

Ministre des Affaires indiennes et
du Nord canadien, interlocuteur fédéral
auprès des Métis et des Indiens non inscrits et
ministre de l'Agence canadienne de développement
économique du Nord



Minister of Indian Affairs and
Northern Development, Federal Interlocutor
for Métis and Non-Status Indians and
Minister of the Canadian Northern Economic
Development Agency

Ottawa, Canada K1A 0H4

I, the Minister of Aboriginal Affairs and Northern Development, HEREBY
APPROVE, pursuant to section 83 of the *Indian Act*, the following by-law
made by the Roseau River Anishinabe First Nation, in the Province of
Manitoba, at a meeting held on the 9th day of February 2011.

- **Roseau River Settlement Community
Development Account Expenditure By-law**

A handwritten signature in blue ink, appearing to be 'A. Mahood'.

Dated at Ottawa, Ontario, this 14th day of June 2011.

**ROSEAU RIVER ANISHINABE FIRST NATION
SETTLEMENT COMMUNITY DEVELOPMENT ACCOUNT EXPENDITURE
BY-LAW NO. 2011/01**

This is a By-law for the expenditure of the funds paid to the First Nation from the Roseau River Anishinabe 1903 Trust.

WHEREAS:

- A. The Roseau River Anishinabe First Nation (the “First Nation”) has established the Roseau River 1903 Trust (the “Trust”) to provide for the management, protection and investment of moneys settled in the Trust and which directs that certain funds be paid from the Trust to the First Nation by deposit to the Roseau River Settlement Community Development Account;
- B. Pursuant to section 83 of the *Indian Act*, R.S.C. 1985, c. 1-5 (the “Indian Act”), the Chief and Council of the First Nation may, subject to the approval of the Minister of Indian Affairs and Northern Development, enact by-laws for the appropriation and expenditure of moneys of the First Nation to defray band expenses and matters arising out of or ancillary thereto; and
- C. The Council of the First Nation enacts this Roseau River Anishinabe First Nation Settlement Community Account Expenditure By-law to govern the expenditure of those funds deposited to, and expended from, the Roseau River Settlement Community Development Account.

1. SHORT TITLE

- 1.1 This by-law shall be known as the *Roseau River Settlement Community Development Account Expenditure By-law* (the “By-law”).

2. PURPOSE OF BY-LAW

- 2.1 The purpose of this By-law is to govern the management, investment and expenditure of those funds deposited to the Community Development Account, such funds to be used for the long term benefit of the current and future Members of the First Nation.

3. DEFINITIONS

- 3.1 Any of the capitalized terms used in this By-law but not defined in this By-law shall have the same meaning as set out in the Trust Agreement unless the context is inconsistent therewith. In the event of any inconsistency between the terms of the Trust Agreement and the terms of this By-law, the terms of this By-law shall prevail.

3.2 In this By-law:

- (a) **“Annual Allotment”** means the following amounts
 - (i) For the initial Fiscal Year the amount of \$2,000,000;
 - (ii) for the next five (5) Fiscal Years the amount of \$2,200,000, increasing by \$50,000 per year to the amount of \$2,400,000 for the fifth Fiscal Year; and
 - (iii) thereafter, in each Fiscal Year, an amount which is equal to four (4%) percent of the average of the closing market value of the Trust Property as of December 31 for the preceding five (5) Fiscal Years;
- (b) **“Annual Payment”** means the Annual Payment to be deposited by the Trustee to the Community Development Account pursuant to the terms of the Trust Agreement and, for the purposes of this By-law, is deemed to include the amount of any Authorized Loan Payments paid directly by the Trustee in each fiscal year of the Trust;
- (c) **“Authorized Expenses”** means the administrative expenses reasonably incurred by the First Nation in carrying out the terms of this By-law;
- (d) **“Authorized Investment”** means an investment purchased with funds from the Community Development Account from those investments listed in Part I of Schedule “A” of the Trust Agreement;
- (e) **“Authorized Loan”** means a loan from a Financial Institution to the Trust, as borrower, arranged by the Trustee at the First Nation’s request, the net proceeds of which has been deposited to the Community Development Account in accordance with section 7.2 of the Trust Agreement, to be used for Community Development purposes;
- (f) **“Authorized Loan Payments”** means those payments of principle and interest made pursuant to the Trust Agreement, by the Trustee, to service an Authorized Loan;
- (g) **“Community Development”** means the following:
 - (i) housing;
 - (ii) acquisition of land and improvements;
 - (iii) economic and business development;
 - (iv) community assets and infrastructure;
 - (v) per capita distributions;
 - (vi) Treaty protection; and
 - (vii) any other program, service, project, or activity which is for the use, development, advantage or benefit of the First Nation or its Members;

