material contract, or proposed material contract of the Trustees entered into or to be entered into in accordance with the terms and conditions of this Trust Indenture; or
- (ii) 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 Trustees entered into or to be entered into in accordance with the terms and conditions of this Trust Indenture;

shall disclose in writing to the other Trustees, or shall request to have entered in the minutes of meetings of Trustees, the nature and extent of such Trustee's relationship and extent of his or her interest.

(b) The disclosure required of a Trustee by subsection 11.01(a) of this Trust Indenture shall be made:

- (i) at the meeting at which a proposed material contract is first considered by the Trustees;
- (ii) if the Trustee was not then interested in a proposed material contract, at the first meeting after he or she becomes so interested;
- (iii) if the Trustee becomes interested after a material contract is made, at the first meeting after he or she becomes so interested; or

- (iv) 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 as Trustee.
- (c) A Trustee described in subsection 11.01(a) of this Trust Indenture shall not take part in discussions or deliberations concerning any such material contract and shall not vote on any resolution to approve the same.
- (d) For purposes of this section a general notice to the Trustees 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.
- (e) A material contract is neither void nor voidable by reason of a relationship contemplated in subsection 11.01(a) or by reason only that a 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 11.01(b) or 11.01(d), as the case may be, the material contract was approved by the Trustees and was reasonable and fair at the time the same was approved.

## **11. REPRESENTATIVE OF BENEFICIARIES**

11.01 The then current Chief and Council of a particular First Nation shall have the exclusive authority to represent, or act on behalf of the particular First Nation with respect to the beneficial interest of that First Nation in the Trust, including in particular the right of that First Nation to any income or capital allocated to that First Nation.

## **12. LIABILITY OF TRUSTEES**

12.01 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, their nominees and their successors.

## **13. AMENDMENT**

13.01 The Trustees may amend this Trust Indenture, in writing with the written consent of the FSIN and the Government.

## **14. REMUNERATION**

14.01 The Trustees shall be entitled to compensation from the Trust Property at the *per diem* rate determined from time to time by the Treasury Board of the FSIN together with reimbursement of reasonable travel and accommodation expenses.

## **15. OTHER PROVISIONS**

- 15.01 In the event that a court of law having proper jurisdiction should ultimately determine that the designation of any one or more of the Beneficiaries as a Beneficiary under this Trust Indenture is void for any reason including by operation of law, then the Trust constituted herein shall not be void but rather shall continue for the benefit of the remaining Beneficiaries.
- 15.02 In the event that the Trust herein created should fail or be found to be void for any reason, all Trust Property, and all income earned thereon, shall revert to the FSIN in trust for the Beneficiaries.
- 15.03 The term of the Trust shall commence on the date of execution of this Trust Indenture and shall terminate twenty (20) years after the death of the last surviving descendant of Her Majesty, Queen Elizabeth II, now living, on which date the Trustees shall pay or transfer the whole of the Trust Property then remaining in the hands of the Trustees to or for the benefit of the Beneficiaries with the Trustees to have the discretion to determine which Beneficiaries shall receive which amounts including the discretion to completely exclude any one or more of the Beneficiaries from the distribution of Trust Property with the Trustees' discretion in this respect to be limited only as otherwise provided herein.
- 15.04 The headings are inserted solely for convenience and shall not control or affect the meaning or construction of any part of this Trust Indenture.



15.05 This Trust Indenture shall in all respects be interpreted and construed under and governed by the laws of the Province of Saskatchewan 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 Indenture shall be within Saskatchewan.

**IN WITNESS WHEREOF** FSIN has affixed its seal by the hands of its proper officers.

**FEDERATION OF SASKATCHEWAN INDIAN NATIONS**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "A"**

**TRUSTEE'S UNDERTAKING**

I, \_\_\_\_\_ of the \_\_\_\_\_ of \_\_\_\_\_ appointed as a Trustee of the First Nations Trust accept the obligations and duties as a Trustee and will observe and carry out those obligations and duties in accordance with the Trust Indenture and I agree to become a party to and be bound by the provisions of the Trust Indenture.

I acknowledge that I owe a duty, jointly and severally with the other Trustees, to the Beneficiaries 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 Indenture 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 Indenture.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Witness

\_\_\_\_\_

Signature of Trustee

\_\_\_\_\_

Print name of Trustee