

**HURON EAST  
ADMINISTRATION**

MUNICIPALITY OF HURON EAST COUNCIL  
Document No. 7-13-1, 2015  
HOW DISPOSED OF

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**TO:** Mayor MacLellan & Members of Council  
**FROM:** Brad Knight, CAO/Clerk  
**DATE:** June 29<sup>th</sup>, 2015  
**SUBJECT:** Status of Seaforth & Brussels Community Trusts

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**RECOMMENDATION:**

That Council repeal all by-laws which amended the original by-laws that established the Seaforth and Brussels Community Development Trusts and that Council pass a resolution appointing the Trustees for a term to end November 30<sup>th</sup>, 2018.

**BACKGROUND:**

Council is aware that the Seaforth Trust has raised concerns about their status as a "Trust" versus a Committee of Council and raised questions about their insurance coverage both for errors and omissions and property insurance. In addition, a Brussels Trust member has refused to sign the Declaration of Trust.

The Seaforth Trust obtained a legal opinion from Fred Leitch which indicated that the Trust was indeed a Trust and not a Committee of Council. I believe he also questioned the Municipality's process to amend the Declaration, however minor, by by-law.

I was instructed by Council on April 21<sup>st</sup>, 2015 to seek a legal opinion on the status of the Trusts and to seek clarification on the insurance coverages.

I presented a draft of this report to the Seaforth Trust at their Trust meeting on June 25<sup>th</sup>. The Trust was aware that we had received a legal opinion at our June 2<sup>nd</sup> meeting and was anxious to know the decision/direction of Council. Unfortunately, I was not at the June 16<sup>th</sup> Council meeting, but Council was generally aware from the discussion with Mr. Stewart of the need to repeal the amending by-laws and to appoint the Trustees by resolution. I qualified the discussion with the Seaforth Trust as such; it was my understanding that Council would repeal the amending by-laws and appoint the Trustees by resolution.

Greg Stewart presented a written opinion and discussed his opinion with Council at a Closed Session of Council held on June 2<sup>nd</sup>, 2015. In general terms Mr. Stewart indicated the following:

- i) the Trusts are not Committees of Council. Council created the Trusts and placed the assets in the Trust and they (the assets) are no longer in control of the Municipality and the involvement of the Municipality is confined to the details of the Trust Declaration. He further indicates that the Declaration can only be varied by a Court order which is consistent with Mr. Leitch's comments.
- ii) Mr. Stewart does confirm the Trustees are appointed by Council with Council having sole authority for selecting or replacing Trustees.

Mr. Stewart does indicate that he does not believe the amending by-laws are valid. He further indicates that while circumstances have changed, i.e. the term of Council, the Declaration can likely be interpreted along the lines of "term of Council".

I have enclosed a consolidated copy of the Seaforth Trust declaration which highlighted all changes made to the original Declaration. The items highlighted in green were the initial changes made in 2004. Changes made in 2007 and 2011 simply inserted the new names into the Declaration and in 2015 wording was put into the document to clean up the inconsistencies between three year appointments and the current four year appointments (the term of Council used to be 3 years). The amendments also included provisions for Trustees to maintain their eligibility.

I have enclosed the original 2002 Declaration which will govern the activity of the Trust. As was pointed out at Council, there are provisions that the Trustees may not adhere to, but provided the issues are relatively insignificant to the objects of the Trust, it will not likely be an issue, i.e. monthly meetings.

It was also somewhat convenient to have all Trustees sign the Declaration and then be given a copy of the Declaration. Trustees will now simply be given a copy of the original Declaration and would not be required to sign it.

With respect to insurance coverages Jardine's has by email on June 1<sup>st</sup>, 2015 confirmed trustees coverage for errors or omissions and the email is attached along with the policy wording. Jardine's also confirmed property insurance and upon submission of their name and address of the insured properties issued a Certificate of Insurance with the Seaforth Trust named at the loss payee. Jardine's have indicated that this certificate can be renewed each year.

In conclusion, Council should rescind all amending by-laws to both Trusts and simply pass a resolution to appoint the Trustees to their terms. The terms would coincide with the term of Council, so appointments would expire on November 30<sup>th</sup>, 2018. Beyond simply appointing Trustees by resolution rather than by by-law, I don't envision any significant changes with respect to the Trusts or their relationship with the Municipality. The Municipality has not been actively involved in their administration, but will provide assistance if requested and are able to do so. I would anticipate that the Trusts have similar interests with respect to transparency as the Municipality does, and would continue the current practices of posting their agendas to our website and providing copies of their minutes to Council will continue and continue to be promoted in the efforts of transparency.

