

**DEED OF TRUST
ESTABLISHING
THE COAST SUSTAINABILITY TRUST**

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THE COAST SUSTAINABILITY TRUST

This Deed of Trust is made as of March _____, 2002.

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE
OF BRITISH COLUMBIA, as represented by the minister
responsible for crown land use planning, which minister is
currently the Minister of Sustainable Resource Management

(hereinafter referred to as the "Province")

AND

THE BANK OF NOVA SCOTIA TRUST COMPANY

(hereinafter referred to as the "Initial Trustee").

WHEREAS the Province is a signatory to a Framework Agreement (hereinafter referred to as the "2001 Framework Agreement") dated as of April 4, 2001 and a Memorandum of Understanding (hereinafter referred to as the "2001 MOU") dated April 12, 2001;

AND WHEREAS the 2001 Framework Agreement and the 2001 MOU contemplate the establishment of a trust;

AND WHEREAS the Province wishes to cause the establishment of the trust described in this Deed of Trust as the trust contemplated by the 2001 Framework Agreement and the 2001 MOU;

NOW THEREFORE THIS DEED OF TRUST WITNESSES AS FOLLOWS.

PART 1 -- ESTABLISHMENT OF THE TRUST

1.01 CREATION OF THE TRUST

- (1) The Province has caused Forest Renewal B.C. (as agent of the Province) to irrevocably transfer \$35 million (hereinafter referred to as the "Initial Property") to the Initial Trustee for the purpose of having the Trustee hold the Initial Property and all other Trust Property in trust on the trusts described in this Deed and subject to the powers and provisions contained in this Deed.
- (2) The Initial Trustee (and such other persons as may be appointed to the office of Trustee hereunder) shall hold the Initial Property and all other Trust Property in trust pursuant to the trusts described in this Deed and subject to the powers and provisions contained in this Deed.

1.02 NAME OF THE TRUST

- (1) For convenience of reference, the Trust shall be known as “The Coast Sustainability Trust” or such other name as the Trustee may from time to time determine.
- (2) For purposes of transfers of property to the Trust and other formal matters, the Trust may be referred to as follows.

The trustee for the time being of The Coast Sustainability Trust, in the capacity of such person as such trustee.

- (3) In addition to the above ways of referring to the Trust, any reference to the Trust shall be effective so long as that reference includes the name of at least one person then holding the office of Trustee and indicates that such person is acting in a fiduciary capacity pursuant to the trusts set out in this Deed.

1.03 IRREVOCABLE NATURE OF THE TRUST

- (1) This Deed and the trusts created by this Deed are irrevocable.
- (2) Effective on the signing of this Deed and the delivery of the Initial Property to the Initial Trustee, the Province has relinquished all rights in respect of the Initial Property and any other Trust Property that may at any time come into existence.

1.04 DURATION OF THE TRUST

- (1) The Trust shall be in effect for the period (hereinafter referred to as the “Term”) commencing on the date of this Deed and ending on the Termination Date, subject to any extension of the Term pursuant to section 5.03.
- (2) The Termination Date means the earlier of the following dates.
 - (a) March 31, 2007.
 - (b) The date on which there is no remaining Trust Property.

PART 2 -- BENEFCIARIES

2.01 IDENTIFICATION OF BENEFCIARIES

- (1) The Beneficiaries of the Trust, at any time and from time to time, are such of the following persons as are in existence at that time.
 - (a) Any individual (hereinafter referred to as a “Worker”) who was employed in the forest industry at any time during the Specified Period and who reported for work during that period of employment at a location within the Specified Area.
 - (b) Any individual, corporation, partnership or other person or entity (hereinafter

referred to as a “Contractor”) who

- (i) provided services within the Specified Area pursuant to a contract with a Crown tenure holder at any time during the Specified Period; or
 - (ii) was operating a sawmill during the Specified Period (whether inside or outside the Specified Area) and, in any period of twelve consecutive months during the Specified Period, acquired from the Specified Area at least 25% of the wood used in operating that sawmill.
- (c) Municipalities and unincorporated areas located in the following Regional Districts.
- (i) Comox-Strathcona Regional District.
 - (ii) Mount Waddington Regional District.
 - (iii) Central Coast Regional District.
 - (iv) Skeena-Queen Charlotte Regional District.
 - (v) Those portions of the Kitimat-Stikine Regional District that are included in the Specified Area.
- (d) Any band (as defined in the *Indian Act*) that is located within the Specified Area, including the members of any such band.
- (e) Any individual, corporation, partnership or other person or entity that is appointed as a beneficiary pursuant to the power of appointment set out in section 2.02, but with effect only as of the date of such appointment.
- (2) In this section 2.01, the following terms have the following meanings.
- (a) “Municipality” has the meaning assigned to that term by the *Local Government Act* (British Columbia).
 - (b) “Regional District” has the meaning assigned to that term by the *Local Government Act* (British Columbia).
 - (c) “Specified Area” means the Central Coast, the North Coast and the Queen Charlotte Islands as set out in the maps attached as Schedule D to this Deed and which maps are expressly incorporated into this Deed as part of this Deed.
 - (d) “Specified Period” means the period from and including January 1, 2000 to and including April 4, 2002.
- (3) In determining whether a specific individual, corporation, partnership, person, entity, Municipality, Regional District, band or band member qualifies as a beneficiary under

this Deed, the judgement of the Trustee will be final and conclusive.

2.02 POWER OF APPOINTMENT

- (1) The Trustee has the power to appoint a person as a Beneficiary if such person would not otherwise be a beneficiary under this Deed but the Trustee determines that the appointment of such person as a Beneficiary would be consistent with, and enhance the fulfillment of, the Distribution Objectives and the Distribution Principles.
- (2) The Trustee may exercise such power of appointment by a written instrument. The written instrument need not be under seal or in the form of a deed. The Trustee will place a copy of any such written instrument with this Deed and the other records of the Trust, and such written instrument shall be deemed to supplement this Deed.

PART 3 -- ADVISORY BOARD

3.01 ESTABLISHMENT OF ADVISORY BOARD

- (1) The Province must appoint an advisory board (hereinafter referred to as the “Advisory Board”) consisting of the following persons.
 - (a) A nominee of the International Woodworkers of America.
 - (b) A nominee of the Truck Loggers Association of B.C.
 - (c) A nominee approved by majority decision of the following persons (hereinafter referred to collectively as the “Specified Producers”).
 - (i) International Forest Products Limited.
 - (ii) Weyerhaeuser Company Limited.
 - (iii) Doman Industries Limited.
 - (d) A nominee of the Province selected by the Province from among the elected officials of a Municipality or Regional District that is a Beneficiary under this Deed.
 - (e) A nominee of the Province selected by the Province at the discretion of the Province.
- (2) The Province shall select each member of the Advisory Board in accordance with the following procedure.
 - (a) If the person is to be a nominee of any person or group of persons (hereinafter referred to as the “Nominator”) other than the Province, the Nominator shall provide to the Province a list of no less than three nominees together with biographical information on each nominee and any other information that may be

requested by the Province.

