

SCHEDULE THREE TO THE BY-LAWS

OF

**TULITA LAND CORPORATION
("the Corporation")**

RULES REGARDING DIRECTORS' LIABILITY

(based on sections 34, 145 and 147 to 151 of the
Canada Not-for-Profit Corporations Act)

Directors' Liability

1. If a Director votes for or consents to a resolution authorizing
 - (a) a payment or distribution to a member, a Director or an officer contrary to section 2 or the *Canada Not-for-Profit Corporations Act*; or
 - (b) a payment of a reimbursement contrary to section 3

the Director is liable to restore to the Corporation the money or other property paid or distributed and not recovered by the Corporation from the person who received it or from any other person.

Improper distributions

2. No part of the Corporation's profits or of its property or of any increases in the value of its property may be distributed, directly or indirectly, to a member, a Director or an officer except in furtherance of the activities of the Corporation or as otherwise permitted by the *Canada Not-for-Profit Corporations Act*.

Improper reimbursements

3. The Corporation may not reimburse a present or former Director or officer for any costs, charges or expenses paid by that person as a result of any proceeding in which that person is involved because of their present or former position with the Corporation unless that person
 - (a) acted at the Corporation's request,
 - (b) acted honestly and in good faith with a view to the best interests of the Corporation; and

- (c) in the case of a criminal or administrative proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.

Deemed consent to improper acts

- 4. A Director who is present at a meeting of Directors or of a committee of Directors is deemed to have consented to any resolution passed or action taken at the meeting unless the Director
 - (a) requests a dissent to be entered in the minutes of the meeting; or
 - (b) sends a written dissent to the secretary of the meeting before the meeting is adjourned; or
 - (c) sends a dissent by registered mail or delivers it to the registered office of the Corporation immediately after the meeting is adjourned.

Loss of right to dissent to improper acts

- 5. A Director who votes for or consents to a resolution is not entitled to dissent under section 4.

Dissent by absent Director to improper acts

- 6. A Director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless, within seven days after becoming aware of the resolution or action, the Director
 - (a) causes a dissent to be placed with the minutes of the meeting; or
 - (b) sends a dissent by registered mail or delivers it to the registered office of the Corporation.

Duties of Directors and officers

- 7. Every Director and officer of the Corporation in exercising their powers and discharging their duties shall
 - (a) act honestly and in good faith with a view to the best interests of the Corporation; and
 - (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Duty to comply

8. Every Director and officer of the Corporation shall comply with
- (a) the *Canada Not-for-Profit Corporations Act* and the *Regulations* made under it; and
 - (b) the articles and the by-laws.

Lawfulness of articles and purpose

9. Every Director of the Corporation shall verify the lawfulness of the articles and the purpose of the Corporation.

No defence by contract etc.

10. No provision in a contract, the articles, the by-laws or a resolution of the Corporation relieves a Director or an officer from the duty to act in accordance with the *Canada Not-for-Profit Corporations Act* and the *Regulations* or relieves a Director or officer from liability for a breach of the *Act* or the *Regulations*.

Director — Defence of reasonable diligence

11. A Director is not liable under section 1, and has complied with his or her duties under sections 8 and 9, if the Director exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance in good faith on
- (a) financial statements of the Corporation represented to the Director by an officer of the Corporation or in a written report of the auditor of the Corporation to reflect fairly the financial condition of the Corporation; or
 - (b) a report of a person whose profession lends credibility to a statement made by that person.

Director — good faith

12. A Director has complied with his or her duties under section 7 if the Director relied in good faith on the financial statements described in paragraph 11(a) or on a report described in paragraph 11(b).

Officer — reasonable diligence

13. An officer has complied with his or her duties under section 8 if the officer exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance in good faith on a report of a person whose profession lends credibility to a statement made by that person.

Officer — good faith

14. An officer has complied with his or her duties under section 7 if the officer relied in good faith on a report of a person whose profession lends credibility to a statement made by that person.

Amendments to *Canada Not-for-Profit Corporations Act* or *Regulations*

15. If any amendment to the *Canada Not-for-Profit Corporations Act* or *Regulations* makes any part of this Schedule inconsistent with the *Act* or *Regulations*, that part will be deemed to be amended to make it consistent with the *Act* and *Regulations*.

APPENDIX

TULITA LAND CORPORATION

OFFICERS' AND DIRECTORS' OATH OF OFFICE

I _____, being not less than 19 years of age and otherwise eligible to be _____ of Tulita Land Corporation, in accordance with the By-laws of Tulita Land Corporation, do solemnly swear/affirm that;

1. I was honestly and properly elected to hold the office of _____ on _____, 2007.
2. I will faithfully uphold all properly enacted By-laws and policies governing the operations of Tulita Land Corporation;
3. I will act honestly and in good faith while carrying out the duties of _____ of Tulita Land Corporation always conducting myself in the best interests of all of the members of Tulita Land Corporation and not my own personal interests or those of my family or friends;
4. I will act in a way that is respectful of all of the members of Tulita Land Corporation and all persons that conduct business with Tulita Land Corporation and its subsidiaries and affiliates;
5. I will not accept any favours, gifts or any other personal enrichment from any members of Tulita Land Corporation or from any person that conducts business with Tulita Land Corporation or any subsidiary or affiliate of Tulita Land Corporation that is not available to all members of Tulita Land Corporation;
6. I know that all other officers and directors of Tulita Land Corporation must also take this same oath and may be removed as an officer and director of Tulita Land Corporation for breaching the oath and I will do all things necessary to ensure that any breaches of the oath by any other officer or director of Tulita Land Corporation is dealt with promptly, in accordance with the By-laws of Tulita Land Corporation.

I SO SOLEMNLY SWEAR/AFFIRM at the Hamlet of Tulita, Northwest Territories this ___ day of _____, 2____.

in the presence of:

A Justice of the Peace or Notary Public or Commissioner for Oaths in and for the Northwest Territories. My appointment/commission expires _____