



## Anishinaabe Abinoojii Family Services

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Administration Office  
#1 Apartment Drive  
WAUZIUSHK ONIGUM NATION

July 21, 2009

Anishinaabe of Wauzhushk Onigum  
P.O. Box 1850  
Kenora, Ontario  
P0N 3X8

Hand Delivered

Dear Chief Skead:

Re: Letter of Intent  
Business and Administration Complex

The purpose of this letter is to set out the understanding between regarding the construction and operation of a Business and Administration Complex (the "Complex") on the reserve lands of the Anishinaabe of Wauzhushk Onigum in the Province of Ontario. This letter is not a contract and is not intended to create any binding obligations or commitments upon either Anishinaabe Abinoojii Family Services ("AAFS") or Anishinaabe of Wauzhushk Onigum (the "First Nation").

### Description of the Project

1. The First Nation proposes to build and operate the Complex on lands reserved (the "Reserve") for and on behalf of the First Nation in the Province of Ontario.
2. This Letter of Intent is intended to serve as a basis for a lease (or sub lease) that will be entered between the First Nation (or a corporation designated by the First Nation to hold the head lease) and AAFS regarding a portion of the Reserve which is to be designated for the purpose of leasing.
3. AAFS has targeted its space requirements at 23,117 square feet and all efforts will be made by the First Nation to accommodate this requirement within the Complex. Deviations in excess of 3% or 700 square feet must be approved in writing by AAFS prior to the commencement of work on the foundations of the Complex.
4. AAFS is prepared to pay the First Nation a gross rental rate of \$17.50 per square foot for actual dedicated space provided within the Business Complex. It is understood that this rental rate will be an all inclusive rate to include operations and maintenance costs associated with the leased space that are derived from operational policies and procedures that will be in alignment with industry standards. It is further understood that these operational policies and procedures must be adhered to by AAFS to ensure the cost effective and efficient operation of the Complex. It is further understood that this

cost effective and efficient operation of the Complex. It is further understood that this lease rate will be adjusted in five (5) year increments which will be calculated so as to be in alignment with increases or decreases in the Consumer Price Index (CPI) for the incremental period in question.

5. AAFS acknowledges that the First Nation's Business Plan for the Complex is based upon long term financing being secured over a fifteen (15) year period. By virtue of this Letter of Intent, and subject to funding being provided to the agency, AAFS agrees to enter a lease for a term of fifteen (15) years. Note that this pledge must be subject to any limitations imposed by the rules and regulations of AAFS as well as those of their funding agencies.
6. Timing is of the essence. In order to ensure that a timely occupancy date is achieved, AAFS requires that project updates will be submitted on a monthly basis for their review. These updates are to identify any deviations from the schedule contained within the most recently completed Business Plan as well as the methodologies that will be incorporated to rectify any delays should they occur. AAFS reserves the right to withdraw its support for the project should significant delays occur that are not in keeping with those typically experienced in the construction industry.
7. It is essential to AAFS that the site in question be formally designated for leasing purposes. A requirement will be that the land designation process for the site in question must be completed by November 1, 2009.
8. In order to effectively deliver their services, AAFS requires that the detailed design of their suite must be conducive to their day to day operations. As such, access and security must be controlled to achieve separation from other tenants when required.
9. In order to effectively deliver their services, AAFS requires that the leased premises be constructed utilizing systems, finishes and services that are in alignment with industry standards and reflective of the culture and traditions of the clientele that they serve.
10. A requirement of the Letter of Intent will be that AAFS assigns a delegate to the overall Project Team. This delegate may attend regularly scheduled design and construction meetings and will act as the liaison between the project proponents, constructors and AAFS. It is anticipated that the delegate will be responsible to provide information and services as they relate to:
  - a. security and access features;
  - b. systems, finishes, services and colour schemes;
  - c. advocating for the project with provincial and federal funding agencies; and
  - d. advocating for the project with local governments and service agencies

11. The First Nation will have the following responsibilities in respect of the development, construction and operation of the Complex:
  - a. Commissioning all studies and expert reports needed to verify the technical and commercial viability of the Complex;
  - b. Raising the capital required for the development, construction and operation of the Complex,
  - c. Managing the construction and operations of the Complex.
  
12. General
  - a. It is expected that this letter of intent and subsequent discussions will lead to the execution of a definitive and binding agreement containing the commercial terms set out herein and containing customary covenants, representations and warranties, closing conditions, provisions for indemnification, survival and other terms typical of such agreements. Each party shall negotiate reasonably and in good faith to settle and execute such agreement.
  - b. AAFS and the First Nation shall treat the terms, conditions or other information respecting this letter of intent or the subject matter contained herein confidential, and shall not either orally or in writing release a copy of same or disclose any information respecting this letter of intent or the transaction contemplated without the written consent of the other.
  - c. Each of us shall bear our respective legal and other costs arising in connection with the transaction.
  - d. This letter of Intent is intended to be, and shall be construed only as, a letter of intent and no binding obligation is hereby created with respect to anything contained in this letter of intent unless and until a purchase agreement is executed and delivered and then only to the extent that such obligations are contained in the definitive agreement.

We trust that the foregoing terms and conditions are acceptable to you, and we ask that you acknowledge your agreement by signing the acknowledgment below and returning a copy to us.

Sincerely yours,

Anishinaabe Ablnoojii Family Services

per: *Sheresa Stevens*

per: *Raphael F. Myster*

ACCEPTED AND AGREED to this *6<sup>th</sup>* day of *August*, 2009.

Anishinabe of Wauzhushk Onigum

*[Signature]*

Dy:

Name:

Title: *Chief*