The Seaforth Trust also requested a copy of Mr. Stewart's June 1<sup>st</sup>, 2015 letter. I advised that the letter was reviewed as solicitor-client privilege and that Council will make the decision about releasing the letter. I have placed the letter in the closed session part of the agenda and Council can give direction if the letter can be released.

**OTHERS CONSULTED:**

Paula Michiels, Finance Manager-Treasurer/Deputy Clerk

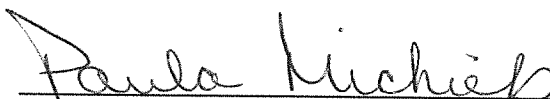
**BUDGET IMPACT:**

Huron East was invoiced \$825 by Donnelly & Murphy for the written opinions of the Trusts.

**SIGNATURES:**



*Brad Knight, CAO/Clerk*



*Paula Michiels, Finance Manager-Treasurer/Deputy Clerk*

## Brad Knight

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**Subject:** FW: Seaforth Trust insurance  
**Attachments:** Canadian Councils 2014 Primary Wording as at August 1, 2014.pdf

**From:** [jfox@jltcanada.com](mailto:jfox@jltcanada.com) [<mailto:jfox@jltcanada.com>]  
**Sent:** Monday, June 01, 2015 1:08 PM  
**To:** Brad Knight; [jmusser@jltcanada.com](mailto:jmusser@jltcanada.com)  
**Subject:** RE: Seaforth Trust insurance

Hi Brad,

I have spoken with the underwriter and we believe that the best way to deal with this is to issue a certificate naming these Trusts as loss payee (much the same as you would with a bank holding a mortgage) This is the most efficient way to deal with it as you have the opportunity to renew this certificate each and every year and we do not have to have them listed (named) on the actual policy documents.

In regards to the errors & omission coverage you mention below, I have attached the policy wording that clearly outlines them as being an "insured". See page 8 item 10 (c) or (d).

Could you please provide the addresses for the Trusts listed below so I can issue the certificate for you?

Thanks, Jenifer

**Jenifer Fox, CAIB, CRM | Vice President | Public Sector | Jardine Lloyd Thompson Canada Inc.**  
Suite 800 | 55 University Avenue | Toronto | Ontario | M5J 2H7 | Canada

Switchboard: +1 (416) 941-9551 | DD: +1 (416) 628 2138 | Cell: +1 (647) 466 6045 | Fax: +1 (416) 941 9323  
[jfox@jltcanada.com](mailto:jfox@jltcanada.com) | [www.jltcanada.com](http://www.jltcanada.com)

**From:** Brad Knight [<mailto:bknight@huroneast.com>]  
**Sent:** Thursday, May 28, 2015 1:24 PM  
**To:** Musser, Jeff - CAN TOR; Fox, Jenifer - CAN TOR  
**Subject:** RE: Seaforth Trust insurance

Jeff/Jennifer

I have listed the names of both Trusts and their Trustees below

Huron East/Seaforth Community Development Trust

- Lin Steffler, Maureen Agar, William Teall, Neil Tam, Christie Little, Robert Fisher, Nathan Marshall

Huron East/Brussels Community Development Trust

- Ralph Watson, Doug Sholdice, Charlie Hoy, Paul Nichol, Joseph Seili, David Blaney, John Lowe



# Certificate of Insurance # 012

Suite 800, 55 University Avenue, Toronto, ON Canada M5J 2H7 Telephone: (416) 941-9551 Facsimile: (416) 941-9323

**Name of Insured:** Corporation of the Municipality of Huron East

**Certificate Holder:** The Huron East/Seaforth Community Development Trust  
Box 1118  
Seaforth, Ontario N0K 1W0

**Certificate Issued in Respect of:** Loss payee for two locations as listed below:

Seaforth Post Office  
52 Main Street South,  
Seaforth, Ontario N0K 1W0  
Value: \$2,249,728

Community Care Access Centre ( CCAC)  
32 A Centennial Drive  
Seaforth, Ontario N0K 1W0  
Value: \$1,408,881

This certificate is issued as a matter of information only and confers no rights upon the certificate holder other than those provided in the policy. This certificate does not amend, extend or alter the coverage afforded by the policies listed herein.

