

**TOWN OF REDCLIFF
BYLAW NO. 1878/2019**

A BYLAW OF THE TOWN OF REDCLIFF FOR THE PURPOSE OF AUTHORIZING THE LOAN OF FUNDS TO THE RIVERVIEW GOLF CLUB, A NON-PROFIT ORGANIZATION.

WHEREAS the Municipal Government Act Chapter M-26, R.S.A. 2000, provides that a municipal council, by bylaw, may authorize the lending of money to a non-profit organization.

AND WHEREAS the Riverview Golf Club has requested a \$315,000.00 loan, to consolidate their debts, which includes \$72,000.00 to the Town for outstanding water charges, \$36,291.00 to the Town to refinance the rough mower loan (Bylaw No. 1789/2014) and \$205,000.00 to various suppliers and service providers.

AND WHEREAS the Town of Redcliff Council supports the loaning of funds to the Riverview Golf Club to refinance their current debts to the Town and others in order to keep the Riverview Golf Club operational.

NOW THEREFORE, THE MUNICIPAL COUNCIL OF THE TOWN OF REDCLIFF, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED ENACTS AS FOLLOWS:

1. This Bylaw shall be known as the "Riverview Golf Club Loan Bylaw".
2. The purpose of this loan is to allow the Riverview Golf Club to refinance their debts and encourage repayment of the loan in the shortest time frame possible.
3. That effective upon passage of this Bylaw, the Council of the Town of Redcliff hereby authorizes a loan to the Riverview Golf Club for the purpose of refinancing their debts subject to the following terms and conditions:
 - a. The Riverview Golf Club signing a promissory note in a form similar to that of Schedule "A" attached hereto;
 - b. The loan shall not be for an amount of more than \$315,000.00;
 - c. The term of the loan is for a maximum of ten (10) years;
 - d. A regular loan payment of not less than \$18,268.83, excepting the last payment that pays off the loan, on the first day of April and the first day of October starting October 1, 2019 until the loan is paid off. (Minimum regular loan payment is calculated on the loan of \$315,000.00 for 10 years with 20 equal payments at a interest rate of 2.913%.)
 - e. The rate of interest shall be 2.913%;
 - f. The maximum amount of the loan is based on the Business Plan presented by the Riverview Golf Club if there are only 150 memberships sold in 2019. Both parties understand that it is unknown how many memberships will be sold and the number of memberships sold greatly affects the amount of the loan needed by the Riverview Golf Club. It is agreed that the Golf Club will make an additional payment on the loan principle on the first day of October of each year based on the number of memberships sold in the given year until the loan has been repaid;

Number of Memberships Sold Annually	Additional Payment on Principal
150	\$0.00
200	\$35,000.00
250	\$75,000.00
300	\$105,000.00
350	\$145,000.00
400	\$180,000.00

- g. The Riverview Golf Club is permitted to make additional payments on the loan in addition to the payments made under clauses 3.d and 3.f at any time for the purpose of accelerating the loan repayment.
4. The source of funds shall be from the Unrestricted Surplus.
5. This loan application was advertised in the February 5th, 2019 and February 12th, 2019 editions of the Cypress Courier.

Read a first time this 28th day of January 2019.

Read a second time this _____ day of _____ 2019.

Read a third time this _____ day of _____ 2019.

Signed and passed time this _____ day of _____ 2019.

MAYOR

MANAGER OF LEGISLATIVE AND LAND SERVICES

Schedule A**PROMISSORY NOTE****AMOUNT: CDN. \$315,000.00****DUE: October 1, 2029**

FOR VALUE RECEIVED the Riverview Golf Club (the "**Borrower**") hereby promises to pay to the order of the Town of Redcliff (the "**Lender**"), the sum of THREE HUNDRED AND FIFTEEN THOUSAND DOLLARS (Cdn. \$315,000.00) (as such amount may be reduced from time to time hereunder, the "**Principal Sum**") together with interest thereon from and after the date hereof and interest on overdue and unpaid interest, before and after demand, default and judgment, at a rate per annum equal to TWO AND NINE HUNDRED AND THIRTEEN ONE THOUSANDTHS percent (2.913%) ("**Interest**") at the times specified herein.