- (b) The Province shall appoint one of the nominees included in that list of nominees.
 - (c) If a nominee refuses to accept the appointment, the Province may request that the Nominator name an additional nominee if the remaining nominees are less than the minimum required number of nominees referred to in section 3.01(2)(a).
 - (d) The Province shall have no obligation to appoint a nominee of any Nominator unless the Nominator has first provided to the Province the minimum required number of nominees referred to in section 3.01(2)(a). If a Nominator fails to provide the minimum required number of nominees within 30 days of a request for nominees, the Province shall have the authority to appoint a nominee of its own choosing.
- (3) If a member referred to in section 3.01(1)(d) ceases to be an elected official of a Municipality or Regional District that is a Beneficiary under this Deed, such member shall be deemed to have resigned from the Advisory Board as of the date on which the member ceased to be an elected official.

3.02 ADVISORY BOARD PROCEDURES

- (1) The Trustee shall chair all meetings of the Advisory Board and may call meetings of the Advisory Board.
- (2) Notwithstanding that the Trustee is to chair meetings of the Advisory Board, the Trustee is not a member of the Advisory Board and will have no power to cast any vote in respect of any matter being considered by the Advisory Board. Without limiting the generality of the foregoing, the Trustee will have no casting vote in the event of a tie vote.
- (3) If the Trustee is unable to attend a meeting of the Advisory Board, the Trustee may appoint any person (hereinafter referred to as the “Alternate Chair”) to chair that meeting. However, any Alternate Chair must be someone who is not a member of the Advisory Board.
- (4) Any Alternate Chair of an Advisory Board meeting will have all the powers, authorities, duties and discretions that would be applicable to the Trustee if the Trustee had personally chaired that meeting. This provision applies notwithstanding any general prohibition against the delegation of powers by a trustee.
- (5) The quorum for a meeting of the Advisory Board shall consist of the following persons.
 - (a) One of the Trustee or the Alternate Chair.
 - (b) The greater of
 - (i) Three members of the Advisory Board; and

- (ii) 75% of the members of the Advisory Board then in office.
- (6) The Advisory Board may give recommendations to the Trustee, as set out in this Deed (including sections 5.01(2)(c) and 5.01(2)(d)(i)). Any such recommendation may be made only in the following circumstances.
 - (a) All members then in office have consented to the recommendation in writing.
 - (b) At least 75% of the members of the Advisory Board then in office have concurred in the making of that recommendation while a quorum was present at a validly-constituted meeting of the Advisory Board.
- (7) The Trustee may establish procedures to be followed by the Advisory Board in respect of any procedural or operational matter.

3.03 LIMITED POWER TO REIMBURSE CERTAIN ADVISORY BOARD EXPENSES

- (1) Subject to section 7.05, the Trustee has the power to reimburse members of the Advisory Board for the following expenses incurred in the course of carrying out the functions of an Advisory Board member.
 - (a) Reasonable travel expenses, including automobile mileage allowances. However, any automobile mileage allowances are not to exceed the amounts prescribed for purposes of section 18(1)(r) of the Income Tax Act.
 - (b) Accommodation expenses.
- (2) The Trustee shall not use any part of the Trust Property to pay for any other expense incurred by the Advisory Board or by a member of the Advisory Board.

3.04 DISMISSAL OF ADVISORY BOARD MEMBER

- (1) The Trustee may at any time dismiss any member of the Advisory Board.
- (2) The Trustee may exercise the dismissal power referred to in section 3.04(1) by a written notice (hereinafter referred to as the “Dismissal Notice”) signed by the Trustee and delivered to the Province, with a copy of the Dismissal Notice to the dismissed member and each other member of the Advisory Board. However, failure to give a copy of the Dismissal Notice to a member of the Advisory Board will not invalidate the effectiveness of the dismissal.
- (3) The effective date of any dismissal effected pursuant to section 3.04(1) will be the date of delivery of the Dismissal Notice to the Province or any later date specified in the Dismissal Notice.
- (4) The Trustee may exercise the dismissal power referred to in section 3.04(1) for any reason, whether with or without cause, and even if there is then a disagreement between the Trustee and the dismissed member.

- (5) On receipt of a Dismissal Notice that dismisses a person who was a nominee of the International Woodworkers of America, the Truck Loggers Association of B.C. or a majority of the Specified Producers pursuant to section 3.01(1), the Province will provide a copy of the Dismissal Notice to the Nominator that nominated the dismissed member. The Province will then select a replacement for the dismissed member pursuant to the procedure described in section 3.01(2), except that the list of nominees provided by the Nominator shall not include the name of the dismissed member.
- (6) On receipt of a Dismissal Notice that dismisses a person who was a nominee of the Province pursuant to section 3.01(1), the Province shall appoint a replacement.

3.05 RESIGNATION OF ADVISORY BOARD MEMBER

- (1) Any member of the Advisory Board may resign at any time by giving at least 60 days written notice to the Province with a copy of such notice to the Trustee and to the other members of the Advisory Board. However, failure to give a copy to the Trustee or any other member of the Advisory Board will not invalidate the effect of the resignation notice.
- (2) A written notice of resignation shall be signed by the person resigning and shall specify the effective date of such resignation, which must be at least 60 days after the date of delivery of the notice.
- (3) On the resignation of any Advisory Board member who was a nominee of the International Woodworkers of America, the Truck Loggers Association of B.C. or a majority of the Specified Producers pursuant to section 3.01(1), the Province will provide a copy of the resignation to the Nominator that nominated the resigning member. The Province will then select a replacement for the resigning member pursuant to the procedure described in section 3.01(2), except that the list of nominees provided by the Nominator shall not include the name of the resigning member.
 - (a) Such appointment will be made no later than the effective date of the resignation of the person who is resigning from the Advisory Board.
 - (b) If the effective date of the appointment of a replacement member is earlier than the effective date of the resignation of the person who is resigning, the effective date of such resignation shall automatically become the effective date of the appointment of the replacement member.
 - (c) The Province shall provide a copy of the appointment of the replacement member to the Trustee and to the other members of the Advisory Board. However, any failure to give a copy of the appointment to the Trustee or to any member of the Advisory Board will not invalidate the appointment.
- (4) On the resignation of an Advisory Board member who was a nominee of the Province pursuant to section 3.01(1), the Province shall appoint a replacement.

PART 4 -- ACCOUNTS

4.01 TRUST TO INITIALLY CONSIST OF TWO ACCOUNTS

At all times prior to March 31, 2005, the Trustee is to allocate the Initial Property to the following two separate accounts and is to keep separate records of the funds in each such account.

