

2010 Annual Report To the membership of Yellow Quill First Nation



1st Report

Treaty Day: June 10, 2010

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Annual Report:**

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Overview of Yellow Quill Holdings Inc. and TLE Trust

Membership to Yellow Quill Holdings and Yellow Quill TLE Trust:

Appointed by Chief & Council, TLE Trustees and Board of Directors to YQ Holdings include:

- Ron Waddington, Managing Trustee;
- John Machiskinic, Council Trustee;
- William Machiskinic, Elder Trustee;
- Leila Nashacappo, Urban Trustee; and
- Anna Squirrel, Youth Trustee.

Trustees meet on a bi-weekly basis at Yellow Quill First Nation.

Message from the Board:

Yellow Quill Holdings remains committed to ensuring the various assets and investments managed and administered by Holdings remain protected for the benefit of future generations of Yellow Quill membership.

As a Holding company, we are also committed to ensuring the various assets and investments yield the best possible returns to better assist membership in key areas of:

- emergency assistance;
- workforce participation;
- awards for youth and education;
- awards for students in pursuit of higher learning;
- financial assistance to families for youth sports and recreation;
- financial assistance to families

for wakes and funerals;

- cultural development;
- TLE housing;
- Elder payments; and
- Urban initiatives.

Yellow Quill Holdings will remain vigilant in safe guarding the various assets and investments entrusted to them and will make informed decisions that take into consideration the collective best interests of membership and leadership.

Yellow Quill Holdings will also continue to work with leadership in exploring potential economic opportunities that will foster a climate of long-term benefit and sustainability for the community including diversification of Yellow Quill's economic portfolio.

Year in Review: Challenges of June 2009 to June 2010

In the past twelve months, there have been several and significant challenges for each of Yellow Quill TLE and Yellow Quill Holdings Inc.

Yellow Quill Holdings Inc. (est. January 1994) as a not for profit land holding company of Yellow Quill First Nation was struck from the corporate registry of Saskatchewan Corporations Branch (SCB) in November 2008. The reason for removal was due to the non-submission

of financial statements to SCB. In correcting this deficiency, the following audits for TLE and financial statements for Yellow Quill Holdings are now complete for fiscal year ending December 31st for each of:

- 2005;
- 2006;
- 2007; and
- 2008.

In March 2010, Yellow Quill

Holdings was reinstated to good standing in the corporate registry with SCB.

In completing prior years audits and financial statements, it was revealed that certain liabilities were not addressed relating to Yellow Quill Holdings. These commitments have since been remedied.

Financial statements for Holdings and audit for TLE for fiscal year 2009 are currently underway.

Year in Review: June 2009 to June 2010

TLE Housing:

In 2009, Yellow Quill Holdings made a commitment to investing funds into upgrades for TLE units.

As a result, new furnaces (six in total) were installed in TLE homes along with very limited

and minor renovations.

Also, Holdings has committed funding to cistern cleaning for all TLE units.

We as a Holding company will remain committed to improving housing conditions for families

residing in TLE units. This includes identifying and addressing health and safety issues that may be present in existing TLE homes.

Presently, there are a total of eighteen homes on TLE lands.

Membership Supports:

Elder Payments for 2010

A total of eight Band members qualified (i.e. having reached the age of 60 years) for the \$5,000 Elder payment this year. Payments were issued on Treaty Day.

K-12 Education: Awards

Holdings is committed to recognizing excellence among on-reserve Yellow Quill students.

As such, the following awards were provided to one student for each grade level:

-K to 6: Good attendance merits a bike gift for each grade;
-Grades 7 to 9: Good grades merit a camera gift for each

grade; and

-Grades 10 to 12: Good grades merits a laptop gift for each grade.

Academic Completion

Holdings has continued to providing a \$400 payment for each off-reserve Yellow Quill Band member who successfully completes high school studies.

Emergency Assistance

New rates for membership were approved in an effort to better assist emergency need:

- Wakes & Funerals \$1200
- Funeral Travel

(in province) \$150

- Funeral Travel (out of province) \$300
- Rates for General Emergencies \$150

The rates as noted above are specific to immediate family emergencies.

