

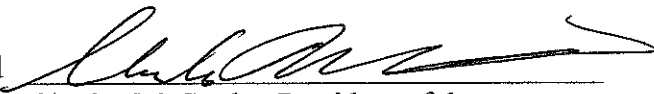
YUULU?IL?ATH FIRST NATION GOVERNMENT

**CONSTRUCTION AND
INFRASTRUCTURE 2014-2015
CAPITAL BORROWING ACT**

YFNS 36/2014



This law enacted on February 17, 2014

Signed 
Charles McCarthy, President of the
Yuulu?il?ath First Nation

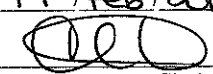
DEPOSITED IN THE
REGISTRY OF LAWS
ON 17 / feb / 2014

Signature of Law Clerk

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PART 1 - INTRODUCTORY PROVISIONS

Short title

- 1.1 This Act may be cited as the Construction and Infrastructure 2014-15 Capital Borrowing Act.

Executive oversight

- 1.2 The member of the Executive holding the finance portfolio is responsible for the executive oversight of this Act.

Borrowing for Construction of Community Centre

- 1.3 (a) The Legislature hereby authorizes the Yuulu?il?ath First Nation to enter into a loan agreement with the Bank of Montreal as creditor and the Yuulu?il?ath First Nation as debtor for a loan on the following terms:
- (i) the total amount of the loan is \$6,000,000.00 consisting of:
 - (A) a demand loan, non-revolving of up to \$6,000,000.00 with a fixed rate option, amortized to a maximum of 25 years, including the construction period;
 - (I) during construction and until occupancy the loan is to be interest only at Prime plus 1.75% provided on a cost to complete basis with no minimum draw requirements. The interest is to be paid monthly in arrears; and
 - (II) on occupancy the loan may be:
 - 1 Option 1: demand loan, non-revolving with interest at Prime plus 1%. Payments may be:
 - a. principal plus interest; payment estimated at \$20,000.00 plus interest paid monthly in arrears; actual payment to be determined after the interest-only period; or
 - b. monthly blended (combined principal and interest) payments, with monthly payments estimated at \$31,561.21, to be determined after the interest-only period and adjusted annually to reflect changes in Prime rate.

2 Option 2: fixed rate term loan of 3 to 5 years with interest at Bank of Montreal Cost of Funds plus 1.00% and monthly blended payments estimated at \$30,914.08 at current rates, to be determined after interest-only period.

(ii) the loan is secured as follows:

- A. Completed BMO Bank of Montreal Environmental Review & Compliance Checklist
- B. Assignment of Course Construction Insurance, with BMO to show as First Loss Payee
- C. Executed Copy of Fixed Price contract
- D. Resolution of the Executive / or Letter of Undertaking signed by the executive; to include:
 - Cost overruns on a cost to complete basis are for the account of the Borrower. Upon identification of overruns, the Borrower is to inject sufficient funds into the project to cover the potential overrun prior to any further loan advances being made by the Bank.
 - Agreement to the terms and conditions of the proposed \$6,000,000.00 credit facility and/or all facilities as outlined in the Commitment Letter.
 - At completion of the project the Bank will determine the portion of the outstanding construction loan which is to be amortized. The amount will be determined by the ability of the Yuulu?il?ath First Nation to debt service all of its obligations with a minimum 1.25 Debt Service Coverage. Debt service coverage will be determined by the Yuulu?il?ath First Nation's 4 year average operating cash flow divided by Yuulu?il?ath First Nation's principal and interest payments of direct debt. Any amount of the outstanding construction loan that cannot be repaid with a 1.25 times debt service coverage, per Letter of Undertaking, will be repaid from Yuulu?il?ath First Nation's surplus cash balances. Tangible discretionary investment assets and/or cash may be included in the calculation of the Debt Service Coverage covenant.
- E. Invoices for FFE (ie fixtures, furniture and leaseholds not included in the stipulated price contract)
- F. Borrowing resolution
- G. Assignment of Fire Insurance; BMO to be First Loss Payee
- H. Various BMO Bank of Montreal Loan documents i.e.; fixed rate term loan and, or demand loan notes

- (b) Subject to sections 8.5(b) and (c) of the Financial Administration Act, the proceeds of the loan under subsection (a) may only be used for the purposes of the construction of the community centre building.

Borrowing for Construction of Social Housing

1.4 (a) The Legislature hereby authorizes the Yuulu?il?ath First Nation to enter into a loan agreement with the Bank of Montreal as creditor and the Yuulu?il?ath First Nation as debtor for a loan on the following terms:

- (i) the total amount of the loan is \$750,000.00 consisting of:
- (A) a demand loan, non-revolving of up to \$750,000.00 with a fixed rate option, amortized to a maximum of 25 years, including the construction period;
 - (I) during construction and until occupancy the loan is to be interest only at Prime plus 1.75% provided on a cost to complete basis with no minimum draw requirements. The interest is to be paid monthly in arrears; and
 - (II) on occupancy the loan may be:
 - 1 Option 1: demand loan, non-revolving with interest at Prime plus 1%. Payments may be:
 - a. principal plus interest; payment estimated at \$2,500.00 plus interest paid monthly in arrears; actual payment to be determined after the interest-only period; or
 - 2 Option 2: fixed rate term loan of 3 to 5 years with interest at Bank of Montreal Cost of Funds plus 0.50% and monthly blended payments estimated at \$3,665.79 at current rates, to be determined after interest-only period.
- (ii) the loan is secured as follows:
 - A. Builders All Risk Insurance / Course of Construction Insurance with BMO shown as First Loss Payee
 - B. Completed BMO Bank of Montreal Environmental Review & Compliance Checklist
 - C. Assignment of Fire Insurance; BMO to be First Loss Payee
 - D. Draw requirements as noted above
 - E. BMO Promissory Note(s) and or fixed rate term loan documents.