- (a) \$25 million to an account hereinafter referred to as the “Mitigation Account”.
- (b) \$10 million to an account hereinafter referred to as the “Matching Funds Account”.

4.02 COMBINATION OF ACCOUNTS

Effective on April 1, 2005, any balance of undistributed funds remaining in the Mitigation Account will automatically become part of the Matching Funds Account and the Mitigation Account will be deemed for all purposes of this Deed to have terminated.

PART 5 -- DISTRIBUTIONS

5.01 DISTRIBUTIONS PRIOR TO THE TERMINATION DATE

- (1) Subject to the provisions of this section 5.01, the Trustee will hold the Trust Property upon the following trusts at all times prior to the Termination Date.
 - (a) To pay or distribute, in respect of each fiscal year of the Trust and on or before the end of such fiscal year, so much of the income of the Trust in respect of that fiscal year to or for the benefit of all or any one or more of the Beneficiaries in such respective share or shares as the Trustee from time to time determines.
 - (b) To pay or distribute so much of the capital of the Trust at any time and from time to time to or for the benefit of all or any one or more of the Beneficiaries in such respective share or shares as the Trustee from time to time determines.
- (2) The Trustee may make a distribution to a Beneficiary only in the following circumstances.
 - (a) The Trustee must have determined that the making of such distribution is consistent with one or more of the following objectives (hereinafter referred to collectively as the “Distribution Objectives”).
 - (i) The distribution will assist in mitigating any adverse effect suffered by Workers, Contractors and other Beneficiaries as a result of provincial government land use decisions made in respect of the Specified Area.
 - (ii) The distribution will encourage major stakeholders in the forest industry in the Specified Area to collaboratively design an innovative strategy for

sustainable long-term use of the provincial Crown land base in the Specified Area.

- (iii) The distribution will encourage and actively support sustainable resource management in the Specified Area.
- (b) The Trustee must have determined that the making of such distribution is consistent with the principles (hereinafter referred to as the “Distribution Principles”) set out in the document entitled “Coast Sustainability Trust Fund: Results-Based Assessment Framework”, which document is attached as Schedule A to this Deed and which document is expressly incorporated into this Deed as part of this Deed.
- (c) If the distribution is being made out of the Mitigation Account, the distribution must be consistent with recommendations made to the Trustee by the Advisory Board.
- (d) If the distribution is being made out of the Matching Funds Account, the following criteria must be satisfied.
 - (i) The distribution must be consistent with recommendations made to the Trustee by the Advisory Board.
 - (ii) The amount of the distribution cannot exceed the amount of funds (hereinafter referred to as the “Matching Funds”) being donated or otherwise contributed to the Beneficiary in question from some source other than the Trust. The Trustee shall have the power to determine whether any funds being received by a Beneficiary qualify as Matching Funds for the purpose of this subparagraph 5.01(2)(d)(ii).
- (3) When the Trustee receives a recommendation from the Advisory Board in respect of any proposed distribution from the Trust, the Trustee need not accept that recommendation but may instead refuse to make the recommended distribution if the Trustee considers that such distribution would not be in accordance with sections 5.01(2)(a) and 5.01(2)(b).
- (4) The Trustee shall not make any distribution to Workers directly but may make distributions to other Beneficiaries for the purpose of funding activities that will be of benefit to Workers and that are consistent with the Distribution Objectives and the Distribution Principles.
- (5) No Beneficiary has any right to receive any portion of the income or capital of the Trust unless and until the Trustee exercises a discretion in favor of such Beneficiary.

5.02 FUNDING AGREEMENTS

- (1) When making a distribution to any Beneficiary, the Trustee shall enter into an agreement (hereinafter referred to as a “Funding Agreement”) with that Beneficiary containing terms and conditions acceptable to the Trustee.

- (2) In a Funding Agreement, the Trustee shall require that the Beneficiary comply with such terms and conditions as are considered advisable by the Trustee and as are consistent with the Distribution Objectives and the Distribution Principles.
- (3) Without limiting the generality of section 5.02(2), each Funding Agreement shall include provisions that deal with at least the following matters.
 - (a) The amount of funding that is to be distributed to that Beneficiary and the time period over which that funding is to be distributed.
 - (b) The purpose for which the funds are to be used and the intended outcomes for the use of those funds.
 - (c) A list of any prohibited uses of the funds.
 - (d) The factors that are to be taken into account when judging whether the use of the funds has achieved the intended outcomes.
 - (e) Any applicable cost-sharing requirements.
 - (f) A requirement to comply with the Distribution Objectives and the Distribution Principles and any applicable details of how those requirements are to be enforced.
 - (g) The structure, composition and mode of governance of the Beneficiary, if applicable.
 - (h) Any project applications submitted by the Beneficiary.
 - (i) A procedure for managing and administering the manner in which the funds are used (including applicable procedures and budgets and the establishment of procedures to be followed by the Beneficiary in order to ensure that the use made of the funds can be audited or verified by a third party).
 - (j) A disbursement process defining all events that may result in the Trustee making payment of future distributions.
 - (k) Remedies for breach of the Funding Agreement, including provisions for the suspension or termination of any future funding, steps that may be taken to recover funds that have been expended in violation of the Funding Agreement and any other remedies that may seem advisable to the Trustee.
 - (l) A requirement to provide periodic written reports to the Trustee in a format acceptable to the Trustee describing the use made of the funds, including detailed financial reports.
 - (m) A requirement to provide financial statements, whether audited or unaudited.

- (n) A requirement to segregate the funds.
- (o) To the extent that the recipient of distributed funds is required to use the distributed funds for the purpose of making payments to Workers, a prohibition against the use of any portion of those distributed funds for the payment of administrative costs incurred by the recipient in connection with making such payments to Workers.

5.03 TRANSFER OF FUNDS ON TERMINATION DATE

- (1) On the Termination Date, the Trustee will transfer any Trust Property then remaining to such person as is selected by the Trustee, provided that such person agrees to use such income and capital for purposes consistent with the Distribution Objectives and binds itself to such use in a manner acceptable to the Trustee.
- (2) In selecting a recipient for purposes of section 5.03(1), the Trustee shall give preference to a person, organization, association or body of persons that has objects that are compatible with the Distribution Objectives. As of the date of this Deed, an example of such a potential recipient is the Community Futures Development Association of B.C. However, this example shall not in any way restrict the ability of the Trustee to select a recipient other than the Community Futures Development Association of B.C. The judgement of the Trustee in respect of the selection of a recipient shall be final and conclusive.
- (3) The Term of the Trust will be extended for such length of time (not exceeding two years) as the Trustee may require in order to select a recipient of the remaining income and capital in accordance with section 5.03(1).