- (h) **“Community Development Account”** means the Roseau River Settlement Community Development Account to be established by the Council pursuant to section 4.1 of this By-law, into which the Annual Payment, Authorized Loans and other monies are deposited;
- (i) **“Council”** means the duly elected Chief and Council of the First Nation;
- (j) **“Council Resolution”** means a written resolution of the Council, signed by a quorum of the Council, which resolution has been passed by the Council at a duly convened meeting of the Council;
- (k) **“First Nation”** means the Roseau River Anishinabe First Nation, as represented by its Council;
- (l) **“Financial Institution”** means a bank, trust company or credit union duly licensed to conduct business in the Province of Manitoba.
- (m) **“Fiscal Year”** means the fiscal year of the First Nation, which unless determined otherwise shall be from April 1 to March 31 of any year;
- (n) **“Majority of Voters”** means, for the purposes of a referendum held pursuant to the Roseau River Referendum Voting Guidelines regarding any vote necessary under the terms of this By-law, that a majority (over 50%) of the Voters vote and that at least a majority (over 50%) of those Voters who vote, vote in favour of the question on the ballot;
- (o) **“Member”** means a person whose name appears on the Membership List;
- (p) **“Membership List”** means the list of members maintained for the First Nation pursuant to the Indian Act or, if the First Nation takes over control of its membership function as provided for in the Indian Act, then the list maintained by the First Nation in accordance with its membership rules;
- (q) **“Roseau River Referendum Voting Guidelines”** means the guidelines adopted by Council, from time to time, that detail the procedures to be followed with respect to any vote necessary under the terms under this By-law, provided that should the Council not have adopted such guidelines then it shall mean the *Indian Referendum Regulations*, C.R.C. 1978, c.957, as am. SOR/94-369, Sched. II; SOR/2000-392, as amended or replaced from time to time;
- (r) **“Trust”** means the Roseau River 1903 Trust established by the Trust Agreement;
- (s) **“Trust Agreement”** means the Roseau River 1903 Trust Agreement; and
- (t) **“Trustee”** means the Trustee for the Roseau River 1903 Trust;
- (u) **“Voters”** means the Members of the First Nation who are eighteen (18) years of age or older and eligible to vote in the elections of the Council of the First Nation.

3.3 Where there is a reference to a number of days in this By-law it is deemed to be a reference to calendar days and in calculating the number of days, the day on which the first event happens is excluded and the day on which the last event happens is included.

4. ESTABLISHMENT OF COMMUNITY DEVELOPMENT ACCOUNT

4.1 The Council shall establish the Community Development Account in a Financial Institution situated on a reserve, and such account shall be governed by the Council in accordance with this By-law and any applicable policies of the First Nation. The Council shall maintain the Community Development Account for as long as the Trust remains in existence.

4.2 The First Nation may from time to time deposit other funds into the Community Development Account, other than the Annual Payment and Authorized Loans. These funds may come from any source. Once such funds are deposited to the Community Development Account the funds shall be deemed to be part of the Annual Payment for the current Fiscal Year and the terms of this By-law shall apply to such funds.

5. INVESTMENT OF FUNDS

5.1 Any funds deposited to the Community Development Account may be invested in Authorized Investments and any income generated by the investment of the funds shall be deposited to the Community Development Account.

5.2 For the purposes and sections 8.2 and 8.3 the Annual Allotment for the next Fiscal Year shall be deemed to be increased by the amount of the investment income generated in the current Fiscal Year.

6. CONTRIBUTION TO TRUST

6.1 In the event the Annual Payment in any Fiscal Year is greater than the Annual Allotment for that Fiscal Year, then the Council shall cause to be contributed to the Trust, by way of a deposit to the Trust Account an amount equal to the amount by which the Annual Payment exceeds the Annual Allotment and such contribution shall be made as soon as is reasonably possible after the Annual Payment is deposited to the Community Development Account but, in any event, no later than May 31 of the Fiscal Year in which the Annual Payment is made.

7. AUTHORIZED LOANS AND PAYMENTS

7.1 The Council may, in accordance with the Trust Agreement, authorize the Trustee:

- (a) to arrange for an Authorized Loan and to use the Trust Property to secure such Authorized Loan; and
- (b) to make Authorized Loan Payments.

7.2 Subject to section 7.2(b)(iv) of the Trust Agreement, the proceeds of an Authorized Loan deposited into the Community Development Account shall only be expended for the

Community Development purpose(s) to which the Authorized Loan Payments are charged and, where funds from an Authorized Loan are expended over more than one Fiscal Year, the funds shall continue to be expended only for the Community Development purpose(s) to which the Authorized Loan Payments are charged.

