



Ref: 50927

MAR 31 2008

RECEIVED
APR - 7 2008

Ms. Ruth Williams
Chief Executive Officer
All Nations Trust Company
Suite 208 West
345 Yellowhead Hwy
Kamloops BC V2H 1H1

Dear Ms. Williams:

I am pleased to inform you that the Ministry of Labour and Citizens' Services has agreed to grant financial assistance to the All Nations Trust Company, to ensure that rural and remote First Nations have the opportunity to benefit from affordable and reliable access to the Internet. The All Nations Trust Company will soon be receiving a grant of \$17.5 million in support of this initiative.

This grant is to initiate the First Nations Connectivity Fund, which will fund installation of the infrastructure and, where necessary, the last-mile systems needed to provide broadband connectivity to 203 First Nations.

The Province is committed to helping B.C.'s First Nations bridge the digital divide. It acknowledges that broadband connectivity is of great importance to communities, as it lays the foundational infrastructure for the delivery of e-health, e-education and e-government services, while it provides a window of economic opportunities. This is particularly critical in First Nations' efforts to revitalize language and culture, as well as improve water quality monitoring.

.../2

As Minister of Labour and Citizens' Services, it is my role and indeed my privilege to guide public policy decisions that provide a supportive environment for the advancement of broadband connectivity throughout B.C. Connectivity supports the spirit of the Transformative Change Accord, and will help to close the socio-economic gap between First Nations and the general population.

The First Nations Connectivity Fund will continue the important work begun by the Premier's Technology Council on access to broadband Internet in British Columbia. In addition to this funding, the Province will continue in its efforts to partner with the federal government to further advance connectivity required by First Nations.

Sincerely,

A handwritten signature in black ink, appearing to read 'O. Ilich', written in a cursive style.

Olga Ilich
Minister

cc: Ms. Lori Wanamaker, CA
Deputy Minister of Labour and Citizens' Services

Mr. Dave Nikolejsin
Chief Information Officer for the Province of British Columbia



APR 3 2008

Ref: 50928

MAR 31 2008

Ms. Ruth Williams
Chief Executive Officer
All Nations Trust Company
Suite 208 West
345 Yellowhead Hwy
Kamloops BC V2H 1H1

Dear Ms. Williams:

I am pleased to inform you that the Ministry of Labour and Citizens' Services has agreed to grant financial assistance to The All Nations Trust Company to fund digital literacy, information and communication technologies skills development initiatives, to ensure the benefits of connectivity are realized in First Nations.

This grant will initiate a First Nations Information and Communication Technologies Capacity Building Fund. The All Nations Trust Company will soon be receiving a grant of \$5.0 million in support of this new Fund.

The intended purpose of the First Nations Information and Communication Technologies Capacity Building Fund is to support First Nations-led digital literacy/technical skills development initiatives required for effective access to technology.

The Province is committed to helping B.C.'s First Nations bridge the digital divide. It acknowledges that broadband connectivity requires human capacity, in order to use it effectively in culturally and socially supportive ways. Connectivity lays the foundational infrastructure for the delivery of e-health, e-education and e-government services, while it opens up economic opportunities. This is particularly critical in First Nations' efforts to revitalize language and culture, as well as improve water quality monitoring.

.../2

As Minister of Labour and Citizens' Services, it is my role and indeed my privilege to guide public policy decisions that provide a supportive environment for the advancement of connectivity throughout B.C. Connectivity and capacity building support the spirit of the New Relationship, and will help to close the socio-economic gap between First Nations and the general population.

The All Nations Trust Company has proven its ability to understand the people's need for supports that make their communities thrive. I look forward to the good work that will come from this capacity-building funding.

Sincerely,

A handwritten signature in black ink, appearing to read "O. Ilich". The signature is fluid and cursive, with a large initial "O" and a long, sweeping tail.