5.04 NO DISTRIBUTION TO THE PROVINCE

Notwithstanding any other provision of this Deed, no portion of the Trust Property may be distributed to, paid to, lent to or otherwise applied in favour of or for the benefit of the Province.

PART 6 -- SCOPE OF TRUSTEE DISCRETION

6.01 DISCRETIONARY POWERS VESTED IN TRUSTEE

- (1) This Deed confers discretionary powers on the Trustee in order to permit flexibility from time to time in respect of matters relating to the Trust (including the distribution of income and capital of the Trust), subject only to the provisions of this Deed (including the Distribution Objectives and the Distribution Principles).
- (2) The judgment and discretion of the Trustee is to govern in respect of the manner in which the Trustee exercises the powers and discretions conferred by this Deed on the Trustee, subject only to the provisions of this Deed (including the Distribution Objectives and the Distribution Principles).

6.02 FACTORS THAT ARE TO BE TAKEN INTO ACCOUNT BY THE TRUSTEE

- (1) When deciding whether to make any distribution to any Beneficiary, the Trustee shall be guided by the Distribution Objectives and the Distribution Principles and shall take into account all factors that the Trustee considers relevant to the Distribution Objectives and the Distribution Principles.
- (2) Without limiting the generality of section 6.02(1), the Trustee shall take into account the following factors.
 - (a) The manner in which the Beneficiary has used or not used any amounts previously distributed to that Beneficiary.
 - (b) The extent to which the Beneficiary's use of any amounts previously distributed to that Beneficiary has furthered or failed to further the Distribution Objectives.
 - (c) The extent to which the Beneficiary's use of any amounts previously distributed to that Beneficiary has been consistent or inconsistent with the Distribution Principles.
- (3) Without limiting the generality of section 6.02(1), the Trustee is specifically authorized to refuse to make a distribution to a Beneficiary on the basis of the manner in which the Beneficiary has used or not used any amounts previously distributed to that Beneficiary.

6.03 EXCLUSION OF EVEN-HAND RULE

The following principles apply when the Trustee is considering whether to exercise any discretionary power.

- (a) The Trustee need not maintain an even hand among the Beneficiaries.
- (b) The Trustee need not distribute equal amounts among the Beneficiaries.
- (c) The Trustee may exercise or refuse to exercise any power or discretion even though that decision may have the effect of conferring an advantage on any one or more of the Beneficiaries, even if that advantage is conferred at the expense or to the detriment of any one or more other Beneficiaries.
- (d) The exercise of a discretionary power in favor of a Beneficiary is to have no impact or relevance whatsoever when the Trustee is deciding whether to exercise any discretionary power in favor of any other Beneficiary.
- (e) The primary consideration shall be the Distribution Objectives and the Distribution Principles.

6.04 BINDING NATURE OF DISCRETIONARY POWERS

Each and every exercise of any power or discretion by the Trustee shall be binding upon

all Beneficiaries and all other persons and shall not be subject to question or review for any purpose by any person, official, authority, court, tribunal or other body or entity (including entities exercising administrative, judicial or quasi-judicial functions).

PART 7 -- ADMINISTRATION OF THE TRUST

7.01 GENERAL ADMINISTRATION PROVISIONS

- (1) The Trustee will have all the powers, rights and discretions set out in this Deed.
- (2) The Trustee will hold the Trust Property during the Term upon the trusts set out in this Deed and will collect, receive, hold, manage, accumulate, retain, distribute, invest, reinvest and generally deal with the Trust Property and income from the Trust as and to the extent permitted by this Deed.

7.02 TRUSTEE REPORTING OBLIGATIONS TO PROVINCE

- (1) Within 60 days after the end of each fiscal year of the Trust, the Trustee must provide to the Province a written report (hereinafter referred to as the “Annual Report”) in respect of that fiscal year.
- (2) Each Annual Report must include the following information.
 - (a) The amount distributed to each Beneficiary and the Beneficiary’s use of those funds.
 - (b) An assessment of the degree to which Beneficiaries have used distributions in conformity with the Distribution Objectives and the Distribution Principles.
 - (c) An assessment of the extent to which distributions have fulfilled the Distribution Objectives and the Distribution Principles.
 - (d) A detailed breakdown of Administrative Expenses incurred in the fiscal year and the reason for incurring those expenses.
 - (e) The aggregate of all Administrative Expenses incurred since the establishment of the Trust.
 - (f) If the audit of the financial statements for the most recently-completed fiscal year has not been completed on the date that the Annual Report is submitted, the unaudited financial statements of the Trust for its most recently-completed fiscal year.
- (3) The Trustee must have an independent auditor audit the financial statements of the Trust for each fiscal year and shall provide a copy of the audited financial statements for the most recently-completed fiscal year to the Province with each Annual Report or as soon as possible after the submission of the annual report. For purposes of this section, an auditor shall not be considered independent in any of the following circumstances.

- (a) The auditor or any affiliate of the auditor provides services to the person holding the office of Trustee in any capacity other than such person's capacity as Trustee.
- (b) The auditor does not hold a professional designation recognized by British Columbia law.
- (c) The auditor does not deal at arm's-length with the Trustee.

7.03 TRUSTEE REPORTING OBLIGATIONS TO ADVISORY BOARD

Within 15 days after the end of each fiscal quarter, the Trustee shall report to the Advisory Board regarding the progress made in respect of the achievement of the Distribution Objectives and any other matter that may be relevant to the achievement of the Distribution Objectives.

7.04 REMUNERATION OF TRUSTEE

- (1) Subject to section 7.05, each person holding the office of Trustee is entitled to be paid remuneration as set out in Schedule B of this Deed for all time expended and all acts done in connection with the Trust. Schedule B is hereby incorporated in and made a part of this Deed.
- (2) Subject to section 7.05, the Trustee is entitled to deduct and retain out of the Trust Property or the income of the Trust, as applicable, from time to time the amount of remuneration payable to a person holding the office of Trustee.
- (3) The amount of any remuneration payable to a person holding the office of Trustee may be reviewed by a court of competent jurisdiction at the request of any interested party and the decision of the court shall be final.
- (4) Subject to section 7.05, the Trustee may, at any time and from time to time, pay amounts to any person holding the office of Trustee out of the Trust Property or the income of the Trust (as applicable) in reimbursement for all advances made to the Trust by such person and for all expenses incurred by or on behalf of such person in the administration of the Trust.

7.05 LIMITATION ON ADMINISTRATIVE EXPENSES

- (1) Notwithstanding any other provision of this Deed, the aggregate Administrative Expenses of the Trust over the entire existence of the Trust are not to exceed the amount determined by the following formula:

$$\text{\$1,050,000 plus (A minus B)}$$

In the above formula, and as of any specific point in time, the following variables have the following meanings.

