

AMONG:

CHEMAWAWIN CREE NATION
as represented by the Chief and Council

(hereinafter called the "Settlor")

OF THE FIRST PART,

- and -

CHIEF CLARICE EASTER
of Chemawawin Cree Nation

- and -

RICHARD BOURASSA
of Chemawawin Cree Nation

- and -

SAM GEORGE
of Chemawawin Cree Nation

- and -

NANCY MINK
of Chemawawin Cree Nation

- and -

RAYMOND CATT
of Chemawawin Cree Nation

(hereinafter called the "Trustees"),

OF THE SECOND PART.

WHEREAS in accordance with an agreement (hereinafter called the "Comprehensive Forebay Agreement") dated ^{January 16,} / / , 2004, among Chemawawin Cree Nation, Her Majesty the Queen in Right of the Province of Manitoba and The Manitoba Hydro-Electric Board, the Settlor has received CDN FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) of the Settlement Amount as a trust in favour of the Beneficiary herein for the purpose of funding the future costs of supporting Chemawawin's representatives on the Cedar Lake Resource Management Board established under the Comprehensive Forebay Agreement;

AND WHEREAS for this purpose the Settlor desires to establish a trust and has requested the parties hereto of the second part as Trustees to receive the Settlement monies, to be held by them in trust with and subject to the powers and provisions declared and contained in this Trust Indenture;

AND WHEREAS the Settlor has on the 21 day of January, 2004 paid to the Trustees the sum of CDN FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) for the purpose of creating the trust and the Trustees have agreed to act as trustees under this settlement and to accept and hold the said sum of money and any other monies, securities, property and assets, forming part of the Trust Funds on and subject to the trusts declared in this Trust Indenture;

NOW, THEREFORE THIS TRUST INDENTURE WITNESSETH that in consideration of the promises and the mutual covenants and agreements contained in this Trust Indenture IT IS HEREBY MUTUALLY COVENANTED, AGREED AND ACKNOWLEDGED by and between the parties hereto as follows:

ARTICLE 1
ESTABLISHMENT OF TRUST

1.01 Name of Trust

The Trust created by this Trust Indenture shall be known as "The Chemawawin Resource Trust" provided that, in the carrying out of the powers granted hereby to the Trustees, the Trustees shall be entitled to use and carry on the activities of the Trust under such names as may be convenient to them.

1.02 Settlement

The Settlor has made a gift and settlement unto the Trustees of the Settlement Amount upon the trusts and subject to the powers and provisions contained in this Trust Indenture. The Settlor further covenants and agrees that the said gifts and settlements have been and will be made in favour of the Trustees under this Trust Indenture.

- (2) any reference to a person shall include and shall be deemed to be a reference to any person that is the successor to such person;
- (3) words importing the singular number only shall include the plural and vice versa;
- (4) words importing one gender only shall include both genders; and
- (5) the headings and the division of this Trust Indenture into articles, sections and subsections are for convenience of reference only and shall not affect the construction or interpretation of this Trust Indenture.

ARTICLE 3
PURPOSES OF TRUST

3.01 Term of Trust

This Trust shall endure, prevail and continue until the Distribution Date, if any.

3.02 Income Distributions

- (1) The Trustees shall pay, in each year, all or part of the Income from the Trust Fund, to or for the use or benefit of the Beneficiary, for the purpose of financing the costs associated with the participation of Chemawawin's representatives on the Cedar Lake Resource Management Board; provided, however, that:
 - (a) the Trustees shall not in any way impair, or encroach on, the capital of the Trust;
 - (b) the Trustees may not assign any of the Income or capital of the Trust as security and shall have no power to borrow as against that Income or capital or, in any other way, to pledge the Income or capital in any manner whatsoever; and

3.03 Encroachments on Capital

The Trustees may not encroach on the capital of the Trust Fund for any purpose at any time.

3.04 Distribution to Beneficiary on Distribution Date

The Trustees shall pay or transfer the whole of the Trust Fund remaining on the Distribution Date to or for the benefit of the Beneficiary, and for greater certainty, in distributing the Trust Fund as aforesaid, the Trustees shall not be required to observe the restrictions set out in any other part of Article 3.

3.05 Payment Absolute Discharge

The receipt of any monies paid by the Trustees hereunder to the Beneficiary shall be a sufficient discharge to the Trustees, who shall not be bound to see to the application of any monies so paid.

ARTICLE 4

POWERS AND AUTHORITIES OF TRUSTEES

4.01 Guiding Principles

In carrying out the powers, authorities and discretions howsoever available to the Trustees, whether under statute or at common law or otherwise, the Trustees shall be guided by the following principles:

- (1) the purpose of the Resource Trust is to fund the future costs of supporting Chemawawin's representatives on the Cedar Lake Resource Management Board;
- (2) the Trust Fund is intended to be preserved in perpetuity to enable future generations to benefit from this Trust and, without limiting the generality of the

ARTICLE 10
AMENDMENT AND VARIATION

10.01 Trust Irrevocable

Except as provided in this Trust Indenture, the Trusts set forth in this Trust Indenture are intended and are hereby declared to be irrevocable by the Settlor.