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies listed herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims/expenses.

Type of Insurance	Insuring Company and Policy Number	Policy Dates MM/DD/YYYY	Limit of Liability/Amount of Coverage
Municipal General Liability incl. Non-Owned Automobile Liability, Contractual and Cross Liability	Lloyds of London JLTPS-015 UMR#B0753PK1403529000	Effective: January 1, 2015  Expiry: January 1, 2016	\$ 5,000,000 Inclusive Bodily Injury and Property Damage Per Occurrence  \$ 5,000,000 Aggregate with respect to Products / Completed Operations
All Risks Property	AVIVA Insurance Company 70%, Certain Lloyd's Underwriter 17.8%, and Sovereign Insurance Company 12.2%, UMB#B0753PG1401211000	Effective: January 1, 2015  Expiry: January 1, 2016	\$ 3,658,609 Property Broad Form \$ 5,000 Deductible  Subject to: Policy term, conditions, deductibles and exclusions.

**Additional Insured(s) Loss Payee: Seaforth Community Development Trust but only with respect to liability arising out of the operations of the Named Insured, and only pertaining to equipment above, as their interest may appear.**

**Notice of Cancellation: 30 days**

These statements have been made in good faith and are a summary of the insurance cover in force (which is subject to the full terms and conditions of the policy). We accept no responsibility whatsoever for any inadvertent or negligent act, error or omission on our part in preparing these statements or for any loss, damage or expense thereby occasioned to any recipient of this certificate.

**Signed on behalf of Public Sector Division of Jardine Lloyd Thompson Canada Inc. by:**

JARDINE LLOYD THOMPSON CANADA INC.

Date: June 12, 2015

Jenifer Fox



10) "Insured" means:

The named Insured as stated in the DECLARATION PAGE and any interest owned, controlled or operated by any one or more of those named as Insured and also includes:

- (a) any partner, officer (including statutory), director, employee, Leased Worker (as defined), Volunteer Worker (as defined) and Temporary Worker (as defined) while acting on behalf of the Insured or any former partner, officer, director, employee, Leased Worker, Volunteer Worker or Temporary Worker with respect to acts performed on behalf of the Insured in that capacity; "acts performed" shall include failure or omission to act;
  - (b) owners or general lessors of property leased to the Insured where the terms of the agreement require the Insured to provide insurance on behalf of the owner or general lessor, but only with respect to liability which arises out of the ownership of such property;
  - (c) any person, firm, corporation, trustee, estate or government body for whom the Insured has agreed to provide insurance but only with respect to liability which arises out of the operations of the Insured;
  - (d) any Committee of Council and their Sub Committees as passed by resolution of Council;
  - (e) any Public Library Board as passed under municipal by-law;
  - (f) any social club and recreational association of the employees of the Insured and their members;
  - (g) councillors, board members, volunteers including members of the Volunteer Fire Fighters Association and foster parents while acting in their capacity as such or performing a statutory duty or acting as a volunteer;
  - (h) the heirs, executors, administrators, assigns and legal representatives corporate or otherwise of the Insured as defined in sub-paragraphs (a), (b) and (c) above.
  - (i) any member of the Police Force of the Insured as determined by the Board of Commissioners of Police of the Insured while acting in their capacity as such or performing a statutory duty or acting as a volunteer with respect to sports teams and other youth activities sanctioned or organized by the Board of Commissioners of the Insured;
- 11) "Leased Worker" means a person leased to the Insured by a labour leasing firm under an agreement between the Insured and the labour leasing firm, to perform duties related to the conduct of the Insured's business. Leased Worker does not include a Temporary Worker;
- 12) "Occurrence" means an accident, or a continued or repeated exposure to conditions during the Policy Period, which results in Bodily Injury, Personal Injury or Property Damage which is neither expected nor intended from the standpoint of the Insured. All Bodily Injury, Personal Injury or Property Damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one Occurrence.
- 13) "Personal Injury" means false arrest, malicious prosecution, wrongful detention, false imprisonment, libel, slander, defamation of character, humiliation, invasion of privacy, wrongful

MUNICIPALITY OF HURON EAST

Date: July 7<sup>th</sup>, 2015

MOTION

Moved by .....

