

**EXECUTIVE SUMMARY OF THE
BLOOD TRIBE TREATY CATTLE CLAIM LONG TERM
INVESTMENT TRUST AGREEMENT**

Disclaimer:

This Executive Summary is intended to be used for explanatory and information purposes only and is not intended to form part of the Trust Agreement, be a legal document or serve as legal interpretation of the Trust Agreement.

OVERVIEW

This document summarizes the terms and conditions of the Blood Tribe Treaty Cattle Claim Long Term Investment Trust Agreement.

The Blood Tribe Council encourages all
Members of the Blood Tribe
to review the Trust Agreement and to
attend and participate in the
Virtual Information Meeting
August 18, 2021

The Ratification Vote will take place:

Electronic Voting: September 14 and 15, 2021

In Person Voting: September 16, 2021

Only eligible Voters of the Blood Tribe may participate in the Ratification Vote.

Eligible Voters are those Members of the Blood Tribe who are 21 years of age or older on the day the Ratification Vote is held and whose names appear on the membership list in accordance with the *Blood Tribe Membership Code, 2000*.

SUMMARY OF THE BLOOD TRIBE TREATY CATTLE CLAIM LONG TERM INVESTMENT TRUST AGREEMENT

BETWEEN BLOOD TRIBE COUNCIL – AND – THE TRUSTEES

INTRODUCTION

- The purpose of the Trust Agreement is to establish a trust to receive and manage the Compensation paid by Canada to the Blood Tribe pursuant to the Blood Tribe Treaty Entitlement Cattle Specific Claim Settlement Agreement (“Settlement Agreement”).
- The Beneficiary of the trust is the Blood Tribe.

PARTIES

- The Parties to the Trust Agreement are the Blood Tribe, as represented by Blood Tribe Council, and the Trustees, individuals who will be appointed.

PREAMBLE

- The Preamble to the Trust Agreement sets out that the Blood Tribe and Canada entered into the Settlement Agreement to settle the Blood Tribe Treaty Entitlement Cattle Specific Claim.
- It also sets out that pursuant to the Settlement Agreement, Canada paid Compensation to the Blood Tribe in the amount of \$150 Million less loan funding of \$157,450 and the Compensation will be held in trust.
- It further sets out that the Blood Tribe desires to establish a trust, to be known as the **BLOOD TRIBE TREATY CATTLE CLAIM LONG TERM INVESTMENT TRUST**, (the “Trust”) to receive and manage the Compensation paid by Canada to the Blood Tribe pursuant to the Settlement Agreement for the benefit of the Blood Tribe.

ARTICLE 1 – DEFINITIONS

- The Trust Agreement contains a series of defined terms which have been used throughout the Agreement, including:
 - Annual Income means all income arising from the Trust Property in a year, for example this could include interest earned on an investment;
 - Annual Payment means a payment that may be made from the Long Term Investment Fund to the Blood Tribe on an annual basis in accordance with the plan for the investment, use and distribution of the income and capital of the Long Term Investment Fund as developed by the Trustees and approved by Council;
 - Authorized Expenses means all expenses reasonably incurred by the Trustees subject to the approval by Council.
 - Authorized Investments means those investments that are made as governed by the Prudent Investor Rule as implemented in the Trustee Act of Alberta, with a primary objective to preserve the value of the Trust Property and invest with a view to obtaining a reasonable return while avoiding undue risk;
 - Beneficiary means the Blood Tribe;
 - Blood Tribe Member means a person whose name appears on the Blood Tribe Membership List;
 - Long Term Investment Fund means a fund that has the purpose of benefiting future generations of Blood Tribe Members that will retain the original amount as well as the opportunity to have a reasonable rate of return.
 - Net Annual Income is the income earned from the Trust Property less authorized expenses;
 - Remaining Capital means the Capital of the Compensation that remains after the Initial Distribution has been made and the Long Term Investment Fund set aside.

ARTICLE 2 – ESTABLISHMENT OF TRUST

- The Trust is established pursuant to the terms of the Trust Agreement and upon the deposit of the Compensation paid by Canada to the Blood Tribe into the Trust Account.

- The Trustees agree to accept and hold the Trust Property (the Compensation) in trust for the Blood Tribe subject to the terms set out in the Trust Agreement.
- The Trust is irrevocable and the terms can only be amended as set out in the Trust Agreement.

ARTICLE 3 – TRUSTEE MEETINGS AND DECISIONS

- The Trustees must have a simple majority to make a decision.