PAYMENT OF PRINCIPAL SUM AND INTEREST

1. Commencing on October 1, 2019, the Borrower shall make combined payments of principal (to be applied to the Principal Sum) and Interest to the Lender in an amount not less than \$18,268.83 in consecutive semi-annual installments payable on the first business day of April and October of each year
2. All and any outstanding amounts hereunder being due with the final payment on April 1, 2030 (the "**Maturity Date**"). All such payments shall be evidenced on a payment schedule maintained by Administration.
3. Notwithstanding the foregoing, all amounts hereunder shall become immediately due and payable upon the occurrence of an Event of Default as provided for in Section 8 and either: following a demand being made by the Lender; or automatically and without such demand in respect of an Event of Default under Section 5(c), 5(d), or 5(e).
4. The maximum amount of the loan is based on the Business Plan presented by the Riverview Golf Club if there are only 150 memberships sold in 2019. Both parties understand that it is unknown how many memberships will be sold and the number of memberships sold greatly affects the amount of the loan needed by the Riverview Golf Club. It is agreed that the Golf Club will make an additional payment on the loan principle on the first day of October of each year based on the number of memberships sold in the given year until the loan has been repaid;

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350	\$145,000.00
400	\$180,000.00

5. The borrower may at any time pay all or part of the Principal hereunder, without any notice or penalty and upon such prepayment, and upon any partial prepayment, the interest and principal remaining and payment schedule shall be recalculated.
6. Interest accruing due hereunder shall be calculated daily in accordance with the "nominal rate" method of interest calculation on the basis of a 365 or 366 day year (as the case may be) and shall be due and payable in arrears in accordance with the terms of Section 1 hereof. Any amount of Interest not paid when due (including overdue and unpaid Interest) shall bear interest at the applicable aforesaid rate, be calculated daily and compounded on the last business day of each calendar month and shall be paid without the necessity of any demand being made, but if demand is made, on demand. The theory of deemed reinvestment shall not apply to the calculation of Interest or the payment of other amounts hereunder.

COVENANTS OF THE BORROWER

7. The borrower hereby covenants and agrees with the Lender that, unless the Lender otherwise agrees in writing:
 - (a) it shall duly and punctually pay the Principal Sum and Interest, and all fees and other amounts required to be paid by the Borrower hereunder, as and when the same becomes due and in the manner specified herein;
 - (b) it shall only use the Principal Sum for the debt refinancing by the Borrower.
 - (c) it shall carry on its business, in a proper and businesslike manner and in accordance with all applicable laws in force in the Province of Alberta;
 - (e) it will not incur any material indebtedness of whatsoever kind or nature other than such indebtedness as previously consented to by the Lender in writing.
 - (f) it will not encumber or grant a security interest in any of its material assets or property without the prior written consent of the Lender; and
 - (g) it will immediately inform the Lender of the occurrence of any Event of Default described in Section 8.

EVENTS OF DEFAULT

8. The occurrence and continuance of any one or more of the following events (each such event being herein referred to as an "**Event of Default**") shall constitute a default under this Promissory Note:
 - (a) if the Borrower defaults on payment of the Principal Sum and Interest or Principal with respect to membership sales when due and payable, and such default continues for five (5) business days;
 - (b) if the Borrower neglects to observe or perform any covenant or obligation of the Borrower contained herein and, if such covenant is able to be cured, such covenant remains uncured for a period of fifteen (15) days following such breach of covenant or obligation;