Olga Ilich
Minister

cc: Ms. Lori Wanamaker, CA
Deputy Minister of Labour and Citizens' Services

Mr. Dave Nikolejsin
Chief Information Officer for the Province of British Columbia



February 16, 2009

Ms. Ruth Williams
Chief Executive Officer
All Nations Trust Company
Suite 208 West
345 Yellowhead Highway
Kamloops BC V2H 1H1

Dear Ms. Williams:

Re: TEL 133 All Nations Trust Company – First Nations Telehealth Connectivity Initiative

This letter will serve to confirm that the Ministry of Labour and Citizens' Services (the "Ministry") has agreed to grant financial assistance to the All Nations Trust Company (the "Organization") in support of the First Nations Telehealth Connectivity Initiative (the "Project").

PURPOSE

The Ministry's contribution is expected to be used solely for the purpose of defraying costs incurred by the Organization in carrying out and completing the Project as described in Appendix I to this letter (attached).

It is expected that the Organization will notify the Ministry of any material alteration to the Project described in Appendix I.

COSTS

The expectation is that the funds provided by the Ministry support the Project described in Appendix I.

R
FEB 20 2009
D

.../2

AMOUNT

The Ministry will provide financial assistance to the Organization in the amount of \$10,000,000.

DISBURSEMENT

The Ministry will disburse \$10,000,000 to the Organization on or before March 31, 2009.

REPORTING

The Ministry supports a comprehensive public reporting from the Organization, including a description of Project accomplishments and application of the Grant, and looks forward to receiving notification of such reporting.

LIAISON

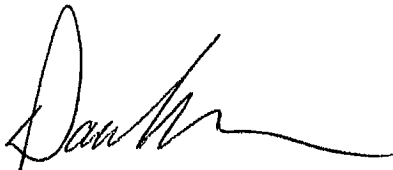
Any person designated by me from time to time, may act for the Ministry with respect to communications and all matters arising under this Grant with respect to the Project. Until you are advised to the contrary, please contact Wilf Bangert 250 387-9637, for the foregoing matters.

ADDITIONAL ITEMS

Additional items are attached in Appendix II.

The Ministry recognizes that the Project provides a positive and valuable contribution to bridging the digital divide in British Columbia First Nations.

Sincerely,



Dave Nikolejsin
Chief Information Officer
Province of British Columbia

Enclosures

**APPENDIX I
PROJECT DETAILS**

First Nations Telehealth Connectivity Initiative

Grant TEL-133

**SUMMARY OF PROPOSED SERVICES
(AS DESCRIBED IN PROPOSAL OF DECEMBER 4, 2008)**

The Business Model

All Nations Trust Company (ANTCO) and the First Nations Health Council (FNHC) jointly request a \$10 million grant from Network BC for the purpose of providing industrial connectivity to selected First Nations health centers. Connectivity will enable health centers with the technical capacity to implement essential telehealth applications. This project, referred to as the First Nations Telehealth Connectivity Initiative, is a cornerstone in establishing a fully integrated clinical telehealth network for B.C. First Nations.

ANTCO and FNHC will provide two types of services for the telehealth initiative:

- **Project management:** This includes project planning, contract negotiations, contract management, project administration and operational planning. Undertaken jointly by ANTCO/FNHC.
- **Funds management:** This includes trust and investment services, and cash management throughout the life cycle of the project. Undertaken by ANTCO.

ANTCO and FNHC will work closely to develop a strategy for establishing industrial connectivity for selected on-reserve health centers in B.C. ANTCO/FNHC will draw upon existing expertise by consulting frequently with the existing First Nations FIT Partners Working Group and the First Nations Connectivity Steering Group. ANTCO/FNHC will endeavour to capture strategic and operational efficiencies by working synergistically with the First Nations Connectivity and Capacity Building initiatives, hereafter referred to as the Pathways to Technology project. The key to gaining leverage for favourable pricing and terms is to provide telecommunications vendors with the greatest possible volume of business and longest possible term for recurring revenues (monthly charges).