ARTICLE 4 – PROTECTION AND USE OF THE PROPERTY

- The Trustees are required to protect and manage the Trust Property for the long term use and benefit of the Blood Tribe Members and the terms of the Trust Agreement must be followed and can only be used for the following purposes:
 - The initial distribution which includes the payment of costs and the per capita distribution;
 - For capital projects or contributions to capital projects as specified in the Agreement;
 - For Infrastructure or assets as specified in the Agreement;
 - To pay authorized expenses;
 - To distribute the Net Annual Income as specified in the Agreement; and
 - To establish and administer the Long Term Investment Fund.

ARTICLE 5 – DISTRIBUTION OF TRUST PROPERTY

- **Initial Distribution** – upon receipt of the Compensation the Trustees shall immediately make an initial distribution to the Blood Tribe as follows:
 - The payment of a maximum of **Four Hundred Fifty Thousand Dollars (\$450,000.00)** for reimbursement of costs incurred by the Blood Tribe to conclude negotiations with Canada on the Settlement Agreement and costs incurred to hold the Ratification Vote;
 - The payment of a sum equal to a per capita payment of \$3000 for each Blood Tribe Member registered or who has made an application and is eligible to be registered at the date of the distribution; and
 - The payment of the administration costs for the initial per capita distribution.

- Payment to Blood Tribe Economic Development for the purpose of the payout of mortgage on the Kainai Market Place in the maximum amount of **Two Million Two Hundred Thousand Dollars (\$2,200,000.00)**;
- Payment to Blood Tribe Public Works for the purchase of four snow blowers in the amount of \$600,000 each for a total of **Two Million Four Hundred Thousand Dollars (\$2,400,000.00)**;
- **Long Term Investment Fund: Twenty-five Million Dollars (\$25,000,000.00)** of the Capital shall be contributed to a Long Term Investment Fund. The Trustees will be required to develop a plan for the investment, use and distribution of the income and the capital of the Long Term Investment Fund and to bring the plan to Council for approval within one year of receiving the Compensation. The use of the Long Term Investment Fund will be limited to specific circumstances taking into consideration that the fund is intended for the long term use and benefit of future generations and that the fund will continue to increase.
- **Distribution of Capital** – after the initial distribution and the setting aside of the Long Term Investment Fund the Trustees shall hold the remainder of the Trust Property for the exclusive benefit of the Blood Tribe as follows:
 - **Contributions to Capital Projects:** A portion of the compensation monies shall be allocated to capital projects or contributions to capital projects which will be or are located on the Blood Reserve and used for the benefit of Blood Tribe Members, including but not limited to the following projects which will be owned by the Blood Tribe, either directly or through a Blood Tribe entity:
 - An additional contribution to the hockey rink;
 - Multifamily Townhouses and/or Apartments;
 - A Funeral Parlour;
 - Homeless Shelters in Moses Lake and in Stand Off;
 - Contribution to a new building for Blood Tribe Social Development;
 - New Community Hall for Levern Community;
 - Upgrades to existing Community Halls; and
 - Contribution to a new building for the Blood Tribe Police Service.
 - **Infrastructure or Assets:** A portion of the compensation monies shall be allocated to Infrastructure or the purchase of Assets on the Blood Reserve for the use and benefit of Blood Tribe Members, including but not limited to the following:
 - Concrete Skateboard Parks in three communities of Stand Off, Levern and Moses Lake;
 - Community Play Grounds in Stand Off, Levern and Moses Lake;

- Community Water Parks in Stand Off, Lavern and Moses Lake;
 - Community Walking Paths in Stand Off, Lavern and Moses Lake;
 - Community Outdoor Track and/or Soccer Field for Stand Off, Lavern and Moses Lake;
 - Urgent Care Centre/Dialysis Machines;
 - Contribution to Upgrades to Red Crow Park Arbour and Grounds/RV Hookups/Community Hall-Handgame Building;
 - Contribution to Upgrade of Red Crow Park Rodeo Grounds;
 - Contribution to upgrades and new internet system;
 - Enhancement of Stand Off Townsite;
 - Contribution to Public Works for Water Infrastructure/Waterlines; and
 - Contribution to the purchase of the old Blood Tribe Reserve School Bus Co-op Building and the return of the use and occupation of the lands that it is situated on;
 - Upgrades to Lavern and Moses Lake Ball Diamonds; and
 - New Ball Diamonds in Stand Off.
- The Trustees may pay or transfer to or for the benefit of the Blood Tribe, any amount or amounts of the capital of the Trust Property, as the Trustees determine is for the purpose of contributing to a Capital Project, Infrastructure or Assets (“proposed project”) as set out above, or comparable projects that are reasonable and approved and requested by Council and meet the criteria set out in the Trust Agreement.
 - **Distribution of Income** – Until the Termination Date, the Trustees shall pay the net annual income (excluding the net annual income from the Long Term Investment Fund) to the Blood Tribe Distribution Account each year for the purpose of a per capita payment to Blood Tribe Members.

