

TŁICHQ GOVERNMENT

**TLICHO CONSTRUCTION LTD CONTRIBUTION AND LOAN
LAW 2007**

The Tłichq Assembly enacted this law on November 8, 2007 by unanimous consent.

George Mackenzie, Grand Chief of the Tłichq Government, signed this law on November 8, 2007.

Signature: Bertha Rabesca Zoe Date: Nov 8/07
Certified as a True Copy by Bertha Rabesca Zoe as of November 8, 2007.
Laws Guardian, Tłichq Government

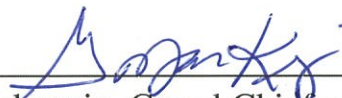
DISPOSITION

DATE OF INTRODUCTION	CONSIDERATION	CONSENSUS	EFFECTIVE DATE
November 7, 2007	November 8, 2007	November 8, 2007	November 8, 2007

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TLICHO CONSTRUCTION LTD CONTRIBUTION AND LOAN LAW 2007

Title

1. This law shall be cited as the *Tlicho Construction Ltd. Contribution and Loan Law 2007*.

Preamble

2. The Government of the Northwest Territories had committed to building an addition to the Gameti School and issued tender inviting bids.
3. The Tlicho Construction Ltd. placed a bid of \$7.6 million (approximately) on February 16, 2007. The bid by Tlicho Construction Ltd. was rejected.
4. The Chiefs Executive Council met with the Government of the Northwest Territories to ensure that the construction of the Gameti School will proceed. Government of the Northwest Territories had committed to paying \$7.1 million for the construction of the addition to the Gameti School.
5. The Chiefs Executive Council then instructed the Tlicho Investment Corporation, by motion #07/08/17:03, to lower its construction bid estimate by \$500,000.
6. The management team from Tlicho Construction Ltd. and Behcho Ko Development Corporation has met with the Government of the Northwest Territories to finalize the cost of the construction.

This Law was signed by Grand Chief George Mackenzie on November 8, 2007.

7. The final pricing from all sub-trades for the Gameti School is \$8,301,821 (Eight million, three hundred and one thousand, eight hundred and twenty-one dollars).

8. The current cost breakdown is as follows:

Final Price	\$8,301,820.90
GNWT approved cost	<u>\$7,100,000.00</u>
	\$1,201,000.00
Tłchq̄ Commitment	\$ 500,000.00
Design Saving identified	<u>\$ 336,000.00</u>
Shortfall	\$ 365,000.00

9. The final price is based on cost of escalation that increased the original bid cost.

10. The Tlıcho Investment Corporation Board of Directors had approved, as an interim measure, an additional \$365,000 in order to meet the go/no go deadline of October 15, 2007.

11. As the instruction from the Chiefs Executive Council did not involve consulting the Tlıcho Investment Corporation nor the Tlıcho Construction Ltd. for their input on the construction of the Gameti School, neither the Tlıcho Investment Corporation nor the Tlıcho Construction Ltd. can commit to the full financial commitment made by the Chiefs Executive Council including the shortfall.

12. Therefore, the Tlıcho Investment Corporation (on behalf of the Tlıcho Construction Ltd.) is seeking financial assistance from the Tłchq̄ Assembly for additional funds to achieve the commitment made by the Chiefs Executive Council.

13. Tlıcho Construction Ltd. has to order and pay for the materials within the next month and the Government of the Northwest Territories will not pay until the materials are in Gameti. In addition, the Government of the Northwest Territories will have a holdback of 20% of the project cost.

14. As a result, the Tlicho Construction Ltd. will require funds “up front” funding for payment and delivery of the materials to Gameti over the winter road.

15. An addition, Tlicho Construction Ltd. will require funds to cover the initial cash flow situation.

16. The Tlicho Investment Corporation (on behalf of the Tlicho Construction Ltd.) is seeking financial commitments in two parts and the Tłı̨chǫ Assembly commits to these financials commitments, all set out below.

Part I: Contribution

17. The Tłı̨chǫ Assembly hereby grants to the Tlicho Investment Corporation (on behalf of the Tlicho Construction Ltd.) the sum of \$500,000 for the financial commitment made by the Chief Executive Council and the sum of \$365,000 for the shortfall as identified under section 8 of this law for a total contribution of \$865,000.00 (Eight hundred and sixty-five thousand dollars).

18. \$865,000.00 will be allocated from the Tłı̨chǫ Government reserve account.

19. The \$865,000.00 allocation referred to in section 18 above will be recorded as an expenditure of the Tłı̨chǫ Government for fiscal year 2007-2008.

Part II: Loan

20. The Tłı̨chǫ Assembly hereby approves a \$2.0 million interest free loan to the Tlicho Investment Corporation (on behalf of the Tlicho Construction Ltd.) and that this loan shall be repaid upon completion of the Gameti School project, including satisfaction of all the terms of the construction contract, including completion of any deficiencies and release of the holdback.

21. The \$2.0 million loan referred to in section 20 above shall be allocated from the Tłıchǫ Government reserve account and any loan payment shall be returned to the reserve account.

Coming into Force

21. This law shall come into force on the date the Grand Chief signs this Law.