Seconded by .....

THAT

The Council of the Municipality of Huron East, pursuant to the provisions of By-Law 38-2002 hereby appoints the following as Trustees of the Huron East/Seaforth Community Development Trust for the 2014 – 2018 term of Council:

- Lin Steffler, Maureen Agar, William Teall, Neil Tam, Christie Little, Robert Fisher and Nathan Marshall.

MUNICIPALITY OF HURON EAST

Date: July 7<sup>th</sup>, 2015

MOTION

Moved by .....

Seconded by .....

THAT

The Council of the Municipality of Huron East, pursuant to the provisions of By-Law 58-2002 hereby appoints the following as Trustees of the Huron East/Brussels Community Development Trust for the 2014 – 2018 term of Council:

- Ralph Watson, Doug Sholdice, Charlie Hoy, Paul Nichol, Joseph Seili, David Blaney and John Lowe

**THE CORPORATION OF THE MUNICIPALITY OF HURON EAST**  
**SCHEDULE "A" TO By-Law 5- 2015**  
**DECLARATION OF TRUST – HURON EAST/SEAFORTH COMMUNITY DEVELOPMENT**  
**TRUST**

THIS **DECLARATION OF TRUST** is made the 8<sup>th</sup> day of January 2015, by:

**Neil Tam**, of the Municipality of Huron East (former Town of Seaforth),

**Christie Little**, of the Municipality of Huron East (former Town of Seaforth),

**William Teall**, of the Municipality of Huron East (former Town of Seaforth),

**Maureen Agar**, of the Municipality of Huron East (former Town of Seaforth),

**Lin Steffler**, of the Municipality of Huron East (former Town of Seaforth),

**Robert Fisher**, **Seaforth Ward Councillor** of the Municipality of Huron East

**Nathan Marshall**, **Seaforth Ward Councillor** of the Municipality of Huron East

(who are the "Trustees", which expression shall include the Trustee or Trustees for the time being of this Deed).

**WHEREAS** the Corporation of the Municipality of Huron East came into existence on January 1, 2001, as a result of a Minister's Order made under the Municipal Act on March 31, 2000;

**AND WHEREAS** said Municipality hold certain reserve funds in accordance with the Municipal Act and the Minister's Order aforesaid;

**AND WHEREAS** the Minister's Order provided that the Hydro reserves of the former Town of Seaforth and the proceeds of the sale of the assets of the hydro system of the former Town of Seaforth became reserve funds of the Corporation of the Municipality of Huron East with the qualification that they shall only be used for the benefit of the ratepayers of the geographic area of the former Town of Seaforth;

**AND WHEREAS** the Corporation of the Municipality of Huron East wishes to make provision for the said use of the reserve funds;

**AND WHEREAS** the Corporation of the Municipality of Huron East desires to establish a Trust to hold and manage the reserve funds for the benefit of the ratepayers of the former Town of Seaforth;

**AND WHEREAS** the Trustees have agreed to hold and manage the said reserve funds and any assets derived therefrom for the benefit of the ratepayers of the former Town of Seaforth;

**NOW IT IS AGREED AND DECLARED** as follows:

1. A Trust is established in the name of the Huron East/Seaforth Community Development Trust for the benefit of the ratepayers of the former Town of Seaforth, from time to time.
  
2. The objects of the Huron East/Seaforth Community Development Trust are:
  - (a) to manage the said Hydro reserve funds aforesaid in accordance with the provisions of the Municipal Act and the Municipal Restructuring Order creating the Corporation of the Municipality of Huron East;
  - (b) to use the reserve funds to promote the health, safety, morality and welfare of the ratepayers of the former Town of Seaforth;
  - (c) to promote the economic development of the geographic area known as the former Town of Seaforth;
  - (d) to assist the Corporation of the Municipality of Huron East in its management and government of the geographic area known as the former Town of Seaforth;
  
3. The Trustees shall hold the capital and income of any cash, cheques, securities, investment, personal property, real property, or other interests received or otherwise acquired for the Seaforth Community Development Trust upon trust to be used for the exclusive purpose of the objects of the Seaforth Community Development Trust.
  