10.02 Amending Powers

Subject to sections 10.03 and 10.04, at any time or from time to time during the term of the Trust, the Trustees, together with the Chief and Council, acting jointly and unanimously only, and with the consent of Hydro, may amend, vary, add to, revise or modify the terms and conditions of this Trust Indenture by deed or deeds revocable or irrevocable.

10.03 Consent of the Court

The Trustees, together with the Chief and Council acting jointly and unanimously only, may apply to any Court having jurisdiction over this Trust to interpret, amend or vary the Trust, without notice to the Beneficiary or any other interested party, and such application shall be in the following form:

The Trustees shall submit with the said application to the said Court, a plan or proposal for the interpretation and construction and meaning and implementation of this Trust, and this Trust Indenture, and their rights, obligations and discretions under this Trust Indenture, or for any change or amendment hereto, accompanied with such other affidavits or other evidence as will aid the said Court in reaching its decision.

10.04 Procedure for Amendment or Dissolution

Notwithstanding anything in sections 3.05 and 10.02, the Trustees shall not be entitled to dissolve, amend, vary, add to, revise or modify the Trust or pay or transfer the whole of

the Trust Funds then remaining on the Distribution Date, unless and until such dissolution, amendment, variation, addition, revision, modification or payment or transfer has been approved by Chief and Council by council resolution and, in accordance with the procedures established under section 10.05, and the written consents of Hydro and Manitoba have been obtained.

10.05 Referendum Procedure

Prior to any dissolution, amendment, variation, addition, revision, or modification to the Trust or any payment or transfer of any Trust Funds, Chief and Council will have same approved by the Members in accordance with the following procedures:

- (1) Chief and Council will, by council resolution, request that the Minister responsible under the *Indian Act (Canada)* and the *Indian Referendum Regulations* make an order that a referendum be held, in accordance with requirements of the *Indian Act (Canada)* and the *Indian Referendum Regulations*, to determine if a majority of Members entitled to vote and voting at the referendum are in favour of the transaction.
- (2) The transaction will be approved by the Members if, at the referendum held in accordance with subsection 10.05(1), a majority of the Members entitled to vote and voting at such referendum vote to approve the transaction.
- (3) If the Minister responsible under the *Indian Act (Canada)* and the *Indian Referendum Regulations* does not make the order under subsection 10.05(1) within sixty (60) days after receiving the council resolution requesting same, subject to any extensions agreed upon by the Chief and Council, Chief and Council will conduct the referendum in accordance with the provisions of the *Indian Act (Canada)* and the *Indian Referendum Regulations* except that:
 - (a) no order of the Minister will be obtained;
 - (b) the electoral officer under the *Indian Referendum Regulations* will be a person to be determined by Chief and Council, rather than an officer of

CHEMAWAWIN CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2011

In accordance with the 2002 Comprehensive Forebay Agreement signed by Chemawawin Cree Nation, the Province of Manitoba and Manitoba Hydro, \$400,000 was received by the First Nation to establish the Chemawawin Resource Trust. The investment income generated from these monies is to be utilized to support the future participation costs of Chemawawin representatives on the Cedar Lake Resource Management Board.

In December 2005, the First Nation redeemed the investments of this Trust. These funds totalling \$401,729 were deposited to the accounts of the First Nation and supported by a Band Council Resolution whereby the First Nation borrowed these funds for general use from the Trust and paid interest to the Trust at a rate of 10% per annum.

At the time of financial statement preparation, a written legal opinion has, as yet, not been obtained by the First Nation to determine if the redemption of these Trust investments contravenes certain aspects of the agreement originally signed.

The condensed supplementary financial information of the Chemawawin Resource Trust is as follows (does not reflect the elimination of inter-entity balances adjusted upon consolidation):

	2011	2010
Financial Position		
Cash	\$ 4,260	\$ 3,480
Government of Canada Bonds	13,104	13,728
Due from Chemawawin Cree Nation	<u>569,494</u>	<u>535,728</u>
	<u>\$ 586,858</u>	<u>\$ 552,936</u>
Trust Equity	<u>\$ 586,858</u>	<u>\$ 552,936</u>
Results of Operations		
Investment Income	\$ 40,328	\$ 41,114
Trust Expenses	<u>6,406</u>	<u>3,867</u>
NET INCOME	<u>\$ 33,922</u>	<u>\$ 37,247</u>

14. EXPENSES