

Khowutzun Mustimuhw Contractors Ltd Partnership

Application for Payment								
n Road								
7-Jun-06								
Item	Description	% of Total	Original Contract Value	% Complete to date	Value Complete to Date	Value of Previous Claims	Value of This Claim	Cost to Complete
1	General Requirments	5%	9,650.00	100%	9,650.00	9,553.50	96.50	-
2	Water connections	0%	100.00	100%	100.00		100.00	-
3	Excavations & Backfill	4%	7,700.00	100%	7,700.00	7,700.00	-	-
4	Foundation & Crawl Space	10%	19,100.00	100%	19,100.00	19,100.00	-	-
5	Framing to Lock-up	24%	47,300.00	100%	47,300.00	47,300.00	-	-
6	Roofing & Downspouts	2%	4,000.00	100%	4,000.00	3,680.00	320.00	-
7	Building Exterior	9%	16,750.00	100%	16,750.00	16,750.00	-	-
8	Extr. Doors & Windows	4%	7,500.00	100%	7,500.00	7,500.00	-	-
9	Insulation & Vapor Barrier	3%	5,100.00	100%	5,100.00	5,100.00	-	-
10	Drywall	5%	8,950.00	100%	8,950.00	8,950.00	-	-
11	Electrical	5%	8,750.00	100%	8,750.00	8,750.00	-	-
12	Plumbing & Heating	7%	14,050.00	100%	14,050.00	13,769.00	281.00	-
13	Finishing	4%	8,000.00	100%	8,000.00	8,000.00	-	-
14	Intr. Painting	2%	2,950.00	100%	2,950.00	2,950.00	-	-
15	Flooring (CA)	5%	9,000.00	100%	9,000.00	8,100.00	900.00	-
16	Cabinets & Vanities (CA)	3%	5,000.00	100%	5,000.00	5,000.00	-	-
17	Lighting (CA)	0%	800.00	100%	800.00	800.00	-	-
18	Conc Paths/walkways(CA)	0%	500.00	100%	500.00		500.00	-
19	Blinds(CA)	1%	1,000.00	100%	1,000.00		1,000.00	-
20	Appliances(CA)	1%	2,000.00	100%	2,000.00	2,000.00	-	-
21	Driveways(CA)	1%	1,000.00	100%	1,000.00	950.00	50.00	-
22	Landscaping(CA)	2%	3,000.00	100%	3,000.00	2,850.00	150.00	-
	Sewer/Septic System(CA)	5%	10,000.00	100%	10,000.00		10,000.00	-
Approved Change Orders								
23	Flooring (CA)		1,311.97	100%	1,311.97	1,311.97	-	-
24	Cabinets & Vanities (CA)		(75.30)	100%	(75.30)	(75.30)	-	-
25	Lighting (CA)		31.78	100%	31.78	31.78	-	-
26	Conc Paths/walkways(CA)							
27	Blinds(CA)		(7.00)	100%	(7.00)		(7.00)	-
28	Appliances(CA)		(59.52)	100%	(59.52)	(59.52)	-	-
29	Driveways(CA)		234.50	100%	234.50		234.50	-
30	Landscaping(CA)							
31								
32								
Subtotal			193,636.43	100%	193,636.43	180,011.43	13,625.00	-
Less 10 % Holdback					19,363.64	18,001.14	1,362.50	
Less Pre-Purchased Products					28,801.83	28,801.83	-	
Total Progress Draw						133,208.46	12,262.50	

*GST + PST
Deduct (18254)*

AS THIS WILL NOW BE A SEWER YOU NEED TO CREDIT THIS BACK BELOW

BACK-UP REAR'D



Indian and Northern
Affairs Canada
www.inac.gc.ca

Affaires indiennes
et du Nord Canada
www.ainc.gc.ca

September 26, 2006

Your file - Votre référence

Our file - Notre référence

E4000-16-642

Mr. Kevin Thorne
5639 Club Road
DUNCAN BC V9L 6W9

Dear Mr. Thorne:

Re: Cowichan Tribes

Thank you for your fax dated September 22, 2006, with the attached copies of various newspaper articles and a Cowichan Tribes newsletter article concerning restructuring the Sustainable Housing Department and the Khowutzun Mustimuhw Contractors.

Indian and Northern Affairs Canada (INAC) completed its review of the fax with the attached articles and provide the following comment:

The "Restructuring" theme raised in the articles by the Cowichan Tribes to its Sustainable Housing Department and the Khowutzun Mustimuhw Contractors. The matter of restructuring is viewed by INAC as internal to Cowichan Tribes and we are not in a position to provide comment. The department encourages you to contact Mr. Ernest Elliott, General Manager, at (250) 748-3196 to arrange a meeting with Chief and Council to discuss your concerns related to the restructuring of Sustainable Housing Department and to the Khowutzun Mustimuhw Contractors.

Again, I wish to thank you for your fax.

Yours truly,

Richard George
Funding Services Officer
British Columbia Region
600 – 1138 Melville Street
VANCOUVER BC V6E 4S3

#582941

Canada

I trust this response addresses your concerns.

Yours truly,

A handwritten signature in black ink, appearing to read 'Richard George', written over a horizontal line.