Workforce Participation

Holdings has provided limited funds to membership that require basic items for meaningful employment. Such items include work boots, minor tools, and other affordable workplace needs.

Urban Initiatives & Support to Band Administration:

Christmas Support

This past December 2009, Holdings provided gift cards (\$50 value) to urban members, hosted a dinner for urban families, and provided small gifts and candy bags to children in hopes of providing a merrier Christmas to all.

Saskatoon Urban Office

Yellow Quill Holdings has committed funds to leasing of the Yellow Quill Urban office located at 210 Avenue P South in Saskatoon.

Youth Sports & Recreation

Holdings remains committed to assisting urban youth and their families in funding fifty percent of costs relating to registration fees.

Traditional Lands

Holdings has agreed to funding Elders and Council in mapping, and identifying sacred and historical sites of traditional Yellow Quill Lands. This will ensure industry is mindful of traditional Yellow Quill territories that must be protected and respected.

Yellow Quill Bison Farm

Holdings has provided funds to the Bison Farm in assisting them in their operations.

Band Administration

Holdings has also agreed to better supporting Band Administration in servicing of debt, and also to consolidated financial statements for Holdings to that of the Band's own audited statements. The intent of these initiatives is to comply with INAC requirements for the eventual removal of third party management.

Year in Review: June 2009 to June 2010

Asset Portfolio for Yellow Quill Holdings Inc.

The Asset Portfolio for Yellow Quill Holdings Inc. consists of:

- Canterbury Towers (First Nations Bank Building);
- Prince Albert Property;
- Agriculture Land Leases; and
- Parking lot in downtown Saskatoon.

Yellow Quill Holdings has carefully assessed the feasibility and revenue potential of each asset. The intent of this exercise is to ensure best value is being realized relative to the market potential of the asset.

Another equally important component in assets realizing their truest potential is the need for

an accountability framework to safeguard revenues of each asset in Holdings portfolio.

With strong economic growth in the province, the asset portfolio has gained significant value in increased revenues for Canterbury Towers as well as agriculture land leases also at an all time high.

Canterbury Towers in Saskatoon



First Nations Bank Building

The First Nations Bank Building (FNBB) is one-hundred percent occupied and hosts the following tenants:

- First Nations Bank;
- Claude Resources;
- Shore Gold Inc.;
- Merchant Law Group;
- 49 North Resources;
- Wescan Goldfields;
- BEC International Inc.;
- SPMC (Family, Crown Prosecutor);
- Nova-Tek Innovations Inc.;
- and
- Quon Ferguson.

Holdings has signed recent lease agreements for double their previous rates and as a result are reaping the rewards of a strong leasing market in Saskatoon.

To maximize revenue potential, Holdings is also exploring the potential for digital advertising for FNBB. The challenge currently is the City of Saskatoon in permitting the placement of such a digital sign.

Prince Albert Property



Prince Albert Building

The Prince Albert property located at 195-17th Street West has been sold as of February 2010. Prior to sale listing, the property was appraised by Sun-Corp Valuations for \$810,000. The offer made by the purchaser and accepted by Holdings was \$800,000.

The contents (i.e. dishes, utensils, glasses, etc) of the property will be distributed to membership this summer. The date will

be determined and communicated via a poster in the Band office.

Proceeds of property sale have been returned to the Capital Trust Account and subsequently invested in a two-year Guaranteed Investment Certificate at Peace Hills Trust.

Year in Review: June 2009 to June 2010

Agriculture Land Leases

Treaty Land Entitlement land is located in the following rural municipalities:

- Porcupine Plain;
- Corman Park;
- Kelvington;
- Ponass Lake/Rose Valley;
- Saskatoon; and
- Caledonia (south of Regina)

Land lease agreements are in place with One Earth Farms, and local farmers in and around RMs where TLE lands are located. Seasonal employment opportunities are available for membership looking for work in farming.

For 2010, no TLE land is sitting idle - revenues are being real-

ized for all land assets. In fact, the leasing revenue per acre is at an all time high of \$35 for all new agreements.

In the coming years, it is anticipated that with growing land prices and a rebound in commodities - this will allow for even greater revenues per acre to be realized.