4. The Trustees may invest in their names, as Trustees, any monies or the proceeds of any property or interests received or otherwise acquired that are not required for the immediate purposes of the Huron East/Seaforth Community Development Trust. The investments may be securities or other investments in which such trust monies or proceeds may by law be invested. The Trustees, may, from time to time, deal further with the investments and may, from time to time, reinvest any amounts that are payable.
  
5. Any property received or otherwise acquired shall be vested in the Trustees.



6. The Trustees shall be Seven (7) in number. Two (2) of the seven (7) Trustees shall be the elected representative of the Ward of Seaforth. The remaining five (5) Trustees shall be appointed by the Corporation of the Municipality of Huron East; three for four (4) year terms to conclude on December 31<sup>st</sup>, 2018 and two (2) for a four (4) year term with an option to be re-appointed for an additional four (4) year term to assure continuity. Trustees may be re-appointed if willing and if Council so determines. It is the intent that at each appointment date there shall always be two (2) Trustees commencing an appointment that are eligible for an eight (8) year term.
  
7. The power of appointing new Trustees shall be vested in the Corporation of the Municipality of Huron East. The power of appointing new Trustees shall be exercised concurrently with the Municipal electoral process or in circumstances where the incumbent Trustees are acting in contravention of the objects of the Huron East/Seaforth Community Development Trust or for the purpose of filling a vacancy arising from resignation, incapacity, death of a Trustee, or other like reason. Trustees shall maintain eligibility within the Ward of Seaforth by maintaining residency or ownership of property, with the provision that existing Trustees, originally appointed under the provisions of By-law 3-2011 of the Corporation of the Municipality of Huron East, are exempt from the eligibility requirement for the duration of the term of their appointment
  
8. The following regulations shall govern the procedures of the Trustees:
  - (a) The Trustees shall endeavor to hold meetings at least once every month, but at a minimum shall meet at least four (4) times in a calendar year. The meetings may be at a place that the Trustees shall, from time to time, determine;
  - (b) Any Trustee may, at any time, convene a special meeting of the Trustees provided at least seven (7) days' written notice has been given to the other Trustees of the matters to be discussed and the time, date and location of the meeting;
  - (c) A majority of the Trustees shall form a quorum for any meeting of the Trustees;
  - (d) Meetings shall be held in person;
  - (e) The Trustees shall appoint by resolution one of the Trustees to be Chair. The Chair shall have a deciding vote in the case of a tie on any matter before the Trustees;
  - (f) Any resolution of the Trustees may, from time to time, be rescinded or varied by the Trustees;
  - (g) The Trustees shall maintain a record of their meetings. The proceedings of the Trustees shall be entered in the record. The Chair shall sign the minutes at the conclusion of each

meeting or at a future meeting when the minutes have been duly confirmed by the Trustees;

(h) The Trustees shall maintain books of accounts to record all money received and paid out by or on behalf of the Trustees;

(i) The Trustees shall forward a copy of the monthly meeting minutes and quarterly financial statement to the Council of the Corporation of the Municipality of Huron East; (By-law 8-2004)

(j) The Trustees shall engage the services of the municipal auditor to audit the financial records of the Trust ;(By-law 8-2004)

(k) The Trustees shall provide a list of all the Trust investment on a quarterly basis ;(By-law 8-2004)

9. The Trustees may, from time to time, open and maintain an account or accounts at a financial institution or institutions. The Trustees may, at any time, pay any monies forming part of the Huron East/Seaforth Community Development Trust to the credit of the account or accounts or place the monies on deposit with any financial institution or institutions. All cheques and orders for payment shall be signed by the Chair and at least one (1) other Trustee. The Trustees shall have the right to lend money to the Corporation of the Municipality of Huron East for municipal purposes.
10. The Trustees may be reimbursed for any reasonable expenses incurred personally in carrying out their duties as Trustees in fulfilling the objects of the Huron East/Seaforth Community Development Trust.
11. The Trustees may engage any legal, accounting, or other professional assistance that they consider appropriate to administer and preserve the Huron East/Seaforth Community Development Trust. The Trustees may pay any fees, expenses or other charges with respect to the administration and preservation of the Huron East/Seaforth Community Development Trust.
12. The Trustees may appoint a solicitor or other person to be their agent and to receive and give a discharge for any money or valuable consideration or property receivable by the Trustees under the Trust. The Trustees may insure against loss or damage any insurable property held by the Trustees and any premiums, taxes, fees or other charges arising from the insurance contract shall be paid out of the income of the Trust. The Trustees may insure against negligence in the

operation of the Trust and the Trust shall pay for such insurance. The Trustees may enter into and renew any leases for real or personal property on terms that the Trustees consider reasonable and may pay rents, taxes, fees or other charges arising from the lease out of the income of the Trust.

