

**SOOKE REGION MUSEUM FUNDING AGREEMENT**

**THIS AGREEMENT** dated for reference the 31 day of December, 2018.

**BETWEEN:**

**CAPITAL REGIONAL DISTRICT**  
625 Fisgard Street  
Victoria, BC V8W 2S6

(the "CRD")

OF THE FIRST PART

**AND:**

**SOOKE REGION HISTORICAL SOCIETY**  
2070 Phillips Road, PO Box 774  
Sooke, BC V9Z 1H7

(the "Society")

OF THE SECOND PART

**WHEREAS:**

- A. The Society operates for the charitable purposes of gathering and preserving information, records and objects of educational, historical and cultural value associated with the area; to establish and maintain a museum for the purpose of preserving, recording and exhibiting for public enjoyment such material; and to undertake related charitable activities;
- B. The Society is an independent body and a registered Canadian charity. It has undertaken the responsibility of holding the region's history in-trust for future generations. It operates the Sooke Region Museum at 2070 Phillips Road in Sooke, BC (the "Museum");
- C. By Bylaw No. 1189, cited as the "Sooke Regional Historical Society Specified Area Establishment Bylaw No. 1, 1983", the CRD established a specified area for the purpose of providing annual financial assistance to the Society to operate, maintain and develop the Museum (the "Service"). Bylaw No. 1189 was converted to a service under the *Local Government Act* by Bylaw No. 3751, cited as the "Sooke Region Historical Society Service Establishment Bylaw No. 1, 2011" and adopted March 9, 2011 (the "Bylaw").
- D. The Service Area is the District of Sooke and a portion of the Juan de Fuca Electoral Area as defined in the Bylaw. The Bylaw provides that the annual cost of the Service may be recovered by a requisition of monies under sections 378(1)(a) and 387 of the *Local Government Act* to be collected by a property value tax on land and improvements within the Service Area;

- E. The parties hereto wish to enter into this Agreement for the purposes of setting out the roles and responsibilities of each.

**NOW THEREFORE** in consideration of the premises and mutual promises and covenants contained herein, the parties agree as follows:

**1.0 Principles of Agreement**

- 1.1 The CRD recognizes the Society's mandate to operate, control, preserve and maintain the Sooke Region Museum.
- 1.2 The CRD further recognizes that the Society operates the Sooke Region Museum with the support of volunteers, staff, and private donors, and that it receives funding from sources other than the CRD.
- 1.3 The Society recognizes the CRD's responsibility and accountability to the taxpayers within the Service Area to ensure that funds provided by the CRD for the Service and the Museum (the "CRD Funds") and funds are being used for the purpose for which they were intended.

**2.0 CRD's Statutory Discretion**

- 2.1 Nothing in this Agreement shall be interpreted as prejudicing or impairing the CRD in the exercise of any statutory powers under the *Local Government Act*, the *Community Charter* or any other enactment, all of which may be exercised as if this Agreement had not been entered into.

**3.0 Term**

- 3.1 The term of this Agreement shall be for a period of five years commencing on the first day of January, 2018, and terminating on the 31<sup>st</sup> day of December, 2022, unless otherwise terminated as herein provided.

**4.0 Services**

- 4.1 The Society shall provide the Museum in and for the Service Area in accordance with the terms herein and subject to any applicable bylaws of the CRD and any federal or provincial enactment.
- 4.2 Without limiting the foregoing, the Society shall maintain the Society in good standing and within 30 days of its annual general meeting in each year of the Term but no later than March 31, unless the parties agree, provide a copy of its Annual Report to the CRD's Chief Financial Officer.

**5.0 Budget**

- 5.1 The Society shall prepare, in a form approved by the Chief Financial Officer, a 5-year financial plan (operating and capital) to take effect the following year setting out all anticipated revenue and costs of the Society in providing the Museum including costs of

administration, maintenance, facility repairs or improvements, equipment, debt servicing and other operating expenses of the Society (the "Budget").

- 5.2 The Budget shall contain a request for a contribution from the CRD necessary to contribute to the costs of the Society in providing the Museum as set out in section 5.1, including contributions to reserve funds as recommended by the Chief Financial Officer.
- 5.3 The Budget shall be delivered to the Chief Financial Officer for consideration on or on before September 30<sup>th</sup> of each calendar year immediately preceding the year in which the Budget will take effect.
- 5.4 The Chief Financial Officer may return the Budget as it pertains to the CRD Funds to the Society for amendment and the Society shall return the amended Budget to the CRD for approval no later than November 15<sup>th</sup> of that year.

