



BYLAW NO. 592

A BYLAW TO AMEND THE INDEBTEDNESS AGREEMENT BETWEEN THE REGIONAL DISTRICT AND THE VANCOUVER ISLAND REGIONAL LIBRARY

WHEREAS the Strathcona Regional District has, by Bylaw No. 381, authorized an agreement between the Regional District and the Vancouver Island Regional Library regarding the capital financing of a public library facility in Campbell River;

AND WHEREAS the Regional District wishes to amend the said agreement to account for a change in circumstances;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Amendment

1. Bylaw No. 381 is amended by deleting Schedule 'A' in its entirety and substituting therefor a new Schedule 'A', attached to and forming part of this bylaw.

Citation


2. This bylaw may be cited for all purposes as Bylaw No. 592, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020, Amendment No.1.

READ A FIRST TIME ON THE 26TH DAY OF MARCH, 2025

READ A SECOND TIME ON THE 26TH DAY OF MARCH, 2025

READ A THIRD TIME ON THE 26TH DAY OF MARCH, 2025

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE 26TH DAY OF MARCH, 2025



Chair



Corporate Officer

Schedule 'A'

INDEBTEDNESS AGREEMENT

THIS AGREEMENT dated for reference the _____ day of _____, 2025.

BETWEEN:

Vancouver Island Regional Library, an entity incorporated under the laws of the Province of British Columbia and having its head office at Box 3333, 6250 Hammond Bay Road, Nanaimo, British Columbia

(hereinafter referred to as the "VIRL")

OF THE FIRST PART,

--and--

Strathcona Regional District, an entity incorporated under the laws of the Province of British Columbia and having its head office at 990 Cedar Street, Campbell River, BC, V9W 7Z8

(hereinafter referred to as the "SRD")

OF THE SECOND PART.

WHEREAS the VIRL has requested that the SRD borrow, on VIRL's behalf, a maximum of \$1,250,000 for the construction/renovation of a public library facility owned by the City of Campbell River and located in downtown Campbell River (the "Property") in the Province of British Columbia;

AND WHEREAS the VIRL desires to provide the SRD with commitments with respect to obtaining such loan, and sufficient security over the Secured Property, as defined herein, and comfort for undertaking to secure the loan on behalf of the VIRL;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each other party hereto, and other good and valuable consideration, (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows;

ARTICLE ONE – DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this Agreement unless something in the subject matter or context is inconsistent therewith:

- a) **"Business Day"** means any day other than a Saturday or Sunday, or holiday, on which Canadian chartered banks are open for business in Campbell River, British Columbia.
- b) **"Indebtedness"** means the obligations of the VIRL to the SRD, as detailed in Article 2.2 of this Agreement;
- c) **"Loan"** means the loan that the SRD may obtain from the MFA, on behalf of the VIRL, to a maximum principal sum of One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000), and interest thereon;
- d) **"Loan Agreement"** means the agreement between the Municipal Finance Authority and the SRD, which sets out all terms and conditions of the Loan;
- e) **"MFA"** means the Municipal Finance Authority of British Columbia, whose head office is located in the City of Victoria in the Province of British Columbia;

- f) **"Mortgage"** means the mortgage to be granted by the VIRL in favour of the SRD and registered against title to the property with a civic address of 6250 Hammond Bay Road, Nanaimo, in the Province of British Columbia and legally described as:

Parcel Identifier: 019-034-393

Lot 1, District Lot 48, Wellington District, Plan VIP60180.

ARTICLE TWO – THE LOAN AND INDEBTEDNESS

2.1 The Loan. The SRD hereby agrees that, on the terms and subject to the conditions set forth herein and the terms agreed to with the MFA and approved in advance by VIRL, it will borrow the Loan from the MFA for the benefit of the VIRL and then advance the Loan to the VIRL as a form of assistance for the purposes of designing, building, furnishing and equipping the Property for the purposes of operating a library. The parties acknowledge and agree that of the Loan amount, MFA will advance to SRD the sum of \$1,237,500 and hold back the sum of \$12,500, deposited with the MFA as a debt reserve fund (the **"DRF"**). SRD will advance the Loan to VIRL as follows:

- a) \$1,237,500, paid in accordance with the terms and conditions of the Mortgage and this Agreement (**"Initial Advance"**); and
- b) \$12,500, tendered in the form of an invoice representing the holdback by the MFA for the DRF, with such DRF to be released to the VIRL upon repayment of the Initial Advance.
- c) The VIRL acknowledges that, while deposited with the MFA during the term of the Loan, the DRF will generate interest. To the extent that the total sum of the DRF may increase or decrease during the term of the Loan, the VIRL accepts that the release of the DRF, with all such positive or negative adjustments due to interest, to the VIRL upon repayment of the Initial Advance will constitute the full release of the DRF and be in satisfaction of 2.1(b) herein.