13. The Trustees, their heirs, executors and administrator and estate and effects shall be indemnified and saved harmless individually and severally from time to time, and at all times from and against:
- (a) all costs, charges and expenses which a Trustee sustains or incurs in or about any action, suit or proceeding brought, commenced or prosecuted against him or her or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or her, in or about the execution of the duties of his or her office or in respect of such liability and,
  - (b) all other costs, charges and expenses that he or she sustains or incurs in, about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own willful neglect or default.

The Trustees may obtain indemnification insurance for errors and omissions and may pay for this insurance out of the Trust.

14. The Trustees may invest in any security or other investment in which Trust monies or proceeds may by law be invested and in mutual funds or similar securities available from a financial institution.
15. The Trustees may apply for incorporation as a non-profit Corporation under the Ontario Corporation Act with the consent of the Council of the Corporation of the Municipality of Huron East. The expenses related to the Application may be paid from the Seaforth Community Development Trust. Upon incorporation, the Huron East/Seaforth Community Development Trust shall be dissolved and the property shall be transferred to the Corporation.
16. Upon dissolution of the Seaforth Community Development Trust other than by incorporation and after payment of all debts and liabilities, the remaining property and money of the Seaforth Community Development Trust shall be returned to the reserve funds of the Corporation of the

Municipality of Huron East to be dealt with in accordance with the Minister's Restructuring Order.

IN WITNESS whereof this Declaration of Trust is signed and sealed this 8<sup>th</sup> day of January, 2015.

**Signed, sealed and delivered**  
in the presence of:

\_\_\_\_\_  
(signature) Witness

\_\_\_\_\_  
Neil Tam

\_\_\_\_\_  
(signature) Witness

\_\_\_\_\_  
Christie Little

\_\_\_\_\_  
(signature) Witness

\_\_\_\_\_  
William Teall

\_\_\_\_\_  
(signature) Witness

\_\_\_\_\_  
Maureen Agar

\_\_\_\_\_  
(signature) Witness

\_\_\_\_\_  
Lin Steffler

\_\_\_\_\_  
(signature) Witness

\_\_\_\_\_  
Robert Fisher

\_\_\_\_\_  
(signature) Witness

\_\_\_\_\_  
Nathan Marshall

THE CORPORATION  
OF THE  
MUNICIPALITY OF HURON EAST  
BY-LAW NO. 38 FOR 2002

**“THE HURON EAST/SEAFORTH COMMUNITY DEVELOPMENT TRUST BY-LAW”**

Being a by-law to provide for the establishment of a Trust to manage the proceeds of the sale of the Seaforth Public Utilities by the Corporation of the Municipality of Huron East to Festival Hydro and to provide for the use of the proceeds in accordance with the Minister’s Order on Re-structuring Section 10(2);

WHEREAS Huron East Council has received one million, four hundred and seven thousand, one hundred and six dollars and ninety eight cents (\$1,407,106.98) from the sale of the Seaforth Public Utility and the existing hydro reserves;

AND WHEREAS the Seaforth Public Utility has been paid for entirely by the ratepayers of the Seaforth Ward through the years;

AND WHEREAS the Seaforth Public Utility was an asset of the Town of Seaforth, a Ward of the Municipality of Huron East, created on January 1<sup>st</sup>, 2001;

AND WHEREAS the proceeds of the sale of the Seaforth Public Utility and existing hydro reserves have been recognized by the Minister’s Order on Re-structuring made under The Municipal Act on March 31<sup>st</sup>, 2000, in Section 10(2) as monies to be received and used for the benefit of the former Town of Seaforth;

AND WHEREAS the Council of the Municipality of Huron East wishes to create a Trust for the management of the funds in accordance with The Municipal Act and the said Minister’s Re-structuring Order;

AND WHEREAS the Trust funds will be used in part for the purchase of the Post Office building and to otherwise benefit former Seaforth ratepayers;

NOW THEREFORE the Council of the Corporation of the Municipality of Huron East ENACTS AS FOLLOWS: -

(1) Establishment of the Huron East/Seaforth Community Development Trust (HE/SCDT):

- 1.1 The hydro reserves of the former Town of Seaforth shall be paid to the Trustees of the Trust and managed in accordance with the Trust Deed attached as Schedule “A” when duly executed by the Trustees.