Saskatoon Parking Lot



Imperial Parking Canada

The parking lot in Saskatoon located at 240 4th Ave South (i.e. red shaded area in illustration next to First Nations Bank Building) has realized increased annual revenues of over forty percent from leasing with Imperial Parking Canada.

Again, due to increased economic activity in Saskatchewan and in particular Saskatoon, Yellow Quill Holdings has been fortunate to having realized increased revenue opportunities

from this asset.

It should be noted that the value of this property has increased by almost five fold since its purchase in 1998.

Its location is ideal for potential future development of an office tower or other such uses. Holdings will continue to explore what opportunities might be available for this property.

Community Skills Assessment

Yellow Quill Holdings has developed a survey referred to as Community Skills Assessment (CSA).

The intent of the CSA is to determine the skills, abilities and qualifications of membership in an attempt to build a human resource inventory of Yellow Quill membership residing on and off-reserve.

This information would prove to be useful when potential employment and economic

opportunities have been made known for the resource sector and exploration activity concerning; oil and gas, potash, diamonds, coal and other mineral deposits.

The receipt of CSA information will allow Holdings to work with industry employers in accessing a workforce that is better prepared to meeting current and future human resource needs of employers.

It will also allow us to better

lobby government in supporting potential funding for training, skill upgrading and skill enhancement for jobs and careers.

Looking Forward: June 2010 and beyond

Yellow Quill Treaty Land Entitlement:

The two most important and immediate priorities to Yellow Quill TLE Trust concern discussions of the designation vote and also forward progress on reserve creation for TLE lands.

Trustees will ensure each of these priorities receive much

needed attention to make certain their expedience. This is especially true for reserve creation.

Also, as it pertains to designation Trustees will continue to work closely with Yellow Quill leadership in careful examina-

tion of what such a vote may entail. TLE will also look at what other First Nations have done with respect to designation votes concerning their communities.

Designation Vote:

Discussions concerning the Designation Vote will continue with Yellow Quill leadership, INAC, and Justice Canada.

The intent of the Designation Vote is for membership of Yellow Quill First Nation to voice their opinions with respect to potential leasing opportunities of reserve and pre-reserve lands (i.e. lands currently sitting idle as TLE lands).

The Designation Vote would include a total of five ballots:

Reserve Lands will have 2 ballots:

- one for the designation of surface lands: Commercial designation, Recreational designation, Residential

designation; and

- one for designation of sub-surface lands: Mineral oil & gas – the rights of exploration and production for mineral development

Pre-Reserve Lands will have 2 ballots:

- one for the designation of surface lands: Commercial designation, Recreational designation, Residential designation; and
- one for designation of sub-surface lands: Mineral oil & gas – the rights of exploration and production for mineral development

Urban Selection will have 1 ballot:

- one for the designation of surface lands: Commercial designation, Recreational designation, Residential designation for FNBB & Parking Lot in Saskatoon

For additional information, please check us out on Facebook, contact a Trustee or pick up a pamphlet from the Band office.

*NOTE: If you haven't already provided TLE with your mailing address concerning this vote, you are strongly encouraged to do so as soon as possible. This will ensure your participation in this important vote for Yellow Quill.

Reserve Creation:

Yellow Quill Trustees remain committed to working closely with Yellow Quill leadership, community members, and various orders of government (i.e. Municipal, Provincial, and Federal departments) to facilitate the transfer of treaty land entitlement land to reserve status.

Reserve creation is a priority of Yellow Quill TLE Trust and Yellow Quill leadership to ensure the land base of reserve grows for the enjoyment of membership and also to make certain funds no longer have to be expended for purposes of taxation under treaty.

TLE in conjunction with Yellow Quill leadership will continue lobbying government to speed up the process for reserve status of TLE lands. TLE land ready for reserve creation amounts to 16,097 acres.

Looking Forward: June 2010 and beyond

Yellow Quill Holdings Inc.:

Post-Secondary Education

Fall 2010, Holdings will offer two scholarships valued at \$2,000 each for students enrolled in University and Technical Institute. Eligibility is exclusive to Yellow Quill students and will be based on a combination of need and academic performance.

