

**Special Council Meeting**  
to be held at  
**Council Chambers, City Hall**  
171 Main Street, Penticton, B.C.

**Tuesday, August 22, 2017**  
at 4:00 p.m.

1. **Call Special Council Meeting to Order**

2. **Adoption of Agenda**

3. **Staff Reports:**

3.1 Loan to Penticton Curling Club for repairs and replacement

1-7

*Staff Recommendation: THAT Council approve the Penticton Curling Club loan agreement for an interest free loan to a maximum amount of \$45,000 to be repaid over 5 years at \$750/month for replacement of one refrigeration unit and a major rebuild of the second unit, which are required to maintain the ice surface;*

*AND THAT upon completion of statutory advertising, the Mayor and Corporate Officer be authorized to execute the document.*

4. **Public Question Period**

5. **Adjournment**

# Council Report

penticton.ca

**Date:** August 22, 2017 File No: 2380-20  
**To:** Peter Weeber, Chief Administrative Officer  
**From:** Peter Wallace, Land Administrator  
**Subject:** **Loan to Penticton Curling Club for repairs and replacement of Ice Plant**

## Staff Recommendation

THAT Council approve the Penticton Curling Club loan agreement for an interest free loan to a maximum amount of \$45,000 to be repaid over 5 years at \$750/month for replacement of one refrigeration unit and a major rebuild of the second unit, which are required to maintain the ice surface;

AND THAT upon completion of statutory advertising, the Mayor and Corporate Officer be authorized to execute the Document.

## Background

At the August 15, 2017 Committee of the Whole meeting a delegation from the Penticton Curling Club requested assistance to replace their refrigeration systems required to make ice for curling.

Council discussed the issue in the Regular Council meeting and passed the following resolution:

461/2017 It was MOVED and SECONDED

THAT Council authorize in principle a loan for the Penticton Curling Club for a new compressor;  
AND THAT the draft loan agreement be brought back to a meeting of Council for ratification.

CARRIED UNANIMOUSLY

Staff have reviewed the proposed plans, and recommend that the loan be provided to cover the cost of the replacement of one of the two compressors and rebuilding the better of the two existing units. The condenser coils will also be serviced. The amount of the repairs and Loan will not exceed \$45,000 and substantiation of costs required under the terms of the loan agreement.

As required by Section 24 of the *Community Charter* public notice must be provided advising of the City's intent to provide assistance in the form of a loan, prior to advance of the loan.

**Financial implication**

An interest free loan of \$45,000 will be provided and repaid over 5 years at \$750.00/mo. Interest will be charged on delinquent payments at Prime + 3.0% until paid. As this is a loan to be repaid it will be a balance sheet item and not affect the City's Financial Plan.

**Analysis**

A reliable ice system is imperative for the Club to continue to attract world class events like the Scotties Tournament of Hearts coming to Penticton next year and the World Curling Tournament in a few months. These events promote shoulder and off season tourism.

**Alternate recommendations**

THAT Council direct staff to renegotiate the loan agreement with the Penticton Curling Club with terms and conditions of Council's choosing.

**Attachments**

Attachment A – Loan Agreement

Respectfully submitted,



Peter Wallace  
Land Administrator

Approvals

CFO  <i>JWB</i>
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## THE CORPORATION OF THE CITY OF PENTICTON

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### LOAN AGREEMENT

THIS LOAN AGREEMENT dated for reference the 23 day of August, 2017

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**,  
a City Municipality duly incorporated under the laws  
of the Province of British Columbia, located at  
171 Main Street  
Penticton, BC V2A 5A9

(the "Lender")

OF THE FIRST PART

AND: **PENTICTON CURLING CLUB**, a society duly  
registered under the Society Act of British Columbia,  
having an office at  
505 Vees Drive  
Penticton, BC V2A 6J9

(the "Borrower")

OF THE SECOND PART

IN CONSIDERATION OF the Lender loaning certain monies (the "Loan") to the Borrower for the specific purpose of replacement of, and repairs, to the Ice making equipment both parties agree to keep, perform and fulfill the promises and conditions set out in this Agreement.

#### **Loan Amount & Interest**

1. The Lender promises to loan up to FOURTY FIVE THOUSAND DOLLARS (\$45,000.00) to the Borrower and the Borrower promises to repay in full the amount advanced to the Lender. This loan will be interest free provided payments are made as scheduled.

#### **Repayment**

2. This Loan shall be repaid in full over FIVE (5) years with payments due on or before the 1<sup>st</sup> day of each month in the amount of \$750.00 commencing October 1, 2017.

At the inception of the loan the Borrower shall provide the Lender with post-dated cheques in the amount of \$750.00 each dated for the first of each month up to December 1, 2018 and annually for the coming year by December 15<sup>th</sup>.

Should a new tenure agreement between The Corporation of the City of Penticton and Penticton Curling Club for the use of the Curling Club Premises, located at 505 Vees Drive, not be established on or before the September 30, 2020 termination of the existing lease between the parties the outstanding balance of this loan shall immediately become due and payable in full.

### **Default**

3. Notwithstanding anything to the contrary in this Agreement, if the Borrower defaults in the performance of any obligation under this Agreement or any other agreement with the City, then the Lender at its sole discretion may declare the principal amount owing and any interest due under this Agreement at that time to be immediately due and payable.
4. If the Borrower defaults in payment as required under this Agreement or after demand for ten (10) days, the Security (as defined below) will be immediately provided to the Lender and the Lender is granted all rights of repossession as a secured party.
5. Payments not paid on or before the due date will be subject to interest at a rate equal to the Bank of Montreal's Prime Rate PLUS 3.0%, compounded monthly until paid.

### **Security**

6. This Loan is secured by the following security (the "Security"): The Chattels owned by the Penticton Curling club located within the Curling Club Premises, including but not limited to, equipment, furniture, dishes, inventory and chattels owned by the Borrower.
7. The Borrower grants to the Lender a security interest in the Security until this Loan is paid in full. If the Lender elects to perfect the security interest in the Security, the Borrower will do everything necessary to assist the Lender in perfecting its security interest.

### **Performance Covenants of the Borrower**

8. The Borrower shall ensure that:  
  
all work is completed by a qualified tradesman approved by the City Facilities Manager prior to the work commencing;

invoices are provided to the lender to support the amount borrowed;

all required permits and approvals are obtained;

a resolution from the Borrower's Board confirming authorization to sign this agreement is returned with this signed agreement).

9. The Borrower shall complete repairs and maintenance to the Ice making equipment to the satisfaction of the City on or before September 30, 2017.

Any breach of these Covenants, without written authorization of the Lender, will constitute default of the loan.

### **Governing Law**

10. This Agreement will be construed in accordance with and governed by the laws of the Province of British Columbia.

### **Costs**

11. All costs, expenses and expenditures including, without limitation, the complete legal costs incurred by enforcing this Agreement as a result of any default by the Borrower, will be added to the principal amount then outstanding and will immediately be paid by the Borrower.

### **Binding Effect**

12. This Agreement will pass to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Borrower and Lender.
13. The Borrower waives presentment for payment, notice of non-payment, protest, and notice of protest.

### **Amendments**

14. This Agreement may only be amended or modified by a written instrument executed by both the Borrower and the Lender.

### **Severability**

15. The clauses and paragraphs contained in this Agreement are intended to be read and construed independently of each other.

If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties'

intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.

**General Provisions**

16. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and *vice versa*.

**Entire Agreement**

17. This Agreement constitutes the entire agreement between the parties and there are no further items or provisions, either oral or otherwise.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement as of the date and year first above written.