#### **6.0 Payments by the CRD**

- 6.1 The amount to be paid by the CRD each year for the Service shall be approved by the CRD Board as part of the financial plan adopted by the Board in that year, such amount to be requisitioned by the CRD in accordance with section 387 of the *Local Government Act* and collected by means of a property value tax imposed within the Service Area.
- 6.2 On or before September 30<sup>th</sup> in each year of the Term, subject to the terms and conditions of this Agreement, the CRD shall pay to the Society the amount set out in section 6.1 to be used by the Society in accordance with the Budget allocation for the CRD Funds approved by the CRD under article 5 hereof.
- 6.3 The Society shall administer the funds received from CRD under section 6.2 in accordance with the Budget approved by the CRD and shall not expend such funds except as provided for in this Agreement.
- 6.1 The parties acknowledge that under the *Local Government Act*, the CRD must recover from the Service all costs that it may incur in relation to the administration of the Service.

#### **7.0 Financial Statements and Right to Audit**

- 7.1 The Society shall prepare and maintain all books of account, budgets, records and financial statements, including all receipts and invoices supporting any expenditure, in accordance with generally accepted accounting principles applied on a consistent basis from year to year.
- 7.2 The CRD Funds and any other funds of the Society shall be separated in its books of account and the Society shall prepare at each yearend financial statements setting out the Society's assets and liabilities as well as a statement of revenue and expenditures for the year. The Society shall deliver a copy of the financial statements to the General Manager Chief Financial Officer within 30 days of the annual general meeting in each year of the Term but no later than March 31, unless the parties agree.
- 7.3 At any time, the CRD may give to the Society written notice that it wishes to examine, all books of accounts of the Society, and the Society shall, within 10 days of receipt of such notice, provide to the CRD representative access to all records, documents, books,

accounts and voucher of the Society and shall promptly provide to the CRD all information and explanations as may be, in the representative's opinion, necessary to ascertain the use of funds received from the CRD and the financial position of the Society. Such inspections shall occur at the Society's offices during normal business hours, Monday to Friday, 8:30 a.m. to 5 p.m.

## **8.0 Capital Assets Funded by the CRD**

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## **9.0 Indemnity**

- 9.1 The Society hereby agrees to indemnify and save harmless the CRD, its directors, officers and employees from and against all claims, actions, causes of action, damages, costs and expenses that it may incur or sustain arising out of this Agreement, the Service, the Museum, the use of the funds paid by the CRD to the Society, or in connection with the provision or the lack thereof of the Services and the Museum within the Service Area by the Society, its directors, officers, employees, agents or servants, except to the extent that such costs, claims, damages, expenses, suits or demands are caused or contributed to by the negligence or intentional wrongdoing of the CRD, its directors, officers or employees.

## **10.0 Funds May Be Withheld in the Event of Breach**

- 10.1 In the event that the Society is in breach of any of the terms of this Agreement and fails to cure such breach within 10 days of receipt of written notice from the CRD advising of the breach, the CRD may withhold all or part of the payment that otherwise would be made by the CRD under section 6.0 hereof.

## **11.0 Termination**

- 11.1 The CRD may terminate this Agreement upon giving the Society 60 days' notice of its intention to terminate if:
- (a) the Society fails to file its annual report or is otherwise no longer in good standing under the *Societies Act*;
  - (b) the Society defaults or fails to perform any term or condition of this Agreement that is required to be performed by the Society; or
  - (c) the Service is terminated or amended such that the Society is not the recipient of the contribution provided for thereunder.

## **12.0 Notices**

- 12.1 Any notice to be given by one party to another will be in writing and may be delivered by hand or mailed by first class prepaid registered mail to the address set forth below, or such other address of which notice is given by a party pursuant to the provisions of this section. Such notice will be deemed to have been given and received when delivered if delivered by hand, or if by mail, then the notice shall be deemed to have been given and received on the expiration of four business days after it was posted.

If to the CRD:

Capital Regional District  
625 Fisgard Street  
PO Box 1000  
Victoria, BC V8W 2S6  
Attention: Chief Financial Officer

If to the Society:

Sooke Region Historical Society  
2070 Phillips Road, PO Box 774  
Sooke, BC V9Z 1H7

Attention: Executive Director

## **13.0 Relationship of Parties**

- 13.1 The parties agree that nothing in this Agreement shall be interpreted as creating nor shall create an agency relationship, joint venture, partnership or employment relationship between the CRD and the Society, its employees, agents or contractors.

## **14.0 Other Acts**

- 14.1 The parties agree that they will do all such further acts, deeds or things and execute and deliver all such further documents as may be necessary or advisable for the purpose of assuring and confirming to the parties the rights hereby created or intended and of giving effect to and carrying out the intention of facilitating the performance of the terms of this Agreement.

## **15.0 Assignment**

- 15.1 The Society may not assign, transfer or pledge all or any part of this Agreement.

## **16.0 No Deemed Waiver**

- 16.1 The failure of either of the parties to insist on performance of any covenant or condition contained in this Agreement, or to exercise any right or option hereunder, shall not be construed or operate as a waiver or relinquishment for the future of any such covenant, condition, right or option and no waiver shall be inferred from or implied by anything done or omitted by any of the parties hereto, save only as an express waiver in writing.

