

**SECHELT INDIAN BAND  
LAW NO. 2006-02**

**SECHELT INDIAN BAND LAW - LOAN TO TSAIN-KO FORESTRY LIMITED PARTNERSHIP**

WHEREAS:

A. Pursuant to Part III, Division (1), Section 15 of the Sechelt Indian Band Constitution, October 1993 ("Constitution"), the Sechelt Indian Band Council (the "Band Council") may make laws with respect to the financial administration of the Band for the purpose of implementing the Band's authority as set out in Division 4, Division 6 and Division 7 of Part II of the Constitution; and

B. Pursuant to Part II, Division (7), Sections 6(k) and 7(h), the Band Council is of the opinion that it is for the benefit and in the best interests of the Band that \$190,000 be transferred from Band Capital money (as defined in the Constitution) to Band Revenue money (as defined in the Constitution), for the purpose of lending that amount from Band Revenue money to Tsain-Ko Forestry Limited Partnership to fund the retail yard start-up costs at the value-added mill located on Sechelt Lands operated by Tsain-Ko Forestry Limited Partnership.

The Council of the Sechelt Indian Band, in open meeting assembled, enacts as follows:

1. SECHELT INDIAN BAND LAW - LOAN TO TSAIN-KO FORESTRY LIMITED PARTNERSHIP, NO. 2006-02
  - 1.1 This law may be cited for all purposes as the "Sechelt Indian Band Law - Loan to Tsain-Ko Forestry Limited Partnership, No. 2006-02".
2. TRANSFER FUNDS FROM BAND CAPITAL MONEY TO BAND REVENUE MONEY
  - 2.1 \$190,000 shall be transferred from Band Capital money (as defined in the Constitution), to Band Revenue money (as defined in the Constitution).
3. LOAN FUNDS FROM BAND REVENUE MONEY TO TSAIN-KO FORESTRY LIMITED PARTNERSHIP
  - 3.1 The Band (the "Lender") shall loan \$190,000 from Band Revenue money to Tsain-Ko Forestry Limited Partnership (the "Borrower") on the terms and conditions set forth in the this section (the "Loan").

Use of Loan Proceeds

- 3.2 The Borrower shall use proceeds of the Loan for the purpose of funding the start-up costs of a retail yard at the value-added mill operated by the Borrower on Sechelt Lands (the "Value-Added Mill").

Interest

3.3 The outstanding balance of the Loan will bear interest at the rate of 6% per year, calculated monthly not in advance as well after as before maturity, default and judgment.

Repayment Terms

3.4 The Borrower will make blended annual payments of principal and interest in the amount amounting to all of the Borrower's net profits from the Value-Added Mill for the year, such payments to commence on the 1st day of the month that is 12 months following the month in which the Loan is made and continuing on the 1st day of that month in each and every year thereafter until the entire unpaid balance of the Loan, and interest thereon as aforesaid, is fully paid and satisfied.

3.5 All amounts constituting repayment by Borrower in respect of the Loan, shall be transferred from the Band Revenue money account to the Band Capital money account.

Read a First time this 6th day of Feb, 2006

Read a Second time this 6th day of Feb, 2006

Read a Third time this 6th day of Feb, 2006

Reconsidered, finally passed and adopted by the Band Council and signed by the Chief on the 7th day of February, 2006.

  
CHIEF