(2) Post Office Purchase:

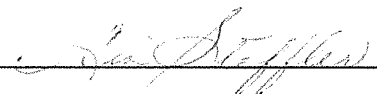
2.1 The existing Agreement of Purchase and Sale between the Corporation of the Municipality of Huron East and Grant Bradley for the purchase of the Post Office building shall be assigned to the HE/SCDT and the HE/SCDT shall close the transaction and manage the building as Trust property under the Trust Agreement.


(3) The seventh Trustee shall be an appointment of the Municipality of Huron East for the initial term until the ending of the term of Council in 2003, and all other Trustees' terms shall end at that time except ALFRED ROSS and JOSEPH STEFFLER, whose terms shall end in 2006, at the end of the term of Council.

READ a first time this 2<sup>nd</sup> day of April, 2002.

READ a second time this 2<sup>nd</sup> day of April, 2002.

READ a third time and finally passed this 2<sup>nd</sup> day of April, 2002.

  
\_\_\_\_\_  
Mayor, Lin Steffler

  
\_\_\_\_\_  
Clerk, J. R. McLachlan



Development Trust for the benefit of the rate payers of the former Town of Seaforth, from time to time.

2. The objects of the Huron East/Seaforth Community Development Trust are:
  - (a) to manage the said Hydro reserve funds aforesaid in accordance with the provisions of The Municipal Act and the Municipal Re-structuring Order creating the Corporation of the Municipality of Huron East;
  - (b) to use the reserve funds to promote the health, safety, morality and welfare of the rate payers of the former Town of Seaforth;
  - (c) to promote the economic development of the geographic area known as the former Town of Seaforth;
  - (d) to assist the Corporation of the Municipality of Huron East in its management and government of the geographic area known as the former Town of Seaforth;
3. The Trustees shall hold the capital and income of any cash, cheques, securities, investment, personal property, real property, or other interests received or otherwise acquired for the Seaforth Community Development Trust upon trust to be used for the exclusive purpose of the objects of the Seaforth Community Development Trust.
4. The Trustees may invest in their names, as Trustees, any monies or the proceeds of any property or interests received or otherwise acquired that are not required for the immediate purposes of the Huron East/Seaforth Community Development Trust. The investments may be securities or other investments in which such trust monies or proceeds may by law be invested. The Trustees, may, from time to time, deal further with the investments and may, from time to time, reinvest any amounts that are payable.
5. Any property received or otherwise acquired shall be vested in the Trustees.
6. The Trustees shall be Seven (7) in number. Two (2) of the seven (7) Trustees shall be the elected representatives of the Ward of Seaforth. The remaining five (5) Trustees shall be appointed by the Corporation of the Municipality of Huron East; three for three (3) year terms coincident with the term of the Municipal Council of the Corporation of the Municipality of Huron East and two (2) for six year terms to assure continuity. Trustees may be re-appointed if willing and if Council so determines.



and it is the intent that at each appointment date there shall always be two (2) Trustees commencing a six (6) year term.

7. The power of appointing new Trustees shall be vested in the Corporation of the Municipality of Huron East. The power of appointing new Trustees shall be exercised concurrently with the Municipal electoral process or in circumstances where the incumbent Trustees are acting in contravention of the objects of the Huron East/Seaforth Community Development Trust or for the purpose of filling a vacancy arising from resignation, incapacity, death of a Trustee, or other like reason.
8. The following regulations shall govern the procedures of the Trustees:-
  - (a) The Trustees shall hold meetings at least once every month. The meetings may be at a place that the Trustees shall, from time to time, determine;
  - (b) Any Trustee may, at any time, convene a special meeting of the Trustees provided at least seven (7) days' written notice has been given to the other Trustees of the matters to be discussed and the time, date and location of the meeting;
  - (c) A majority of the Trustees shall form a quorum for any meeting of the Trustees;
  - (d) Meetings shall be held in person;
  - (e) The Trustees shall appoint by resolution one of the Trustees to be Chair. The Chair shall have a deciding vote in the case of a tie on any matter before the Trustees;
  - (f) Any resolution of the Trustees may, from time to time, be rescinded or varied by the Trustees;
  - (g) The Trustees shall maintain a record of their meetings. The proceedings of the Trustees shall be entered in the record. The Chair shall sign the minutes at the conclusion of each meeting or at a future meeting when the minutes have been duly confirmed by the Trustees;
  - (h) The Trustees shall maintain books of accounts to record all money received and paid out by or on behalf of the Trustees.

