

Waskesiu Cabin Owners Association Inc.

March 8, 2006

Dear Cabin Owner,

Parks Canada Agency (PCA) has informed us that we will be moving from annual camping permits to leases. The proposed lease period is 42 years starting spring of 2007 with no release fee.

It is important for cabin owners to understand that Parks Canada will not issue camping permits in 2007. Lease negotiations of one kind or the other must proceed.

We have two options to consider:

Option 1:

The Waskesiu Community Council is currently negotiating the terms of a municipal model with Parks Canada and intends to conduct a referendum in July, 2006.

Under the municipal option land rent would be reduced to \$1 and municipal taxes for property and improvements would be individually assessed. It is anticipated according to the Sutter report that our total annual costs would be in the range of \$600 to \$900 per year.

Option 2:

To continue lease negotiations with PCA for the cabin area.

At present we are being offered the same three lease options as the cottage owners (see attached).

We have monitored the municipality discussions closely to determine what impact they might have on cabin owners. We have reviewed the Sutter report on local governance in detail and have concluded that the "municipal option" merits consideration because of its potential benefit to the community, among other reasons.

Because of the ongoing local government discussions, we believe it is prudent to put off our negotiations until after the referendum.

We will have a WCOA meeting for one half hour prior to the Community Council meetings beginning at 7:00 PM. The Community Council Meeting will be held on:

March 22 – 7:30PM - Prince Albert Comprehensive High School and
March 23 – 7:30 PM - Saskatoon Inn.

Please attend these meetings for more information.

Sincerely,

Pat McAvoy
Vice – President WCOA

Waskesiu Cabin Owners Association Inc.

Final land rents for cabins will depend on the outcome of negotiations between the Waskesiu Cabin Owners Association and Parks Canada Agency, but seem likely to be in excess of \$1000 per year, depending on the base value of the land, the formula used for calculating rent, and other factors to be negotiated.

One set of lease options, based on a \$100,000.00 (number easy to calculate with) property value, derived from the appraisal report that was used as a starting point for negotiations, is as follows:

Option 1:

An annual rent based on 7/12ths of 4% of the \$100,000 appraised land value of the leasehold property, which rent is \$2,333.00 annually for the rent period ending March 31, 2010, or until the term of the lease expires, whichever occurs first, with the rent to be reviewed April 1, 2010 and every ten (10) years thereafter until the term of the lease expires. Adjustments will be based upon any increase or decrease in the appraised land value; or

Option 2:

An annual rent based on 7/12ths of 3% of the \$100,000 appraised land value of the leasehold property, which rent is \$1750.00 annually for the rent period ending March 31, 2008, or until the term of the lease expires, whichever occurs first, with the rent to be reviewed April 1, 2008 and every two (2) years thereafter until the term of the lease expires. Adjustments will be based upon any increase or decrease in the appraised land value. The 7/12 of 3% rate will remain constant for the balance of the term of the lease; or

Option 3:

An annual rent based on 1.5% of the \$100,000 appraised land value of the leasehold property, which rent is \$1500.00. The rental rate shall then be compounded annually, beginning April 1, 2007 and every year there after, until the term of the lease expires, by the average of the previous five years, all Canada, all items Consumer Price Index to a maximum percentage increase of 5% in any given year