Development of the list of community health centers which are upgraded from consumer connectivity (per the Pathways to Technology project) to industrial connectivity will be shaped by the need to:

- Ensure operating revenue is secured to ensure longer term viability;
- Develop a mechanism for establishing a single customer of record for the telecommunications supplier;
- Establish a capacity-building training program, backed by financial resources;
- Ensure that the network that results from the build-out to community health centers meets the appropriate quality of service standards.

Guiding Principles

- ANTCO/FNHC will work cooperatively and positively with the Connectivity Steering Group, the FIT Partners Working Group and such other stakeholders as may be identified as work proceeds.
- ANTCO/FNHC will establish a trustful and a respectful working relationship with First Nation health centers throughout B.C.

Broadband Connectivity for Health Centres

Funds will be used exclusively for providing industrial connectivity and will not be used for last mile systems or capacity building initiatives. Funding, which is being provided directly from the Province (Network BC), originated with Health Canada.

The objective of this project is to provide a selected set of on-reserve health centers with industrial connectivity, enabling these health centres to capture the benefits of clinical telehealth applications. The strategy will be to optimize the use of the \$10 million fund by blending the project into an Agreement currently being negotiated between ANTCO and a major telecommunications provider. The telehealth funding will be used to supplement the Pathways to Technology funding and upgrade from planned consumer connectivity to industrial connectivity; meeting the technical requirements to conduct essential telehealth applications, including specified quality of service standards.

Roles

ANTCO will manage the overall project: negotiate with telecommunications vendors; hold and administer the construction contract; manage funds; and provide administration and reporting to stakeholders.

FNHC will establish a working model for the operational side of the project, liaise with the eHealth Center of Excellence and build the required relationship with the health centers. Throughout this project, and beyond, FNHC will continue to present First Nations' perspectives, support the delivery of health services and provide political advocacy.

Jointly, ANTCO/FNHC will select candidate communities, arrive at decisions on the optimal way to spend the funds to ensure that a clinical telehealth network is established in B.C. which provides maximum benefits to First Nation communities.

Customer of Record

In order to capture economies of scale and efficiencies in administration, ANTCO will act as the customer-of-record with the telecommunications provider for the construction phase of the project, with the eHealth Center of Excellence (or other entity mutually determined between FNHC and ANTCO) established thereafter as the customer-of-record for the monthly billing and payment of access charges. ANTCO/FNHC will ensure that a viable long term user (health center) is in place in each community prior to construction commencing.

Summary Work Plan

1. Select a number of Tier 1 on-reserve health centers as candidates for upgrading to industrial connectivity and services. Selection of the communities will reflect careful consideration of:
 - FNHC priorities as set out in the Transformative Change Accord: First Nations Health Plan and the Tripartite First Nation Health Plan;
 - The priority list (and its criteria) for communities under the existing Pathways to Technology project;
 - Priority list as developed for the First Nations' telehealth expansion project;
 - Community "readiness" and enthusiasm to participate in the initiative;
 - Cost;
 - Technical issues such as tending/sub-tending relationships in the existing network of the telecommunications vendor.
2. Obtain firm price quotes from telecommunications vendors, backed by engineering reports, for connecting the selected health centers.
3. Revise the list as required based on the new information.
4. Develop and sign off a 'statement of work' with the telecommunications vendor.

Trust and Cash Management

ANTCO will provide trust services and program administration for the First Nations Telehealth Connectivity Initiative, holding the \$10 million in trust on behalf of the project and providing a range of related services, the main one being funding of the telehealth connectivity initiative.

Effective cash management and professional investment management will ensure the project earns the highest possible return on idle funds without risking any of the capital, while also ensuring that funds are always available to meet project obligations as they come due.

ANTCO will oversee this work, developing an investment policy and an investment strategy which reflect the aims of the project. The telehealth fund will be placed with the same investment advisors that are handling the \$22.5 million received for the Pathways to Technology project. Funds will then be invested into high quality investments which meet the primary objectives of, firstly, safety of principal and, secondly, generation of investment income.