8. EXPENDITURE OF FUNDS

- 8.1 Subject to sections 7.2 and 8.3, the Annual Allotment may only be expended on Authorized Expenses and for Community Development purposes.
- 8.2 The amount expended on Authorized Expenses in each Fiscal Year shall not exceed five (5%) percent of the Annual Allotment for that Fiscal Year and, for greater certainty, for the purposes of this section, the Annual Allotment does not include the proceeds of Authorized Loans deposited to the Community Development Account and any amount carried forward from the previous Fiscal Year pursuant to section 8.5.
- 8.3 In each Fiscal Year, the amount of the Annual Allotment expended for Community Development purposes, including Authorized Loan Payments, shall be expended for the purposes of and in the percentage amounts as follows:
- (a) housing - up to forty percent (40%) of the Annual Allotment for the Fiscal Year;
 - (b) land purchases - up to twenty percent (20%) of the Annual Allotment for the Fiscal Year;
 - (c) economic and business development purposes - up to twenty five percent (25%) of the Annual Allotment for the Fiscal Year;
 - (d) community assets and infrastructure - up to forty percent (40%) of the Annual Allotment for the Fiscal Year;
 - (e) per capita distributions - up to five percent (5%) of the Annual Allotment for the Fiscal Year;
 - (f) Treaty protection – up to fifteen percent (15%) of the Annual Allotment for the Fiscal Year; and
 - (g) other Community Development purposes - up to thirty percent (30%) of the Annual Allotment for the Fiscal Year.
- 8.4 For greater certainty, Authorized Loan Payments charged to a Community Development purpose shall be included in determining the percentage of the Annual Allotment expended on that purpose.
- 8.5 Any Annual Allotment amount, which for the purposes of this section includes any amount of the investment income generated in the previous Fiscal Year, remaining in the Community Development Account at the end of a Fiscal Year can, at the Council's discretion, either remain in the Community Development Account to be used in the next Fiscal Year, or be contributed by the First Nation to the Trust. If the Council decides to

use the amount in the next Fiscal Year then, for the purposes of sections 8.2 and 8.3, the amount of the Annual Allotment for the next Fiscal Year shall be deemed to be increased by such remaining amount.

9. ANNUAL BUDGET

- 9.1 The Annual Allotment and any Authorized Loans shall not be expended except in accordance with Articles 7 and 8 and this Article 9.
- 9.2 The Council shall, within sixty (60) days of the end of each Fiscal Year, prepare an annual plan and budget for the next Fiscal Year setting out the proposed expenditures and deliverables related to the Annual Allotment and any new Authorized Loan(s), such plan and budget to identify the expenditures to be made, including any Authorized Loan Payments, and the deliverables to be achieved from such expenditures. The plan and budget shall provide sufficient information so as to permit the Members to identify the expenditures and benefits that will accrue to the First Nation and the Members.
- 9.3 Except for any amount to be contributed to the Trust pursuant to section 6.1, the annual plan and budget for any Fiscal Year must be approved by the Council, by Council Resolution, prior to expending the Annual Allotment and any new Authorized Loans for that Fiscal Year. For greater certainty, any Authorized Loan Payments obligations made by the Trustee shall remain in force and effect and shall be made regardless of whether the annual plan and budget for any Fiscal Year is approved by the Council.
- 9.4 The Council may, at any time, amend the annual plan and/or annual budget during a Fiscal Year, however, all Authorized Loan Payments obligations made by the Trustee shall remain in force and effect and shall be made notwithstanding the amendment to the annual plan and/or annual budget by the Council.
- 9.5 Upon approving the annual plan and budget or approving an amendment to the annual plan and/or the annual budget the Council shall:
 - (a) post a copy of the annual plan and budget or amendment in an area of the administrative offices of the First Nation to which the public has access;
 - (b) deliver a copy of the annual plan and budget or amendment to each house located on the Roseau River Reserve No. 2;
 - (c) mail a copy of the annual plan and budget or amendment to each Member who resides off the Roseau River Reserve No. 2 whose address is known; and
 - (d) provide, at the First Nation's expense, a copy of the annual plan and budget or amendment to each Member upon request.