ARTICLE 6 – POWERS OF TRUSTEES

- The Trustees are authorized to:
 - Appoint a Financial Institution in which to deposit the Trust Property;
 - Sign any documents required by the Financial Institution;
 - Invest in Authorized Investments;
 - Retain, dismiss and replace independent advisors to assist the Trustees in carrying out their responsibilities and obligations under the Trust Agreement;
 - Retain, dismiss or replace any employees to assist them in carrying out their responsibilities and obligations under the Trust Agreement;

- Institute, defend and prosecute any actions as necessary in order to preserve or protect the Trust Property; and
- Make rules, policies and guidelines to govern their own administrative procedures provided such rules, policies and guidelines are not inconsistent with the Trust Agreement or any laws that govern Trustees generally.
- Pay Authorized Expenses in accordance with a budget approved annually by the Blood Tribe Council that includes all anticipated expenses for managing and administering the Trust Property for that fiscal year.

ARTICLE 7 – DUTIES OF TRUSTEES

- The Trustees shall do whatever is legally possible to ensure that any Annual Income is protected from taxation;
- The Trustees shall maintain records of all transactions affecting the Trust Property and report to the Blood Tribe annually on the administration and status of the Trust Property and attend meetings of Blood Tribe Council and meetings of Blood Tribe Members when requested by Council.
- The Trustees shall have financial statements prepared in each fiscal year.
- The Trustees shall have the financial statements audited by an independent auditor who shall provide a written report to the Trustees and Blood Tribe Council upon completion of the audit.
- The Trustees shall provide Blood Tribe Council with a copy of the audited financial statements upon completion.

ARTICLE 8 – TRUSTEES

- There shall be a minimum of 5 Trustees and a maximum of 7 Trustees; 4 shall be from Blood Tribe Council and 1 to 3 Trustees shall be Independent Trustees (a non-Blood Tribe Member with specific skills that will contribute to and be a benefit in the management and administration of the Trust Property)
- Council shall appoint the first Trustees to be the original Trustees to serve the period of time remaining in Council's term when the Trust is created and after that, new Trustees will be appointed within 3 months of each new Blood Tribe Council term.
- The following persons cannot be Trustees:
 - Anyone under 21 years of age;

- Anyone who is mentally incompetent;
 - Anyone who has the status of bankrupt; or
 - Anyone who has been convicted of an indictable offence under the Criminal Code (Canada)
- Trustees can be reappointed for a total of 3 consecutive terms.

ARTICLE 9 – REPLACEMENT AND RETIREMENT OF TRUSTEES

- A Trustee shall serve until
 - He/she dies or resigns;
 - He/she becomes disqualified;
 - His/her term expires and a successor Trustee is appointed; or
 - He/she fails to attend 3 consecutive Trustees meetings without legitimate cause.
- If a vacancy occurs among the Trustees and the minimum number of Trustees is not met, Blood Tribe Council will appoint a replacement Trustee to serve the remainder of the vacated office.

ARTICLE 10 – CONFLICT OF INTEREST

- This section sets out rules regarding conflict of interest and requires a Trustee to disclose any conflict of interest in writing and prohibits that Trustee from participating in any discussions regarding the matter to which they are in a conflict.

ARTICLE 11 – LIABILITIES OF TRUSTEES

- A Trustee shall not be liable for any loss or damage resulting from the exercise of his/her discretion or any loss of the Trust Property, provided he/she was acting:
 - Honestly and in good faith;
 - Exercised the care and skill of a reasonably prudent person; and
 - Did not act for his/her own personal benefit

ARTICLE 12 – AMENDMENTS

- The Trust Agreement provisions, except the Initial Distribution of Trust Property for the purpose of reimbursing costs and the per capita payment, may be amended by written agreement between Blood Tribe Council and the Trustees; **however**

such amendments will not take effect until approved by the eligible Voters of the Blood Tribe.

ARTICLE 13 – DURATION AND TERMINATION OF THE TRUST

- The Trust is intended for the long term use and benefit of the Blood Tribe and therefore it is not intended to terminate as long as there are any Blood Tribe members alive. The Long Term Investment Fund is intended to continue to be invested and to generate income for future generations of Blood Tribe Members.