F. Borrowing resolution

- (b) Subject to sections 8.5(b) and (c) of the Financial Administration Act, the proceeds of the loan under subsection (a) may only be used for the purposes of the construction of social housing.

Borrowing for Infrastructure Costs to Wya Resort

- 1.5** (a) The Legislature hereby authorizes the Yuulu?il?ath First Nation to enter into a loan agreement with the Bank of Montreal as creditor and the Yuulu?il?ath First Nation as debtor for a loan on the following terms:
- (i) the total amount of the loan is \$175,000.00 consisting of:
 - (A) a demand loan, non-revolving of up to \$175,000.00 with a fixed rate option, amortized to a maximum of 15 years, including the construction period;
 - (I) during construction and until completion the loan is to be interest only at Prime plus 1.75% provided on a cost to complete basis with no minimum draw requirements. The interest is to be paid monthly in arrears; and
 - (II) on completion the loan may be:
 - 1 Option 1: demand loan, non-revolving with interest at Prime plus 1%. Payments may be:
 - a. principal plus interest; payment estimated at \$972.22 plus interest paid monthly in arrears; actual payment to be determined after the interest-only period; or
 - 2 Option 2: fixed rate term loan of 3 to 5 years with interest at Bank of Montreal Cost of Funds plus 1.00% and monthly blended payments estimated at \$1,274.40 at current rates, to be determined after interest-only period.
 - (ii) the loan is secured as follows:
 - A. Completed BMO Bank of Montreal Environmental Review & Compliance Checklist
 - B. Draw requirements as noted above.
 - C. BMO Promissory Note(s) and or fixed rate term loan documents.
 - D. Borrowing resolution

- (b) Subject to sections 8.5(b) and (c) of the Financial Administration Act, the proceeds of the loan under subsection (a) may only be used for the purposes of the infrastructure costs for Wya Resort.

Borrowing for Infrastructure Costs to Lost Shoe Creek Development

- 1.6** (a) The Legislature hereby authorizes the Yuulu?il?ath First Nation to enter into a loan agreement with the Bank of Montreal as creditor and the Yuulu?il?ath First Nation as debtor for a loan on the following terms:
- (i) the total amount of the loan is \$267,000.00 consisting of:
 - (A) a demand loan, non-revolving of up to \$267,000.00 with a fixed rate option, amortized to a maximum of 15 years, including the construction period;
 - (I) during construction and to a maximum of 24 months the loan is to be interest only at Prime plus 1.75% provided on a cost to complete basis with no minimum draw requirements. The interest is to be paid monthly in arrears; and
 - (II) on completion the loan may be:
 - 1 Option 1: demand loan, non-revolving with interest at Prime plus 1%. Payments may be:
 - a. principal plus interest; payment estimated at \$1,483.33 plus interest paid monthly in arrears; actual payment to be determined after the interest-only period; or
 - 2 Option 2: fixed rate term loan of 3 to 5 years with interest at Bank of Montreal Cost of Funds plus 1.00% and monthly blended payments estimated at \$1,944.37 at current rates, to be determined after interest-only period.
 - (ii) the loan is secured as follows:
 - A. Review & Compliance Checklist
 - B. Draw requirements as noted above.
 - C. BMO Promissory Note(s) and or fixed rate term loan documents.
 - D. Borrowing resolution

- (b) Subject to sections 8.5(b) and (c) of the Financial Administration Act, the proceeds of the loan under subsection (a) may only be used for the purposes of the infrastructure costs for Lost Shoe Creek Development.

Borrowing for Highway Improvement Costs to Lost Shoe Creek Development

- 1.7** (a) The Legislature hereby authorizes the Yuulu?il?ath First Nation to enter into a loan agreement with the Bank of Montreal as creditor and the Yuulu?il?ath First Nation as debtor for a loan on the following terms:
- (i) the total amount of the loan is \$266,000.00 consisting of:
- (A) a demand loan, non-revolving of up to \$266,000.00 with a fixed rate option, amortized to a maximum of 15 years, including the construction period;
- (I) during construction and to a maximum of 24 months the loan is to be interest only at Prime plus 1.75% provided on a cost to complete basis with no minimum draw requirements. The interest is to be paid monthly in arrears; and
- (II) on completion the loan may be:
- 1 Option 1: demand loan, non-revolving with interest at Prime plus 1%. Payments may be:
- a. principal plus interest; payment estimated at \$1,477.78 plus interest paid monthly in arrears; actual payment to be determined after the interest-only period; or
- 2 Option 2: fixed rate term loan of 3 to 5 years with interest at Bank of Montreal Cost of Funds plus 1.00% and monthly blended payments estimated at \$1,937.09 at current rates, to be determined after interest-only period.
- (ii) the loan is secured as follows:
- A. Review & Compliance Checklist
- B. Draw requirements as noted above.
- C. BMO Promissory Note(s) and or fixed rate term loan documents.
- D. Borrowing resolution

- (b) Subject to sections 8.5(b) and (c) of the Financial Administration Act, the proceeds of the loan under subsection (a) may only be used for the purposes of the highway improvements to Lost Shoe Creek Developments.

Security Required for the Loans in this Act and Existing Credit Facilities

1.8 Security to include:

- (a) Copy of current borrowing bylaw(s);
- (b) Acknowledgement of completion of draw notes;
- (c) Borrowing resolution, to include Agreement to the terms and conditions of the proposed credit facilities as outlined in the commitment letter;
- (d) Copy of executed term sheet.

Commencement

1.9 This Act comes into force on February 17, 2014