Richard George
Funding Services Officer
British Columbia Region
600 – 1138 Melville Street
VANCOUVER BC V6E 4S3

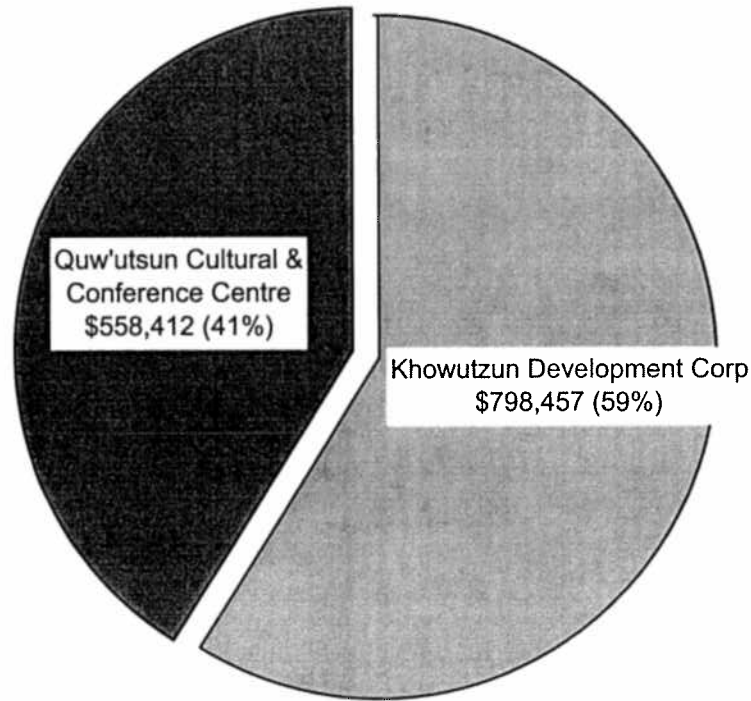
Cc: Chief and Council Cowichan Tribes

Mr. Ernest Elliott, General Manager, Cowichan Tribes

#532513

**KHOWUTZUN DEVELOPMENT
CORPORATION**

Expenditure - \$1,356,869

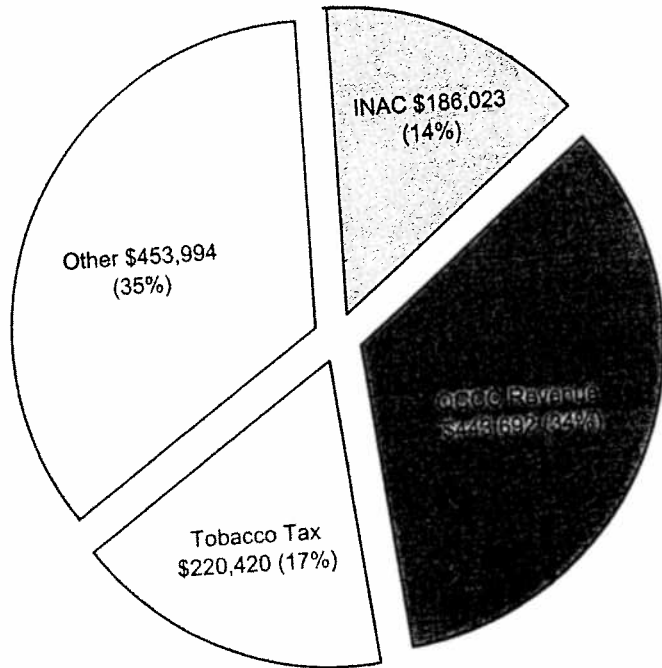


59% KDC expenditures relate completely to the on-going operations of KDC including audit and business plan costs, board of directors fees, training and development activities related to tobacco tax revenues, and general support of the KDC group of companies.

41% QCCC expenditures are related to the on-going operations of the Qu'wutsun' Cultural and Conference Centre. These expenditures include asset repair and maintenance, repayment of loan obligations, sales and marketing activities related to conference and tour operations and overall operations of the Centre.

KHOWUTZUN DEVELOPMENT CORPORATION

Revenue - \$1,304,129



35% "Other" revenues consists of revenues from the KDC group of companies for financial, management, marketing and information technology services.

Of the 17% tobacco tax expenditures, 52% was used for resource training and career fair activities, 42% was used for potential and current business support with the remaining 6% being utilized for community member support loans.

14% INAC funds were used to support on-going economic development initiatives and operations.

34% QCCC revenue related to ordinary revenues from the ongoing operations of the Cultural Centre, including admission, retail and conference services.

The department encourages you to contact Mr. Ernest Elliott, General Manager and or Wes Modeste, Chair of the Housing Committee, at (250) 748-3196 to arrange a meeting with the Cowichan Tribes' Housing Committee and/or Chief and Council to discuss your concerns related to your community's housing program.

Cowichan Tribes, in accordance with the Terms and Conditions of its Comprehensive Funding Arrangement (CFA) , maintains its financial records and prepares its financial statements in a manner conforming to generally accepted accounting principles as prescribed by the Canadian Institute of Chartered Accountants and the requirements INAC's Year End Reporting Handbook.

The Terms of the CFA require Cowichan Tribes to submit (by July 29, 2006) annual audited financial statements. INAC will review the audited statements to ensure that:

- All funds advanced during the fiscal year have been properly recorded in the audited statements.
- Expenditures against advanced funds are in accordance with the terms and conditions of the funding agreement and within program policy.

Should evidence exist concerning the misuse of public monies, I urge you to contact the local detachment of the Royal Canadian Mounted Police (RCMP) so that they may assess the evidence and, where warranted, conduct an investigation. The RCMP in North Cowichan/Duncan Ladysmith can be contacted at:

Royal Canadian Mounted Police
North Cowichan/Duncan Detachment
6060 Canada Avenue
DUNCAN BC V9L 1V3
Telephone: (250) 748-5522

I wish to thank you for your concerns and urge you to review your records concerning the allegations of misappropriations and/or misuse to ensure that your information is related to possible criminal offences.