- (a) A is equal to the aggregate amount of income of the Trust from the establishment

of the Trust to that point in time, as calculated for purposes of the Income Tax Act.

- (b) B is equal to the aggregate amount of income tax payable by the Trust in respect of the income included in variable A.
- (2) An expenditure (other than the payment of income tax) is an Administrative Expense if the expenditure does not constitute a distribution or transfer referred to in sections 5.01 and 5.03. Without limiting the generality of the foregoing, Administrative Expenses include remuneration paid to the Trustee, reimbursed expenses of members of the Advisory Board and amounts paid to third parties for services rendered to the Trustee.
- (3) Subject to the aggregate limitation set out in section 7.05(1), the Trustee has the power to incur Administrative Expenses and to pay Administrative Expenses.

PART 8 -- THE OFFICE OF TRUSTEE

8.01 NUMBER OF PERSONS HOLDING THE OFFICE OF TRUSTEE

There shall at all times during the Term be at least one person holding the office of Trustee but there need not be more than one such person.

8.02 RESIGNATION OF PERSON HOLDING THE OFFICE OF TRUSTEE

- (1) Any person holding the office of Trustee may resign such office at any time by giving at least 60 days written notice to the Province with a copy of such notice to the members of the Advisory Board. However, failure to give a copy to any Advisory Board member will not invalidate the effect of the resignation notice.
- (2) A written notice of resignation shall be signed by the person resigning as Trustee and shall specify the effective date of such resignation, which must be at least 60 days after the date of delivery of the notice.
- (3) On the resignation of any person holding the office of Trustee, the Province shall appoint a replacement Trustee by written instrument supplementing this Deed.
 - (a) Such appointment will be made no later than the effective date of the resignation of the person who is resigning from the office of Trustee.
 - (b) If the effective date of the appointment of a replacement Trustee is earlier than the effective date of the resignation of the person who is resigning from the office of Trustee, the effective date of such resignation shall automatically become the effective date of the appointment of the replacement Trustee.
 - (c) The Province shall provide a copy of such written instrument to the incumbent members of the Advisory Board. However, failure to give a copy of such written instrument to any Advisory Board member will not invalidate the appointment set out in that written instrument.

8.03 DEEMED RESIGNATION OF PERSON HOLDING THE OFFICE OF TRUSTEE

- (1) A person holding the office of Trustee will be deemed to have resigned as Trustee at the time that is immediately prior to the occurrence of any of the following events.
 - (a) In the case of a person who is an individual, the death of that person.
 - (b) In the case of a person who is not an individual, the commencement of the liquidation of that person or of any other winding-up proceeding in respect of that persons.
 - (c) The insolvency of that person.
 - (d) The commission of an act of bankruptcy by that person.
 - (e) That person becomes incapacitated.
 - (f) The termination of the status of the person as a resident of Canada for purposes of the Income Tax Act.
- (2) In the case of a deemed resignation as set out in section 8.03(1), the Province shall appoint a replacement Trustee by written instrument supplementing this Deed as soon as possible after the deemed resignation. The Province shall provide a copy of such written instrument to the incumbent members of the Advisory Board. However, failure to give a copy of such written instrument to any Advisory Board member will not invalidate the appointment set out in that written instrument.

8.04 DISMISSAL OF PERSON HOLDING THE OFFICE OF TRUSTEE

- (1) The Province may at any time dismiss any person holding the office of Trustee from such office, whether with or without cause.
- (2) The Province may exercise the dismissal power referred to in section 8.04(1) only in the following manner.
 - (a) Any dismissal effected pursuant to section 8.04(1) may be effected only on the recommendation of the Advisory Board. However, the Province need not effect a dismissal that has been so recommended but may instead elect to not dismiss the person then holding the office of Trustee.
 - (b) The Province must deliver a written notice (hereinafter referred to as the “Trustee Dismissal Notice”) to the person then holding the office of Trustee.
 - (c) The effective date of the dismissal must be no earlier than 60 days after the date of delivery of the Trustee Dismissal Notice to the person then holding the office of Trustee.
- (3) The Province will provide a copy of the Trustee Dismissal Notice to each member of the

Advisory Board that is then in existence. However, failure to give a copy of the Trustee Dismissal Notice to any Advisory Board member will not invalidate the effectiveness of the Trustee Dismissal Notice.

- (4) If the Province dismisses a person holding the office of Trustee pursuant to section 8.04(1), the Province shall appoint a replacement Trustee by written instrument supplementing this Deed.
 - (a) Such appointment will be made no later than the effective date of the dismissal of the person who is being dismissed from the office of Trustee.
 - (b) If the effective date of the appointment of a replacement Trustee is earlier than the effective date of the dismissal of the person who is being dismissed from the office of Trustee, the effective date of such dismissal shall automatically become the effective date of the appointment of the replacement Trustee.
 - (c) The Province shall provide a copy of such written instrument to the incumbent members of the Advisory Board. However, failure to give a copy of such written instrument to any Advisory Board member will not invalidate the appointment set out in that written instrument.

8.05 TRANSMISSION OF TRUST PROPERTY

- (1) If a person holding the office of Trustee ceases to hold that office for any reason, the following rules apply.
 - (a) All right, title and interest in and to all Trust Property will thereupon vest in the person appointed as the replacement Trustee.
 - (b) The person who has ceased to act as Trustee will transfer and deliver all Trust Property then held by him or in his possession to the replacement Trustee.
 - (c) Upon such transfer and delivery being made, the person who has ceased to act as Trustee shall be discharged of all duties and obligations imposed on the Trustee, other than the duty to account for all matters under or arising out of such person's trusteeship.
- (2) If a new person is appointed as Trustee, such new person shall sign an instrument accepting all the duties and obligations of the office of Trustee. Effective on the effective date of such instrument, such new person will
 - (a) be deemed to have assumed all the duties and obligations attendant on the office of Trustee hereunder;
 - (b) be deemed to have accepted all the terms of the Trust;
 - (c) have all the rights, interests, powers, authorities and discretions conferred upon the Trustee; and

- (d) be vested with all right, title and interest in and to all Trust Property.
- (3) Any statutory power or right relating to the appointment or removal of a person holding the office of Trustee shall apply subject only to any provisions to the contrary in this Deed.

PART 9 -- POWERS OF THE TRUSTEE

9.01 GENERAL STATEMENT OF TRUSTEE POWERS

The provisions of this Part grant specific powers to the Trustee. The granting of those specific powers, however, does not derogate in any way from any powers conferred upon the Trustee by statute or by common law. The Trustee will have all additional powers that may now or hereafter be conferred on a person acting in the role of trustee by law or that may be necessary to enable the Trustee to administer and manage the Trust and to invest the Trust Property in accordance with the provisions of this Deed, subject only to such limitations as may be expressly provided in this Deed.