2.2 The Indebtedness. The VIRL agrees to be liable to the SRD for the aggregate of the following obligations:

- a) Payment of any and all obligations and liabilities, including interest, penalties and costs, owing by the SRD to the MFA pursuant to the Loan Agreement and any other documents or security granted by the SRD to the MFA pursuant thereto and all administrative costs of the SRD incurred by this Agreement, the Loan and the Mortgage, notwithstanding any amounts owing as a result of the SRD's actions or inactions pursuant to the MFA;
- b) Payment of any and all out of pocket costs or outlays, or any nature whatsoever, incurred by the SRD with respect to the negotiation, preparation, execution and delivery of the Loan Agreement, the Mortgage and this Agreement, as well as all actions under the Loan Agreement and this Agreement including costs incurred to provide notification to the public and to seek electoral approval; and
- c) The VIRL agrees to indemnify and hold the SRD harmless from any costs, claims, outlays, expenses, and liabilities, of any nature whatsoever, that the SRD may be responsible for, arising directly or indirectly out of this Agreement, or the negotiation, execution and delivery of the Loan Agreement, or the advancement of the Loan in accordance herewith;

(all of which obligations, indebtedness and liabilities are herein collectively called the **"Indebtedness"**).

ARTICLE THREE – FORM OF THE MORTGAGE

3.1 Mortgage. Prior to the SRD obtaining the Loan from the MFA, the VIRL shall secure the Indebtedness by granting the Mortgage, which shall be registered as a financial charge over the property located at 6250 Hammond Bay Road, Nanaimo, in the Province of British Columbia (the “Secured Property”).

ARTICLE FOUR – REPAYMENT OF THE INDEBTEDNESS

4.1 Repayment of the Loan. The VIRL shall pay to the SRD all principal amounts of the Loan, together with any interest or other amounts payable, all in accordance with the terms and conditions of the Loan Agreement. It is the intent of the VIRL, that it will share in the costs of the borrowing amongst all its members as per all its other normal operating budget costs. It is also the intent of the VIRL to ensure full payment of the regular repayment amounts of the Loan due, prior to the payment due date set out in the Loan Agreement.

4.2 Prepayments and Early Payments. The VIRL shall be entitled to prepay any of the outstanding principal amount of the Loan, subject to the terms and conditions of the Loan Agreement, provided that the VIRL also pays whatever penalties or restrictions on prepayment are set out therein. However, any gains calculated by MFA, such as the early repayment of MFA gains earned through the investment of proceeds, shall be for the benefit of VIRL.

4.3 Repayment of other indebtedness. If there are any payments required to be made by the VIRL to the SRD in addition to payments on the Loan, then the VIRL shall make such payments to the SRD within (30) days of receipt of an invoice from the SRD detailing such obligations of the VIRL.

4.4 Type and Place of Payment. All payments by the VIRL shall be made or delivered to the SRD at its head office listed above.

ARTICLE FIVE – CONDITIONS PRECEDENT

5.1 Loan Agreement and Mortgage. The obligations of the parties with respect to the consummation of any arrangements under this Agreement are subject to the fulfillment, in writing, of the following conditions precedent on the dates set out:

- a) The arrangement of the Loan Agreement between the SRD and the MFA, on terms and conditions that are acceptable to the SRD and the VIRL, in their sole respective discretions, on or before May 1, 2025, and
- b) The agreement on the form and substance of the documents comprising the Mortgage, on terms and conditions acceptable to the SRD and the VIRL, in their sole respective discretions, on or before May 1, 2025.

In the event that the foregoing conditions precedent are not declared fulfilled in writing by both parties by the applicable dates set out above, then all obligations of the SRD and the VIRL hereunder shall be null and void.

ARTICLE SIX – REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the VIRL. To induce the SRD to enter into this Agreement and to make the Loan, the VIRL makes the following representations and warranties which shall survive the execution and delivery of this Agreement and the Mortgage:

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery.

8.2 Additional Considerations. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and bylaws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

8.3 Counterparts. This Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

8.4 Time is of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of the Agreement shall operate as a waiver of this provision.

8.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto.

8.6 Enurement. This Agreement shall ensure to the benefit of and be binding upon the parties and their respective successors and assigns.

8.7 Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

8.8 Headings for Convenience Only. The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

8.9 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the exclusive jurisdiction of the Courts of such Province as located in Nanaimo, British Columbia.

8.10 Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine, and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

8.11 Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

8.12 Legislation References. Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

8.13 Severability. If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

8.14 Transmission by Facsimile. The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF the parties have duly executed this Indebtedness Agreement this ____ day of _____, 2025.

STRATHCONA REGIONAL DISTRICT:

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

VANCOUVER ISLAND REGIONAL LIBRARY:

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)