As the customer-of-record with the telecommunications provider during the build-out, ANTCO will undertake cash forecasting, ensure the investment fund remains sufficiently liquid to meet ongoing obligations with a margin of safety, receive project invoices and ensure all bills are paid on time.

PROJECT STRUCTURE AND REPORTING

Alignment with the Pathways to Technology Initiative

On March 31, 2008 All Nations Trust Company received \$22.5 million from Network BC by way of an unconditional grant. ANTCO has committed to using these funds to provide Internet connectivity to First Nations in B.C. over the next four years, including those communities with Tier 1 health centers on reserve. This is the Pathways to Technology project.

Within each health center community, it is expected that in addition to the acquisition of industrial connectivity for the purpose of running telehealth applications, the community at large will be provided with consumer connectivity. Hence there are synergies to be captured by running the First Nations Telehealth Connectivity Initiative concurrent with the Pathways to Technology project. FNHC and ANTCO will blend the strategic objectives of the First Nations Telehealth Connectivity Initiative with the broader Pathways to Technology Initiative in order to develop strategic partnerships where possible, leverage purchasing power and take advantage of efficiencies in administration.

Project Structure

ANTCO/FNHC envision a straightforward project structure, in which FNHC and ANTCO act jointly as the project authority and share leadership tasks while also drawing from the expertise of two advisory bodies.

ANTCO/FNHC and will co-lead this initiative, with FNHC providing the critical leadership with regard to the selection of Tier 1 health centers as recipients of industrial connectivity, development of a single customer-of-record for the monthly service (post-construction) and engagement of the community health centers. ANTCO will provide requisite leadership in the areas of project management throughout construction and funds management. FNHC and ANTCO will work jointly on other strategic issues and the provision of training/capacity building at the community level.

The existing Connectivity Steering Committee and the current FIT Partners Working Group will be called upon as an advisory body and source of expertise.

Reporting

FNHC and ANTCO will provide regular, comprehensive reporting to all project stakeholders including Network BC and Health Canada. There will be two types of reporting:

- Operational reports will provide current information on all material aspects of the project including the status of construction, project milestones, work schedules and partnership development.
- Financial reports will provide details on funds expended to date on each and the status of the fund. Financial reports will be produced at least quarterly and possibly more frequently. In addition a separate schedule will be appended to ANTCO's annual audited financial statements.

Although the First Nations Telehealth Connectivity initiative will be blended into the Pathways to Technology project, this project will have its own priority list and build schedule, with a separate suite of reports. Reports will be provided to members of the Connectivity Steering Committee and the FIT Partners Working Group.

TRUST ADMINISTRATION

Administration

ANTCO will hold the telehealth connectivity funds in trust and provide the following services:

- Establish, manage and operate the Telehealth Connectivity Fund.

- Act to ensure that the delivery of services is at all times cost effective and efficient, and develop partnerships and a service delivery model for the dissemination of funds.
- Invest surplus funds in accordance with ANTCO's Investment and Lending Policy; and make payments from the Fund for approved expenditures.
- Keep proper accounts and records of all income and expenditures relating to the provision of services, and provide the Province with access at all reasonable times to such records, books and accounts.
- Generate reports on Fund performance including details on additions to the Fund, disbursements, interest earned and fees paid or payable.
- Ensure that Fund transactions are audited on an annual basis, using an April 1 – March 31 fiscal year, with a separate schedule appended to ANTCO's audited financial statements.
- Deduct from the Fund an annual management fee of 2.0%, which is the same percentage fee which is being charged to the Connectivity Fund. The management fee will be payable in quarterly installments and calculated based on the average balance outstanding during the quarter. Whenever possible these fees will be covered from the interest earned on the Fund as it is the goal of ANTCO to not erode the capital. A prorated share of the management fee would be payable from the Fund for any partial year during which ANTCO administers the Fund.
- Any reasonable incremental costs incurred by ANTCO that are attributable to the administration of the Telehealth Connectivity Fund will be reimbursed to ANTCO by the Fund.