9.02 POWER TO OPERATE BANK ACCOUNTS

- (1) The Trustee may open and maintain one or more savings, chequing, current or deposit accounts (hereinafter in this section referred to as an “Account”) with any bank, credit union, trust company, loan corporation or other financial institution (whether a corporation, partnership, association, firm or other entity) empowered to accept money for deposit.
- (2) The Trustee may deposit to the credit of any Account all or any portion of the funds for the time being forming part of the Trust Property.
- (3) The Trustee may authorize withdrawals from any Account by cheque or other instrument executed by such one or more persons as the Trustee may from time to time authorize.

9.03 POWER TO GRANT POWERS OF ATTORNEY

- (1) The Trustee may grant a power of attorney to any person for the purpose of authorizing that person to transact business or other affairs on behalf of the Trustee.
- (2) Any power of attorney granted pursuant to this section must be revocable.

9.04 POWER TO INVEST TRUST PROPERTY

- (1) The Trustee may invest and reinvest all or any portion of the Trust Property in any investment that is listed in Schedule C to this Deed, which schedule is hereby incorporated in and made part of this Deed.
- (2) The Trustee may pay and discharge from and out of the Trust Property and income therefrom such proper and reasonable brokerage and other proper and reasonable expenses as the Trustee, in the sole, absolute and unfettered discretion of the Trustee, may

consider necessary or advisable in connection with the investment and reinvestment from time to time of the Trust Property and the disposition of all or any part or parts of the Trust Property.

9.05 POWER TO AMEND CERTAIN PORTIONS OF THE DISTRIBUTION PRINCIPLES

- (1) The Trustee has the power, exercisable at any time and from time to time, to amend the Distribution Principles provided that any such amendment does not affect any principle contained in any of the following sections of the Distribution Principles:
 - a. Sections C, E and F of Part II.
 - b. Sections A and C of Part III.
 - c. Sections B, D and E of Part IV.
- (2) Any amendment effected pursuant to section 9.05(1) must be consistent with the Distribution Objectives and must be agreed to by the Province.
- (3) The Trustee may make an amendment pursuant to section 9.05(1) only in the following manner.
 - (a) The Trustee shall deliver a written text of the proposed amendment to the Province together with a written summary of the reasons for the amendment.
 - (b) The Province may consent to the proposed amendment by signing and dating the proposed amendment and returning the signed and dated amendment to the Trustee.
 - (c) If the Province consents to the proposed amendment, the amendment will become effective as of the date of the Province's consent.
- (4) Any amendment effected pursuant to this section 9.05 will become a supplement to this Deed and the original signed copy of the amendment is to be retained with the records of the Trust.
- (5) If one or more amendments are made pursuant to this section 9.05, the Trustee may restate the Distribution Principles to incorporate the text of all such amendments.

9.06 POWER TO DEMAND INFORMATION

- (1) When deciding whether to make any distribution to any Beneficiary, the Trustee shall request such information as the Trustee considers necessary or desirable in order to allow the Trustee to decide whether, to what extent and in what manner to make any such distribution. If the Trustee is not satisfied with the nature or extent of any information provided to the Trustee, or if the Trustee has not received the requested information, the Trustee is specifically authorized to refuse to exercise its discretion in favour of that Beneficiary.

- (2) The Trustee may appoint such persons as the Trustee considers appropriate to monitor a Beneficiary's compliance with the terms and conditions of any distribution and may consider any recommendations made by any such persons when considering any further distributions to that Beneficiary.

9.07 POWER TO ESTABLISH PROCEDURES

The Trustee has the power to request that Beneficiaries apply to the Trustee for a distribution of funds and to establish procedures for Beneficiaries to follow when making such application.

9.08 POWER TO ESTABLISH NEW TRUST

- (1) The Trustee may create one or more new trusts and transfer some or all of the Trust Property to such new trust, provided that such new trust meets all the following criteria.
 - (a) If the new trust were a beneficiary of this Trust, the Trustee would be able to distribute the transferred property to that new trust in accordance with the provisions of section 5.01.
 - (b) The terms and conditions of the new trust are consistent with the Distribution Objectives and the Distribution Principles.
- (2) The Trustee may contribute all or any portion of the Trust Property to any such new trust even if the effect of the creation of the new trust and the contribution of Trust Property to the new trust is to exclude any one or more Beneficiaries from enjoying all of any part of the Trust Property.

9.09 POWER TO RETAIN ADVISERS

- (1) The Trustee may, in the discharge of the Trustee's duties hereunder, do the following.
 - (a) Retain, employ or otherwise engage any lawyer, accountant, financial adviser, investment adviser, valuator, surveyor, broker, auctioneer or any other adviser (hereinafter in this section 9.09 referred to as an "Adviser"), even if the Adviser is then a person holding the office of Trustee hereunder.
 - (b) Subject to section 7.05, determine the terms of engagement applicable in respect of any Adviser engaged by the Trustee (including the compensation payable to that Adviser) and pay any compensation payable in accordance with those terms.
 - (c) Act in accordance with any opinion, advice or direction given by any Adviser.
- (2) If any person holding the office of Trustee is a chartered accountant, certified general accountant, lawyer or a person engaged in any other profession governed by a statute of the province of British Columbia, such person may charge and be paid all usual professional fees and charges (including disbursements) for all work and business done and all time spent by

- (a) such person; or
- (b) the firm or any partner of such person;

in relation to the Trust in the same manner as if the person holding the office of Trustee were not a person holding the office of Trustee, but subject at all times to section 7.05.

- (3) Section 9.09(2) shall apply to matters which might or should have been attended to in person by a trustee not being a chartered accountant, certified general accountant, lawyer or other professional person but which such trustee might reasonably require to be done by such a professional person.
- (4) The Trustee shall not be responsible for any loss or damage that results from the Trustee acting in accordance with any opinion, advice or direction given by any Adviser, provided that the Trustee has acted reasonably in relying on such opinion, advice or direction. The Trustee shall be deemed to have acted reasonably in relying on any opinion, advice or direction given by an Adviser if that Adviser has a reasonable degree of competence in the field in respect of which such opinion, advice or direction has been given.