- (i) The Trustees shall make an annual report to the Council of the Corporation of the Municipality of Huron East, which shall contain audited Financial Statements.
  
- 9. The Trustees may, from time to time, open and maintain an account or accounts at a financial institution or institutions. The Trustees may, at any time, pay any monies forming part of the Huron East/Seaforth Community Development Trust to the credit of the account or accounts or place the monies on deposit with any financial institution or institutions. All cheques and orders for payment shall be signed by the Chair and at least one (1) other Trustee. The Trustees shall have the right to lend money to the Corporation of the Municipality of Huron East for municipal purposes.
  
- 10. The Trustees may be reimbursed for any reasonable expenses incurred personally in carrying out their duties as Trustees in fulfilling the objects of the Huron East/Seaforth Community Development Trust.
  
- 11. The Trustees may engage any legal, accounting, or other professional assistance that they consider appropriate to administer and preserve the Huron East/Seaforth Community Development Trust. The Trustees may pay any fees, expenses or other charges with respect to the administration and preservation of the Huron East/Seaforth Community Development Trust.
  
- 12. The Trustees may appoint a solicitor or other person to be their agent and to receive and give a discharge for any money or valuable consideration or property receivable by the Trustees under the Trust. The Trustees may insure against loss or damage any insurable property held by the Trustees and any premiums, taxes, fees or other charges arising from the insurance contract shall be paid out of the income of the Trust. The Trustees may insure against negligence in the operation of the Trust and the Trust shall pay for such insurance. The Trustees may enter into and renew any leases for real or personal property on terms that the Trustees consider reasonable and may pay any rents, taxes, fees or other charges arising from the lease out of the income of the Trust.
  
- 13. The Trustees, their heirs, executors and administrators and estate and effects shall be indemnified and saved harmless individually and severally from time to time, and at all times from and against:

- (a) all costs, charges and expenses which a Trustee sustains or incurs in or about any action, suit or proceeding brought, commenced or prosecuted against him or her or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or her, in or about the execution of the duties of his or her office or in respect of such liability and,
- (b) all other costs, charges and expenses that he or she sustains or incurs in, about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own willful neglect or default.

The Trustees may obtain indemnification insurance for errors and omissions and may pay for this insurance out of the Trust.

14. The Trustees may invest in any security or other investment in which Trust monies or proceeds may by law be invested and in mutual funds or similar securities available from a financial institution.
15. The Trustees may apply for incorporation as a non-profit Corporation under The Ontario Corporations Act with the consent of the Council of the Corporation of the Municipality of Huron East. The expenses related to the Application may be paid from the Seaforth Community Development Trust. Upon incorporation, the Huron East/Seaforth Community Development Trust shall be dissolved and the property shall be transferred to the Corporation.
16. Upon dissolution of the Seaforth Community Development Trust other than by incorporation and after payment of all debts and liabilities, the remaining property and money of the Seaforth Community Development Trust shall be returned to the reserve funds of the Corporation of the Municipality of Huron East to be dealt with in

accordance with the Minister's Restructuring Order.

IN WITNESS whereof this Declaration of Trust is signed and sealed this 2nd day of April, A.D., 2002.

Signed, sealed and delivered in the presence of:

Barbara Plumple  
(signature) Witness

Alfred Ross  
Alfred Ross

Jamie Ancheon  
(signature) Witness

Douglas Elliott  
Douglas Elliott

Jamie Ancheon  
(signature) Witness

Richard Burgess  
Richard Burgess

William Teall  
(signature) Witness

William Teall  
William Teall

Barbara Plumple  
(signature) Witness

James Sills  
James Sills

Joe Steffler  
(signature) Witness

Joe Steffler  
Joe Steffler

Elizabeth Cardno  
(signature) Witness

Elizabeth Cardno  
Elizabeth Cardno