Investment of Trust Funds

- ANTCO will administer the funds in trust, exercising the highest standards of fiduciary care, and in accordance with ANTCO's Investment Lending Policy.
- ANTCO will develop a cash flow forecast for Fund expenditures, and will ensure sufficient liquidity of the Fund through an investment strategy which employs rolling maturities.
- ANTCO will administer the Fund in a manner consistent with the Connectivity Investment Policy. The Investment Policy emphasizes safety of principal above other objectives.
- Trust funds will be invested in a portfolio to achieve a target rate of return while still ensuring safety of capital.
- Interest earned on Telehealth Connectivity Fund investments will be returned to the Fund and become the property of the Fund.

Payments from the Fund

Payments will be made from the Fund from time to time for the following purposes.

Connectivity Program Disbursements

Funds will be disbursed to fund project expenses directly associated with the Telehealth Connectivity Fund project.

Program Management Fees

The following activities and related expenses will be deducted from Fund capital and recorded as program management fees:

- Expenses, if any, related to custom programming of ANTCO's Loan Management System and/or Application Management System.
- Expenses as required related to establishing and maintaining the Steering Committee, including travel, accommodations, teleconferencing, videoconferencing, venue rental, honoraria and recording/minute-taking.
- Activities and associated expenses for work undertaken at the request or approval of the Steering Committee or Province, and which is not articulated in ANTCO's proposal.

**APPENDIX II
ADDITIONAL ITEMS**

First Nations Telehealth Connectivity Initiative

Grant TEL-133

INDEPENDENT RELATIONSHIP

The Organization will not be the servant, employee, or agent of the Ministry. The Organization will not in any manner whatsoever commit or purport to commit the Ministry to the payment of any money to any person, firm or corporation.

ACKNOWLEDGEMENT

The Organization agrees that the Grant from the Ministry to the Project will be acknowledged in any material, advertising, brochures, poster, web pages or other public information or promotional material related to the project, produced by the Organization.

The Organization will cooperate with the Ministry on public information activities.

APPROPRIATION

Notwithstanding any other provisions of this Grant, the payment of money by the Ministry to the Organization pursuant to this Grant is subject to:

- (a) there being sufficient monies available in an appropriation, as defined in the Financial Administration Act (the Financial Administration Act and every amendment made thereto being collectively called the "Act"), to enable the Ministry, in any fiscal year or part thereof when any payment of money by the Ministry to the Organization falls due pursuant to this Grant, to make that payment; and,
- (b) Treasury Board, as defined in the "Act", not having controlled or limited, pursuant to the "Act", expenditure under any appropriation referred to in the preceding subparagraph.



February 16, 2009

Ms. Ruth Williams
Chief Executive Officer
All Nations Trust Company
Suite 208 West
345 Yellowhead Highway
Kamloops BC V2H 1H1

Dear Ms. Williams:

Re: TEL 134 All Nations Trust Company – Pathways to Technology Connectivity Project

This letter will serve to confirm that the Ministry of Labour and Citizens' Services (the "Ministry") has agreed to grant financial assistance to the All Nations Trust Company (the "Organization") in support of Pathways to Technology Connectivity Project (the "Project").

PURPOSE

The Ministry's contribution is expected to be used solely for the purpose of defraying costs incurred by the Organization in carrying out and completing the Project as described in Appendix I to this letter (attached).

It is expected that the Organization will notify the Ministry of any material alteration to the Project described in Appendix I.

COSTS

The expectation is that the funds provided by the Ministry support the Project described in Appendix I.

RECEIVED
FEB 20 2009

.../2

AMOUNT

The Ministry will provide financial assistance to the Organization in the amount of \$8,300,000.

DISBURSEMENT

The Ministry will disburse \$8,300,000 to the Organization on or before March 31, 2009.

REPORTING

The Ministry supports a comprehensive public reporting from the Organization, including a description of Project accomplishments and application of the Grant, and looks forward to receiving notification of such reporting.