9.10 POWER IN RESPECT OF TAXES

- (1) The Trustee may pay, out of the Trust Property or the income therefrom, all or any portion of any Tax that may be attributable to the Trust Property or to any income (as the concept of income is understood for the purposes of such Tax) in respect of the Trust Property.
- (2) The Trustee may withhold from allocation, or allocate, as between any one or more of the Beneficiaries to the exclusion of the other or others of them, any or all amounts that may be relevant for the purpose of any Tax. Any such allocations may be made in such manner and in such proportions as the Trustee shall from time to time determine. Without limiting the generality of the foregoing, an amount relevant for the purpose of any Tax includes credits, allowances, income, capital gains, taxable capital gains, any actual, notional or deemed amount and the geographic or notional source from which any such amount emanates or from which it is considered or deemed to emanate.
- (3) The Trustee may, on behalf of the Trust, do any one or more of the following.
 - (a) File any Tax or information returns.
 - (b) Make any elections, designations or determinations required or permitted to be made by trustees under the Income Tax Act.
 - (c) Execute all documents and do all things as may be required to give effect to any such elections, designations or determinations.
- (4) The Trustee may indemnify any Beneficiary against any and all liability for any Tax incurred by that Beneficiary by virtue of any election, designation or determination made by the Trustee (whether or not the Beneficiary concurred in the making of such election,

designation or determination).

- (5) When paying or distributing any Trust Property to or for the benefit of any Beneficiary, the Trustee may compensate that Beneficiary for any Tax that may become payable in future by that Beneficiary in respect that property (even if such future Tax is merely a contingent or a potential liability). Without limiting the generality of the foregoing, the Trustee may compensate for any Tax that may become payable in respect of any accrued but unrealized capital gain or any potential recapture of capital cost allowance claimed in respect of the property at any time in the past.
- (6) Unless the Trustee specifically determines otherwise in writing, no election, designation or determination made for Tax purposes, and no indemnification made in respect of any Tax payable by any Beneficiary, and no combination of any of the foregoing, shall
 - (a) derogate from, or be viewed as the exercise of, any discretionary power granted to the Trustee in respect of the payment or distribution of capital or income of the Trust, or
 - (b) be deemed to be a payment, distribution or vesting of capital or income of the Trust to or for the benefit of any specific Beneficiary.
- (7) The Trustee shall account for any expenses (other than the payment of any income tax) incurred in accordance with this section as Administrative Expenses subject to section 7.05.
- (8) The Trustee may withhold a reasonable reserve from any distribution or other transfer of Trust Property pending receipt of any clearance or other certificate from any tax authority.

9.11 POWER TO CHARACTERIZE DISTRIBUTIONS

- (1) When making any payment or distribution of income or capital to or for the benefit of any Beneficiary, the Trustee may determine the source of such income or capital and may designate that the income or capital so paid or distributed is deemed to have come from that source (as if the Beneficiary had earned the income or capital directly).
- (2) Without limiting the generality of subsection 9.11(1), the Trustee may determine and designate as follows.
 - (a) That all or any portion of any specific dividend received by the Trust has been paid or distributed to a specific Beneficiary and not to any other Beneficiary.
 - (b) That all or any portion of any specific interest income earned, accrued, received or otherwise realized by the Trust has been paid or distributed to a specific Beneficiary and not to any other Beneficiary.

9.12 POWER TO ACCEPT ADDITIONAL CONTRIBUTIONS

The Trustee may accept a contribution of any property as an addition to the Trust Property provided that, and to the extent that, the contribution does not include any terms or conditions that are inconsistent with the terms and conditions of this Deed (including the Distribution Objectives and the Distribution Principles).

9.13 SEVERABLE NATURE OF POWERS

Each power and authority conferred on the Trustee is severable. If any power or authority is found at any time to be invalid, illegal or unenforceable for any reason, the following rules will apply.

- (a) The invalid, illegal or unenforceable power or authority will be severed and deleted from this Deed.
- (b) The validity, legality and enforceability of the remaining powers and authorities set out in this Deed will not be affected or impaired in any way.
- (c) This Deed shall thenceforth be construed and enforced as if the invalid, illegal or unenforceable power or authority had never been included in this Deed.

PART 10 -- LIABILITY OF THE TRUSTEE

10.01 POWER TO LIMIT LIABILITY

The Trustee will be entitled to limit the liability of the Trustee (including any person holding the office of Trustee) in respect of any contract, agreement, transaction or event in such a way that the only recourse for any breach or other cause of action will be against the Trust Property.

10.02 GOOD FAITH EXONERATES TRUSTEE

- (1) A person holding the office of Trustee will bear no liability of any kind whatsoever in respect of any act or omission of that person provided that the person performs the duties of the office of Trustee in good faith.
- (2) A person holding the office of Trustee will be deemed not to have acted in good faith if the person is guilty of fraud or gross negligence in performing the duties of the office of Trustee.
- (3) Without limiting the generality of this section, no person holding the office of Trustee shall be liable for any of the following if the person has performed the duties of the office of Trustee in good faith.

- (a) Any loss to the Trust Property.
 - (b) Any diminution in value of the Trust Property.
 - (c) Any loss caused by any inopportune investment, even if the investment was the result of poor judgement on the part of the Trustee.
 - (d) Any act or failure to act, including any exercise or any failure or refusal to exercise any power, right, authority or discretion granted to the Trustee.
- (4) All persons claiming any beneficial interest in the Trust shall be deemed to take with notice of and subject to the provisions of this section.

10.03 NO REQUIREMENT TO FURNISH BOND

- (1) No person holding the office of Trustee shall be required to provide any bond in respect of the performance of the duties of Trustee.
- (2) If any law or any court of competent jurisdiction requires any person holding the office of Trustee to post a bond, no surety is to be required in connection with such bond.

PART 11 -- INTERPRETATION AND GENERAL PROVISIONS

11.01 DEFINITIONS

For all purposes, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings.

- (a) “Administrative Expense” has the meaning assigned by section 7.05(2).
- (b) “Advisory Board” has the meaning assigned by section 3.01(1).
- (c) “Alternate Chair” has the meaning assigned by section 3.02(3).
- (d) “Beneficiaries”, at any time and from time to time, means the persons identified in section 2.01 as the beneficiaries of the Trust in respect of that time.
- (e) “Beneficiary” means any one of the Beneficiaries.
- (f) “Deed”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Deed of Trust (as supplemented and varied from time to time) together with all other deeds and writings which supplement or implement the provisions of this Deed of Trust or which are ancillary to the provisions of this Deed of Trust.
- (g) “Distribution Objectives” has the meaning assigned by section 5.01(2)(a).
- (h) “Distribution Principles” has the meaning assigned by section 5.01(2)(b).
- (i) “Funding Agreement” has the meaning assigned by section 5.02(1).