- (c) if the Borrower files, institutes or commences or otherwise takes any proceeding relating to any reorganization, arrangement, composition or winding up;
- (d) if the Borrower (A) institutes or commences proceedings to be adjudicated bankrupt, or insolvent or consents to the filing of a bankruptcy or insolvency proceeding against it, (B) files, institutes or commences or otherwise takes any proceeding relating to reorganization, adjustment, arrangement, composition, compromise, stay of proceedings or relief similar to any of the foregoing under any applicable law regarding bankruptcy, insolvency, reorganization or relief of debtors (including under the Bankruptcy and Insolvency Act), (C) consents to the filing of any such proceeding, (D) consents to the appointment of a receiver, liquidator, trustee or assignees in bankruptcy or similar official or the liquidation of all or a substantial part of its property and assets, (E) makes an assignment for the benefit of creditors, (F) admits in writing its inability to pay its debts generally as they become due, (G) is generally not paying its debts as they come due or otherwise is insolvent, or (H) takes any other action authorizing or in furtherance of any of the foregoing;
- (e) if any proceeding is filed, instituted or commenced by any person seeking (A) to adjudicate the Borrower a bankrupt or insolvent or the liquidation, adjustment, arrangement, compromise, composition, stay of proceedings or similar relief of or for such party under any applicable law regarding bankruptcy, insolvency, reorganization or relief of debtors (including under the Bankruptcy and Insolvency Act), or (B) to appoint a receiver, liquidator, trustee or assignee in bankruptcy or similar official of the Borrower or of all or a substantial part of its property and assets, and either such proceeding shall remain undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding shall occur; or

CONDITONS PRECEDENT

- 9. The Principal Sum shall be available subject to the Borrower having provided the Lender with the following:
 - (a) evidence of passage of all necessary bylaws and resolutions by the Board of the Borrower in connection with the loan to be obtained by the Borrower in connection therewith; and
 - (b) such other information and documentation as may reasonably be required by the Lender.

MISCELLANEOUS

10. Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by facsimile or other electronic means of communication as follows:

To the Borrower:

Riverview Golf Club
700 Redcliff Way SE
Redcliff, Alberta
T0J 2P0
Fax: 403-548-2400
E-Mail: admin@golfriverview.com
Attention: President

To the Lender:

Town of Redcliff
1 -3rd Street NE
Redcliff, Alberta
T0J 2P0
Fax: 403-548-6623
Attention: Municipal Manager

or to such other address or facsimile number as any party may from time to time notify the other. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been given at the time of and on the day of actual delivery thereof, or, if made or given by facsimile or such other electronic means of communication, on the day of transmittal thereof.

11. The Borrower and each party liable hereunder hereby waive presentment, notice of dishonor, protest and notice of protest of this Promissory Note.
12. The borrower hereby agrees that it shall be liable to the Lender to pay all the Lender's reasonable legal fees and out of pocket expenses incurred in respect of the funds advanced to the Borrower, including, without limitation, any legal fees incurred by the Lender in preparation or drafting of this Promissory Note or any other documents relating to the loan of the Principal Sum. The Borrower shall reimburse the Lender for such legal fees and expenses within thirty (30) days of the receipt of an invoice from the Lender.
13. The Borrower shall indemnify, defend and save harmless the Lender from and against any and all claims, actions, causes of action, damages, costs (including solicitor and client costs) and expenses arising from or if any way related to the loan of the Principal Amount, or this Promissory Note.
14. The parties acknowledge and agree that the Lender shall have no liability whatsoever for any budget or cost overruns incurred by the Borrower in connection with the loan/operation and the Borrower shall indemnify, defend and save harmless the Lender

from any and all such budget or cost overruns arising from or related to the loan/operation.

15. The Borrower, on a monthly basis, shall provide copies of all invoices, receipts, agreements and other documents related to any costs or payments related thereto.

DATED at Redcliff, Alberta on _____, 2019

RIVERVIEW GOLF CLUB

Per: _____
Cliff Sackman
President
Authorized Signatory