LIAISON

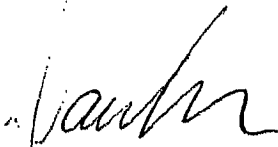
Any person designated by me from time to time, may act for the Ministry with respect to communications and all matters arising under this Grant with respect to the Project. Until you are advised to the contrary, please contact Wilf Bangert 250 387-9637, for the foregoing matters.

ADDITIONAL ITEMS

Additional items are attached in Appendix II.

The Ministry recognizes that the Project provides a positive and valuable contribution to bridging the digital divide in British Columbia First Nations.

Sincerely,



Dave Nikolejsin
Chief Information Officer
Province of British Columbia

Enclosures

**APPENDIX I
PROJECT DETAILS**

Pathways to Technology Connectivity Project

Grant TEL-134

**SUMMARY OF PROPOSED SERVICES
(AS DESCRIBED IN PROPOSAL OF DECEMBER 8, 2008)**

The Business Model

ANTCO is requesting a grant of \$8.3 million this fiscal year to the Pathways to Technology Connectivity project. The funds will be added to the initial Network BC contribution and used to provide high-speed connectivity to additional First Nations in BC, including the development of last mile systems where appropriate. Funds will not be used for capacity building.

The ANTCO business model is partially predicated on maximizing the total dollar commitment to telecommunications vendors in order to enable them to obtain greater volume discounting on equipment and labour market purchases, and then to pass those savings onto the project. The additional \$8.3 million will therefore be commingled with the original contribution and the \$10 million in telehealth funding in order to maximize the total dollar value commitment to a vendor under an Agreement.

The features of the business model, which is still being refined, include:

- Aiming for high-speed consumer connectivity for First Nations in B.C. and for industrial connectivity for as many communities as possible.
- Prioritizing communities using a cost-benefit methodology originally developed by the Fully Integrated Technologies Partners Working Group.
- Optimizing the total "spend" by maximizing the total dollar commitment to a vendor in order to obtain favourable pricing and to encourage a vendor to accept a greater volume of business in exchange for lower profit margins.
- Using the favourable pricing option to obtain below market pricing agreements for Internet access services, on behalf of future Internet service provider operators.

- Designing a long term (e.g., 10-year) Agreement with a vendor, which provides the framework of a business relationship; and rolling out the work in a strategic manner by way of a series of 'statements of work', each of which is negotiated and signed off independently.
- Ensuring that a reliable Internet service provider exists, or will exist, for each community that will receive connectivity.
- Undertaking a comprehensive community engagement process in which a constructive dialogue is established with communities on the priority list, and potential barriers to connectivity are identified and resolved or mitigated.
- Designing a suite of capacity building programs and initiatives which will provide technical skills development and technical support for each community.
- Setting aside a budget reserve to provide an alternate solution (e.g., satellite) for communities which are prohibitively expensive to provide connectivity using fibre or digital subscriber line cable.

On the investment side, all funds will be commingled for investment purposes in order to take advantage of the term structure of interest rates and yield spreads between shorter and longer term fixed income instruments. This will result in higher overall returns to the portfolio without a commensurate increase in risk. On ANTCO's books the funds will continue to be tracked separately for reporting purposes.

ANTCO will provide both project management and fund management:

- Project management includes project planning, contract negotiations, contract management, project administration and operational planning.
- Fund management includes trust and investment services, and cash management throughout the life cycle of the project.

ANTCO will continue to work closely with the Pathways to Technology Steering Committee, drawing upon members' experience and expertise to develop a strategy for providing high-speed broadband connectivity to First Nations as cost-effectively as possible.

Guiding Principles

- ANTCO will work cooperatively and positively with the Connectivity Steering Group, the FIT Partners Working Group and such other stakeholders as may be identified as work proceeds.

- ANTCO will establish a trustful and a respectful working relationship with First Nation communities through a community engagement process.