Funeral Insurance

Holdings is in active discussions with a National Insurance

provider to determine the potential costs for coverage of on and off-reserve membership with respect to funeral costs in their loss of a loved one.

TLE Housing

Holdings is in discussion with government agencies (i.e. Sask Housing and CMHC) in an effort to secure funds that can be used to offset major renovations for TLE homes. Renovations will be split into Phase I (exterior) and Phase II (interior)

projects to best take advantage of weather. Priorities will be based on dwellings with children or those with a disability.

Elders Strategy

Trustees are examining strategies to better assist Yellow Quill Elders. A number of options are being considered.

Workforce Participation

Holdings will examine this area to see how we can better assist membership with employment.

Urban Initiatives:

Urban Office

Yellow Quill Holdings will continue working with the Urban Office and Council to purchase property of sufficient size in Saskatoon to make certain the continued service to Urban members.

with Yellow Quill leadership and also Saskatoon Tribal Council in exploring potential funding strategies with government agencies for social housing opportunities in Saskatoon.

First Time Home Ownership Strategy

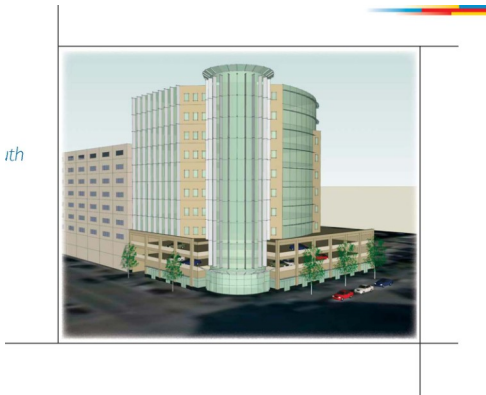
Holdings is contemplating the provision of funding to em-

ployed off-reserve members (in limited numbers per year) in buying a first home and assisting with down payment. Holdings will continue an analysis of funds that may be available per year to fund such a strategy. A decision will be made later this fall and communicated to membership at that time.

Social Housing

Holdings will continue work

Economic Development: Exploring Potential Opportunities



Saskatoon Parking Lot - 240 4th Ave South

Exploratory discussions are underway with respect to potential development of an office building which would be situated where the parking lot currently sits.

with a nine hole golf course. The project would result in Holdings receiving a significant sum for the 250 acres currently owned by Yellow Quill and also ten percent of profits realized. Discussions are of an exploratory nature only and no agreements have been authorized.

Corman Park Project

Yellow Quill Holdings has been approached to discuss a potential joint venture of Corman Park lands with North Prairies Developments of Saskatoon. The proposed projects calls for a 200 unit development project

Industrial Manufacturing

Yellow Quill Holdings will continue discussions with industry with the intent of creating partnerships and eventual employment creation on-reserve for membership.

**YELLOW QUILL
HOLDINGS &
YELLOW QUILL
TREATY LAND
ENTITLEMENT**

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Assurances to Accountability of Yellow Quill Assets & Investments...

Yellow Quill Holdings Board of Directors is committed to key principles of transparency, disclosure and redress as an integral part of an accountable process in how it manages the distribution and disbursement of funds to membership. As such, the Board shall conduct themselves in a manner:

- To serve, address and meet the needs and expectations of membership with competence;
- To adhere to, respect and support the mandate of membership with honour and integrity;
- To exemplify honour, integrity and commitment as positive role models for membership;
- To always speak of a Band member in honest and respectful terms;
- To accord each and every Band member with sincere respect;
- To treat each and every Band member with sincere fairness, impartiality and compassion; and
- To be sincere in the protection and promotion of the well being of membership of Yellow Quill First Nation.

Yellow Quill Holdings Inc. is continuing its work to complete the “Yellow Quill Trust Investment Policy” for the preservation and safeguarding of assets and investments of the Holding company and principle within the Treaty Land Entitlement Trust, including the land base of Yellow Quill First Nation.

In developing this important policy, a copy of such will be afforded to membership, leadership and professionals for their much needed input, feedback and direction in guiding the Holding company and TLE for current and future generations of Yellow Quill membership.