- (j) “Income” has the meaning assigned by section 11.02(1).
- (k) “Income Tax Act” means any applicable income tax legislation imposed in respect of any income of the Trust, as such income tax legislation may exist or be amended from time to time. As of the date of the creation of this Trust, the applicable income tax legislation is the *Income Tax Act* of Canada and the *Income Tax Act* of British Columbia.
- (l) “Initial Property” means the property described in section 1.01(1).
- (m) “Initial Trustee” has the meaning assigned by the initial page of this Deed.
- (n) “Matching Funds Account” has the meaning assigned by section 4.01(b).
- (o) “Mitigation Account” has the meaning assigned by section 4.01(a).
- (p) “Municipality” has the meaning assigned by section 2.01(2)(a).
- (q) “Nominator” has the meaning assigned by section 3.01(2)(a).
- (r) “Regional District” has the meaning assigned by section 2.01(2)(b).
- (s) “Specified Area” has the meaning assigned by section 2.01(2)(c).
- (t) “Specified Period” has the meaning assigned by section 2.01(2)(d).
- (u) “Specified Producers” has the meaning assigned by section 3.01(1)(c).
- (v) “Tax” includes all forms of taxes, charges and duties (whether or not expressly called a tax) together with any interest or penalties that may be payable in addition to the tax, wherever and however levied or made payable. Without limiting the generality of the foregoing, the term includes any income tax, capital gains tax, gift tax, property tax, transfer tax, sales tax, customs duty, commodity tax, estate tax, inheritance tax, succession duty, probate tax, probate fee and any other governmental charge in the nature of a tax.
- (w) “Term”, in relation to the Trust, has the meaning assigned by section 1.04(1).
- (x) “Termination Date” has the meaning assigned by section 1.04(2).
- (y) “Trust” means the trusts on which the Trustee holds the Trust Property and, where the context so requires, this Deed itself or the Trust Property.
- (z) “Trust Property” at any time and from time to time means the aggregate of the following property, less any amounts and property that has been previously distributed to Beneficiaries or expended in administering the Trust.
 - (i) The Initial Property.

- (ii) Any and all amounts and property of any nature or kind whatsoever transferred to or acquired by the Trustee from time to time and accepted by the Trustee as, or declared by the Trustee to be, Trust Property.
- (iii) Any and all amounts and property of any nature or kind whatsoever which from time to time replace or are substituted for all or any portion of the property referred to in subparagraphs (i) and (ii) of this definition.
- (iv) All income and capital gains of the Trust.
- (aa) “Trustee”, at any time and from time to time, means the person or (collectively) the persons (as the case may be) who holds or hold (as the case may be) the Trust Property at that time upon the trusts set out in this Deed, whether the Initial Trustee or any other person or persons.

11.02 INCOME OF THE TRUST

- (1) “Income” of the Trust or “income” from the Trust Property in respect of any fiscal period of the Trust means the income of the trust as determined for purposes of the Income Tax Act.
- (2) Any amount that is not income of the Trust shall be considered to be capital of the Trust.
- (3) Income realized in any calendar year (hereinafter in this section referred to as the “Realisation Year”), to the extent that such income has not been Distributed to, or declared payable to, a Beneficiary as of the end of such Realisation Year, shall automatically be added to and become part of the capital of the trust as of February 1 in the calendar year following the Realisation Year.
- (4) The Trustee may accumulate or retain all or any portion of the income of the Trust.

11.03 GENDER AND NUMBER REFERENCES

- (1) Unless the context requires otherwise, the following rules of construction shall apply to the interpretation of this Deed.
 - (a) Words denoting the singular may be construed as denoting the plural, and vice-versa.
 - (b) Pronouns and other words denoting a specific gender may be construed as also denoting any other gender, whether masculine, feminine or neuter.
- (2) Whenever this Deed makes reference to at least a specified percentage of a number of persons, any resulting part of a whole number shall be rounded up to the next-higher whole number. This principle is illustrated by the following examples.
 - (a) At least 75% of 3 people is a minimum of 2.25 people, which means at least 3 out of the 3 (even though that minimum number requires unanimity).

- (b) At least 75% of 5 people is a minimum of 3.75 people, which means at least 4 out of the 5.

11.04 HEADINGS

The headings set out in this Deed are included solely for convenience of reference. The headings are to have no significance whatsoever in the interpretation of this Deed or of any provision of this Deed.

11.05 LIMITATIONS ON ACTIONS OF BENEFICIARY

No Beneficiary will be entitled to

- (a) compel the realisation of any property or investment not producing income or growth; or
- (b) require the investment of any part of the Trust Property in property or investments of any kind which will produce income or growth or any specific rate of income or growth.

11.06 NOTICES

- (1) Any notice may be given to any person in any of the following ways.
 - (a) By personally delivering it to that person and securing written acknowledgement of such delivery.
 - (b) By delivering it to that person through a courier service and retaining evidence of delivery.
 - (c) By sending it via certified mail, postage prepaid and addressed to the last known address of that person.
 - (d) By serving it through a process server.
- (2) Any notice that is delivered or served shall be effective on the date of delivery or service, as the case may be. Any notice that is mailed shall be effective on the fifth day after the date of mailing.
- (3) If any party knows or ought to know of any difficulties with the mail system that is likely to delay the receipt of any notice that is mailed, that party will deliver any notice rather than mailing it.
- (4) Any notice to be given to an Incapacitated person shall be given to a Legal Representative of that Incapacitated person.

11.07 SEVERABILITY

Each provision of this Deed is severable. If any provision of this Deed is found at any time to be invalid, illegal or unenforceable for any reason, the following rules will apply.

- (a) The invalid, illegal or unenforceable provision will be severed and deleted from this Deed.
- (b) The validity, legality and enforceability of the remaining provisions of this Deed will not be affected or impaired in any way.

- (c) This Deed shall thenceforth be construed and enforced as if the invalid, illegal or unenforceable provision had never been included in this Deed.

11.08 LAW GOVERNING THE TRUST

The formal validity of the Trust and the interpretation of this Deed will be governed by the laws of the province of British Columbia.

BY SIGNING BELOW, the Initial Trustee acknowledges that this Deed sets out the terms of the trusts on which the initial Trustee holds the Trust Property in trust for the Beneficiaries.

<p>SIGNED, SEALED AND DELIVERED BY an authorized signing officer of THE BANK OF NOVA SCOTIA TRUST COMPANY in the presence of the following person.</p> <p>_____</p> <p>Signature of Witness</p> <p>_____</p> <p>Print name of Witness</p> <p>_____</p> <p>Print Address of Witness</p>	<p>THE BANK OF NOVA SCOTIA TRUST COMPANY</p> <p>Per:</p> <p>_____ (s)</p> <p>Authorized Signatory</p>
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BY SIGNING BELOW, the Province acknowledges that this Deed expresses the terms of the trusts on which the Province caused the Initial Property to be transferred to the Initial Trustee.

<p>SIGNED, SEALED AND DELIVERED on behalf of HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA by the Minister of Sustainable Resource Management in the presence of the following person.</p> <p>_____</p> <p>Signature of Witness</p> <p>_____</p> <p>Print name of Witness</p> <p>_____</p> <p>Print Address of Witness</p>	<p>_____ (s)</p> <p>Minister of Sustainable Resource Management, Province of British Columbia</p>
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