Project Roles

Funds will be used exclusively for providing high-speed consumer or industrial connectivity, including last mile systems. The strategy will be to optimize the use of the \$8.3 million fund by blending this project into the Agreement currently being negotiated between ANTCO and a major telecommunications provider.

Roles

ANTCO will manage contract negotiations with telecommunications vendors; hold and administer the construction contract; manage funds; and provide administration and reporting to stakeholders.

ANTCO will work cooperatively with the Steering Committee and its working groups to establish a working model for the operational side of the project, including community engagement, ISP development and support, technical support, capacity building and communications management.

ANTCO will work cooperatively with the Steering Committee to arrive at decisions on the priority list of communities and on each 'statement of work' that follows from the Agreement.

Customer of Record

In order to capture economies of scale and efficiencies in administration, ANTCO will act as the customer-of-record with telecommunications providers for the construction phase of the project. The customer-of-record for the monthly billing and payment of access charges is still to be determined. ANTCO will draw upon the advice of the Steering Committee and take this advice forward into discussions with the vendor(s). For each community on the priority list ANTCO will ensure that a viable local or regional Internet service provider is in place or under development prior to construction commencing.

Summary Work Plan

This project will be folded into the original Pathways to Technology project and follow a standard process for establishing connectivity within a community or cluster of communities.

1. Select a number of First Nation communities as candidates for receiving high-speed connectivity and services. Selection of the communities will reflect careful consideration of:

- The priority list (and its criteria) for communities under the existing Pathways to Technology project;
 - Community readiness and enthusiasm to participate in the initiative;
 - Cost;
 - Technical issues such as tending/sub-tending relationships in the existing network of the telecommunications vendor.
2. Obtain firm price quotes from telecommunications vendors, backed by engineering reports, for connectivity.
 3. Revise the list as required based on costing and other information such as: known trespasses and rights-of-way, environmental and archaeological assessments and the need for section 28.2 permits.
 4. Develop and sign off a 'statement of work(s)' with the telecommunications vendor(s).

Trust and Cash Management

ANTCO will continue to provide trust services and program administration for the project, holding the \$8.3 million in trust on behalf of the project and providing a range of related services.

Effective cash management and professional investment management will ensure the project earns the highest possible return on idle funds without risking any of the capital, while also ensuring that funds are always available to meet project obligations as they come due.

ANTCO will oversee this work, applying a project-specific investment policy and an investment strategy which reflect the aims of the project. The funds will be placed with the same investment advisors that are handling the \$22.5 million which established the Pathways to Technology project. Funds will be invested into high quality investments which meet the primary objectives of, firstly, safety of principal and, secondly, generation of investment income.

As the customer-of-record with the telecommunications provider during the build-out, ANTCO will undertake cash forecasting, ensure that investment fund remains sufficiently liquid to meet ongoing obligations with a margin of safety, receive project invoices and ensure all bills are paid on time.

PROJECT STRUCTURE AND REPORTING

Alignment with First Nations Connectivity Project

On March 31, 2008 All Nations Trust Company received \$22.5 million from Network BC by way of an unconditional grant. ANTCO has committed to using these funds to provide Internet connectivity to First Nations in B.C. over the next four years. This is the Pathways to Technology project.

The additional \$8.3 million this fiscal (2008/09) will be considered an enhancement of the original contribution amount, as the fund's purpose is identical. This will permit ANTCO to realize purchasing power leverage and take advantage of efficiencies in administration.

Project Structure

We envision no change in the current project structure, in which ANTCO acts as the project authority and provides project management. The Steering Committee and the FIT Partners Working Group will continue to be called upon as advisory bodies and sources of expertise.

Reporting

ANTCO will provide regular, comprehensive reporting to all project stakeholders including Network BC and the Steering Committee. There will be two types of reporting:

- Operational reports will provide current information on all material aspects of the project including the status of construction, project milestones, work schedules and partnership development.
- Financial reports will provide details on funds expended to date and the status of the fund. Financial reports will be produced at least quarterly and possibly more frequently. In addition a separate schedule will be appended to ANTCO's annual audited financial statements.