10. PROTECTION, ACCOUNTABILITY AND ENFORCMENT

- 10.1 The Council shall not:
- (a) lend, release, distribute or advance funds held in the Community Development Account except in accordance with this By-law; or
 - (b) use funds held in the Community Development Account as security or collateral for any loan, mortgage, pledge or any other charge.
- 10.2 Within thirty (30) days after the end of each Fiscal Year, the First Nation shall have prepared and provided to an auditor financial statements in comparative form regarding the Community Development Account, containing at a minimum, the following:
- (a) a balance sheet;
 - (b) a statement of revenues and expenditures and a comparison of these with amounts stated in the annual budget as amended during the Fiscal Year; and
 - (c) any other information necessary for a fair presentation of the financial position of the Community Development Account.
- 10.3 The accounting and auditing requirements for the Community Development Account may be done together with, and consolidated with, the other accounts of the First Nation.
- 10.4 Within one hundred and twenty (120) days of the end of each Fiscal Year, the Council shall ensure that audited financial statements are prepared detailing the activities of, and expenditures from, the Community Development Account. The auditor shall be selected by the Council and may be the same auditor appointed by the Council to audit the other financial records of the First Nation.
- 10.5 The financial statements required by Section 10.4 shall be prepared in accordance with the Canadian generally accepted accounting principles or in accordance with the disclosed basis of accounting of the Canadian Institute of Chartered Accountants, and audited in accordance with generally accepted auditing standards by an independent auditor who is a member in good standing of an association of auditors incorporated under the laws of the Province of Manitoba. The audit shall include a general review of the adequacy of the accounting procedures and systems of control employed to operate the Community Development Account.
- 10.6 Copies of the audited financial statements shall be posted in the administrative offices of the First Nation, in an area to which the Members has access, within fifteen (15) days of Council approving the audited financial statements, and any Member shall be entitled to receive a copy of the audited financial statements.
- 10.7 The Council shall conduct a community information meeting with the Members in each Fiscal Year, at which the Council shall present the audited financial statements for the Community Development Account for the previous Fiscal Year and provide a report which reconciles and compares the actual expenditures and deliverables from the

Community Development Account with the approved annual plan and budget, as amended, for that same Fiscal Year.

10.8 No civil proceedings lie against a member of Council or an employee of the First Nation for anything done, or omitted to be done:

(a) during the course of the exercise or performance in good faith of such person's duties and obligations in relation to, this By-law; or

(b) in accordance with the opinions or advice obtained from a trustee, solicitor, auditor, valuer, investment counsellor, appraiser or other expert who is reasonably considered to be a person or persons whom reliance may be placed with respect to a matter in relation to this By-law..

10.9 Members of Council and any person whom, at the request of Council, is serving or shall have served as an employee, advisor, consultant, agent or subcontractor of the First Nation in respect of this By-law shall be indemnified and saved harmless by the First Nation against all losses, claims, damages, liabilities, obligations, and reasonable costs and expenses (including judgments, fines, penalties, amounts paid in settlement and counsel and accountants' fees) of whatsoever kind or nature incurred by, borne by , or asserted against any such indemnified parties in any way arising from any act or omission in relation to the exercise or performance, in good faith, of such person's duties or obligations in relation to this By-law, unless such losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement, and counsel and accountants' fees) arise from the fraud, willful default or negligence of such party.

10.10 The right to indemnification set forth in Section 10.9 shall not be exclusive of any rights to which the Council member or any person referred to in this section may be entitled as a matter of law or equity or which may be lawfully granted to him by agreement or a court of law.

11 AMENDMENTS AND REPEAL

11.1 No amendment shall be allowed under any circumstances to Section 6.1 of this By-law.

11.2 No amendment or repeal of this By-law is valid unless initiated by Council Resolution and approved by a Majority of Voters who cast ballots in a referendum held pursuant to the Roseau River Referendum Voting Guidelines.

12. GENERAL

12.1 Headings form no part of this By-law, but shall be considered as being inserted for reference only.

12.2 A finding by a court of competent jurisdiction that a section or provision of this By-law is void or invalid shall not affect or bear upon the validity or invalidity of any other section or part of this By-law or this By-law as a whole.

12.3 In this By-law, words in the singular include the plural, and words in the plural include the singular.

13. COMING INTO FORCE

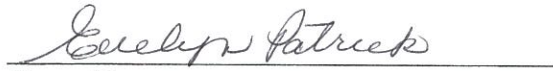
13.1 This By-law shall come into force on the later of the date the By-law is approved by the Minister of Indian Affairs and Northern Development and the Effective Date of the Trust.


This By-Law is hereby made at a duly convened meeting of the Council of the Roseau River Anishinabe First Nation this 9th day of February, 2011.

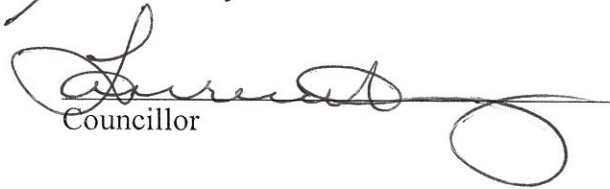
Voting in favour of the By-Law are the following members of the Council:


Chief


Councillor


Councillor


Councillor


Councillor

being the majority of those members of the Council of the Band present at the aforesaid meeting of the Council.

The quorum of the Council is 3 members.

Number of members of the Council present at the meeting was 5.

I, Terry Nelson, Chief of the Roseau River Anishinabe First Nation, do hereby certify that a true copy of the foregoing By-Law was provided to the Minister of Indian Affairs and Northern Development at the DIAND Manitoba Regional offices of the department.