###### BY-LAW NO. 570

###### (BEING A LONG-TERM LOAN OF UP TO $1,085,202

###### FOR THE CONSTRUCTION OF A DUPLEX IN KAWAWACHIKAMACH TO ACCOMMODATE MEMBERS OF THE NASKAPI POLICE FORCE)

WHEREAS the Naskapi Nation of Kawawachikamach (the “Nation”) is in the course of constructing on Category IA-N land a building known as the Police Duplex (hereinafter called the “Building”), located at 211(AB) Uniam Road Kawawachikamach G0G 2Z0, and contemplates completion of construction of the Building no later than 31 October 2024;

WHEREAS on 16 October 2024, the Nation, as lessor, entered into a lease (the “Lease”) with the Naskapi Village of Kawawachikamach (the “NVK”), as lessee, for the Building, for a term of 240 months commencing 1 November 2024, with yearly renewals contemplated until 30 April 2028, and an annual rent (inclusive of user charges) for the first 12 months of $8,709.18 per month, to be adjusted thereafter as provided for in the Lease;

WHEREAS the complete costs of the construction of the Building are anticipated to be $1,205,780;

WHEREAS the Nation shall request a loan from the Canadian Imperial Bank of Commerce, 888 3rd Avenue, Val-d’Or, Québec, J9P 5E6 (the “Bank”) of up to $1,085,202 to assist the Nation with financing the construction costs of the Building;

WHEREAS it shall be one of the conditions of making such loan, that the Nation grant to the Bank as security for the repayment of such loan, a hypothec in first rank for a capital amount equal to the amount of such loan covering the rents owing and to be owing to the Nation under the Lease and any renewals thereof (the “Rents”);

WHEREAS the Rents are exempt from privilege, hypothec or any other charge, or to attachment, levy, seizure or execution pursuant to subsection 190(2) of the *Naskapi and Cree-Naskapi Commission Act* , 1984 S.C., ch. 18, (the “NCNCA”), and in order for the Nation to grant a hypothec on the Rents to the Bank as security for such loan, the Nation must waive, pursuant to subsection 193(3) of the NCNCA, the said exemption attaching to the Rents, and the electors of the Nation must approve the terms and conditions of such waiver;

WHEREAS, pursuant to subsection 96(1) of the NCNCA the Nation may borrow on a long-term basis in accordance with section 97 of that Act and in accordance with the regulations made under section 98 of that Act;

WHEREAS the *Cree-Naskapi Long-term Borrowing Regulations*, 1986 (P.C. 1986-1050) have been made under section 98 of the NCNCA;

NOW THEREFORE, the Naskapi Nation of Kawawachikamach acting through its Council at a meeting of the Council held at the Village of Kawawachikamach on the 15th day of October 2024, hereby enacts the present By-law respecting a long-term loan of up to $1,085,202 for the construction of the Building:

1. THAT the Nation is authorized to give and provide the statements, confirmations and declarations of consent and do all other things required for a loan up to $1,085,202 (the “Loan”) to be made to the Nation to be applied towards the construction of the Building.
2. THAT without limiting the generality of paragraph 1 of this By-law, the Nation is authorized to:
   1. Certify that the Nation will repay the Loan to the Lender in accordance with a loan agreement to be executed with the Lender.
   2. Undertake to take out immediately, for the benefit of the Lender, and in their respective interests, one or more fire insurance policies and any other insurance policies that either of them may require in connection with the Building.
   3. Certify that the Building, for the duration of the Loan, will not be encumbered with any hypothec, privilege or other charge, without the consent of the Lender.
3. THAT the Nation hereby confirms the following:
   1. The Loan payments and related costs referred to in paragraphs 3.3 and 3.4 hereof, respectively, and estimated to total $2,090,200 shall be repaid with the Rents to be paid by the NVK, which are estimated to total $104,508 per annum.
   2. The construction of the Building commenced in the 2023-2024 fiscal year of the Nation and will be carried out in accordance with *National Housing Act* standards. The financing will be as follows:

Appropriated from the Nation’s 2023-2024 $120,578

capital grant from Crown-Indigenous Relations

and Northern Affairs Canada

The Loan $1,085,202

Total $1,205,780

* 1. The Loan will be for the principal amount of $1,085,202 and shall be repaid in consecutive monthly instalments of principal and interest based on an amortization period of 20 years. Instalments will be due on the first day of the month, commencing on the first day of the month next following the Interest Adjustment Date (“IAD”). The IAD shall be the first day of a month not later than three months following the earlier of the final advance on the Loan or substantial completion of the project. The IAD is currently estimated at 31 October 2024. Interest on advances prior to the IAD will be set monthly at prime + 0.5% (currently set at 7.45%) and shall be repaid by the Nation on a monthly basis starting 30 days after the first advance. Interest from and after the IAD will be set at a variable rate of prime + 0.5%. The Loan will mature 240 months after the IAD at which time the entire balance of principal and interest will become due. The loan shall be payable in monthly payments of $8,709.17 + accrued interest. Based on an estimated interest rate 7.45% per annum, the estimated monthly blended instalments of capital and interest on the Loan for such initial term would each be $8,709 (rounded to the nearest dollar) and the total of such monthly instalments per annum would be $104,508.
  2. Except for the interest specified in paragraph 3.3 hereof, there are no commissions, premiums or other similar costs related to the Loan payable to the Bank by the Nation.
  3. The Nation will arrange for one of three designated representatives who shall be bonded to sign all cheques and approve all contracts and other documents relating to the administration of the Building, including leases between the NVK and the Nation.
  4. Apart from the interest specified in paragraph 3.3 hereof, there are no interest, commissions, premiums or other similar costs related to the Loan;
  5. The Nation has identified the Rents as the source of funds from which the Loan, together with interest, will be repaid.
  6. To secure the obligation of the Nation to repay the Loan with interest and costs, the Nation is hereby authorized to hypothecate the Rents in favour of the Bank in the amount of the Loan with interest at prime + 0.5% per annum.
  7. To give effect to paragraph 3.8, the Nation is hereby authorized to execute a deed or other document granting a hypothec in favour of the Bank on the Rents using the Bank’s usual form for such purpose or an equivalent form.
  8. Pursuant to subsection 193(3) of the NCNCA, the Nation is hereby authorized to waive, in favour of the Bank, the exemption conferred by subsection 190(2) of the NCNCA with respect to the Rents, the whole in order to give effect to a hypothec for the amount of the Loan on the Rents as contemplated in paragraphs 3.7 and 3.8 of this By-Law.
  9. To be effective, this By-Law must be approved by the electors of the Nation in conformity with subsection 193(3) of the NCNCA. Thus, to be effective, this By-Law must be approved by the majority of the electors of the Nation voting at a special Nation meeting or referendum at which at least twenty-five per cent of the electors of the Nation voted on the matter.

1. THAT any one of the persons designated hereafter is hereby authorized to sign and deliver on behalf of the Nation the acceptance of the Lender’s Letter of Commitment for the loan and an agreement evidencing the Loan, and to sign and deliver any and all other documents required and to do all other things necessary to give effect to this present By-law, namely: the Chief of the Nation, the Director General of the Nation, and the financial advisor to the Nation, being Mr. Jeff LeBlanc.
2. THAT, in addition to those persons authorized to do so under the NCNCA, pursuant to subsection 42(3) of the said Act, either Mr. Paul Renzoni, the general advisor to the Nation or Mr. Jeff Leblanc, the financial advisor to the Nation, is hereby empowered to issue certified copies of this present By-law.