TRUST ADMINISTRATION

Administration

ANTCO will hold the funds in trust and provide the following services:

- Establish and manage the Fund.
- Act to ensure that the delivery of services is at all times cost effective and efficient, and develop partnerships and a service delivery model for the dissemination of funds.
- Invest surplus funds in accordance with ANTCO's Investment and Lending Policy; and make payments from the Fund for approved expenditures.
- Keep proper accounts and records of all income and expenditures relating to the provision of services, and provide the Province with access at all reasonable times to such records, books and accounts.
- Generate reports on Fund performance including details on additions to the Fund, disbursements, interest earned and fees paid or payable.
- Ensure that Fund transactions are audited on an annual basis, using an April 1 – March 31 fiscal year, with a separate schedule appended to ANTCO's audited financial statements.
- Deduct from the Fund an annual management fee of 2.0%, which is the same percentage fee which is being charged to the original Connectivity Fund. The management fee will be payable in quarterly installments and calculated based on the average balance outstanding during the quarter. Whenever possible these fees will be covered from the interest earned on the Fund as it is the goal of ANTCO to preserve the capital. A prorated share of the management fee would be payable from the Fund for any partial year during which ANTCO administers the Fund.
- Any reasonable incremental costs incurred by ANTCO that are attributable to the administration of the Fund will be reimbursed to ANTCO by the Fund as approved by the Steering Committee.

Investment of Trust Funds

- ANTCO will administer the funds in trust, exercising the highest standards of fiduciary care, and in accordance with ANTCO's Investment Lending Policy.
- ANTCO will develop a cash flow forecast for Fund expenditures, and will ensure sufficient liquidity of the Fund through an investment strategy which employs rolling maturities.

- ANTCO will administer the Fund in a manner consistent with the Connectivity Investment Policy. The Investment Policy emphasizes safety of principal above other objectives.
- Trust funds will be invested in a portfolio to achieve a target rate of return while still ensuring safety of capital.
- Interest earned on Fund investments will be returned to the Fund and become the property of the Fund.

Payments from the Fund

Payments will be made from the Fund from time to time for the following purposes.

Connectivity Program Disbursements

Funds will be disbursed to finance project expenses directly associated with the project.

Program Management Fees

The following activities and related expenses will be deducted from Fund capital and recorded as program management fees:

- Expenses, if any, related to custom programming of ANTCO's Loan Management System and/or Application Management System.
- Expenses as required related to establishing and maintaining the Steering Committee, including travel, accommodations, teleconferencing, videoconferencing, venue rental, honoraria and recording/minute-taking.
- Activities and associated expenses for work undertaken at the request or approval of the Steering Committee or Province, and which is not articulated in ANTCO's proposal.

**APPENDIX II
ADDITIONAL ITEMS**

Pathways to Technology Connectivity Project

Grant TEL-134

INDEPENDENT RELATIONSHIP

The Organization will not be the servant, employee, or agent of the Ministry. The Organization will not in any manner whatsoever commit or purport to commit the Ministry to the payment of any money to any person, firm or corporation.

ACKNOWLEDGEMENT

The Organization agrees that the Grant from the Ministry to the Project will be acknowledged in any material, advertising, brochures, poster, web pages or other public information or promotional material related to the project, produced by the Organization.

The Organization will cooperate with the Ministry on public information activities.

APPROPRIATION

Notwithstanding any other provisions of this Grant, the payment of money by the Ministry to the Organization pursuant to this Grant is subject to:

- (a) there being sufficient monies available in an appropriation, as defined in the Financial Administration Act (the Financial Administration Act and every amendment made thereto being collectively called the "Act"), to enable the Ministry, in any fiscal year or part thereof when any payment of money by the Ministry to the Organization falls due pursuant to this Grant, to make that payment; and,
- (b) Treasury Board, as defined in the "Act", not having controlled or limited, pursuant to the "Act", expenditure under any appropriation referred to in the preceding subparagraph.