

UCHUCKLESAHT TRIBE GOVERNMENT

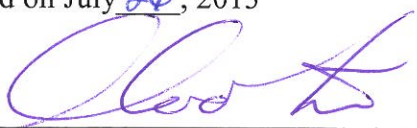
SOMASS HOTEL  
CAPITAL BORROWING ACT

UTS 28/2013



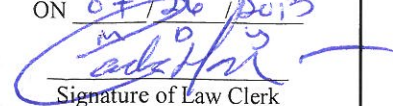
This law enacted on July 26, 2013

Signed

  
Charlie Cootes, Chief Councillor of the  
Uchucklesaht Tribe

DEPOSITED IN THE  
REGISTRY OF LAWS

ON 07/26/2013

  
Signature of Law Clerk

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## PART 1 - INTRODUCTORY PROVISIONS

### Short title

1.1 This Act may be cited as the Somass Hotel Capital Borrowing Act.

### Executive oversight

1.2 The treasurer of Council is responsible for the executive oversight of this Act.

### Borrowing for Somass Hotel development

- 1.3 (a) Council hereby authorizes the Uchucklesaht Tribe to enter into a demand loan, non-revolving or a fixed rate term loan, as may be determined by the Executive at final draw of the loan, with the Bank of Montreal as creditor and the Uchucklesaht Tribe as debtor for a loan in the amount of \$1,442,000 on the terms set out in this section.
- (b) If the Executive elects the loan under subsection (a) to be a demand loan, non-revolving,
- (i) the loan will be repayable at the Executive's election on either
    - (A) principal of the loan plus interest amortized to a maximum 20 years, with the loan bearing interest at the Bank of Montreal's prime rate plus 1.25%, payable monthly in arrears, with the prime rate being the floating annual rate of interest established from time to time by the Bank of Montreal as the reference rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada, or
    - (B) monthly blended payments, amortized to 20 years, with the interest rate variable and the monthly payments adjusted annually to reflect any changes in the Bank of Montreal's prime rate, with the prime rate being the floating annual rate of interest established from time to time by the Bank of Montreal as the reference rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada,
  - (ii) the loan may be converted to a fixed rate term loan at a later date described under subsection (c), and
  - (iii) the loan may be terminated in whole or in part and amounts outstanding will be payable in whole or in part upon demand by the Bank of Montreal, notwithstanding the payment or non-payment of principal, interest or fees by the Uchucklesaht Tribe or compliance or noncompliance with any

undertaking or covenant given to the Bank of Montreal as part of the loan or elsewhere.

- (c) If the Executive elects the loan under subsection (a) to be a fixed rate term loan,
  - (i) the Uchucklesaht Tribe may enter into a three to five year fixed rate term loan with the Bank of Montreal at a market interest rate of the Bank of Montreal's cost of funds (based on the bond market not prime rate) plus 1.25%, and
  - (ii) such fixed term loans will be repayable with principal and interest blended payments, paid monthly over the term of the loan, subject to the Bank of Montreal's right of review at any time and in any event no less than annually.
- (d) Subject to sections 7.5(b) and (c) of the Financial Administration Act, the proceeds of the loan under subsection (a) may only be used for the purposes of equity injections into Uchucklesaht Capital Assets Limited Partnership for the purchase and renovation of the Somass Hotel.

### **Commencement**

**1.4** This Act comes into force on the date it is enacted.