

CO-OWNERSHIP AGREEMENT

Dated March 4, 2024⁵⁰

BETWEEN

Rural Municipality of St Andrews
(St. Andrews)

and

Rural Municipality of St. Clements
(St. Clements)

and

City of Selkirk
("Selkirk")

(Collectively referred to as the "Ownership Partners")

- A. In October 2012 the Ownership Partners entered into an agreement (the "Regional Library Agreement") to establish a regional library under Part 3 of *The Public Libraries Act* (the "Library"), and the Library operates within premises (the "Library Premises") at 806 Manitoba Avenue in Selkirk;
- B. Selkirk is the legal owner of 806 Manitoba Avenue (the "Property"), holding title to the Property in trust for the Ownership Partners proportioned to the interests agreed upon in the Regional Library Agreement;
- C. On October 22, 2018, but dated as of January 10, 2014, Selkirk entered into a lease agreement on behalf of the Ownership Partners with the Red River Planning District ("RRPD") to lease premises within the Property (the RRPD Premises) for a pre-paid term expiring January 10, 2044 (the "Prepaid RRPD Lease");
- D. On July 30, 2019, but dated January 10, 2014, Selkirk entered into an agreement on behalf of the Ownership Partners with the Library to, among other things, clarify the Library's occupancy rights within the Library Premises for a term expiring February 1, 2039 (the "Occupancy Agreement");
- E. In March 2022 Selkirk, in its own capacity, and not as trustee for the Ownership Partners, purchased from RRPD the balance of the term of the Prepaid RRPD Lease;
- F. The Ownership Partners wish to enter into this agreement to cause the Prepaid RRPD Lease to be terminated so the entire Property can be leased to the Library by Selkirk, except for an

area to be retained and leased to Selkirk of approximately 500 square feet for its archive storage as shown on a sketch attached hereto as Schedule "A" (the "Retained Area").

THE PARTIES AGREE AS FOLLOWS:

1. ST. ANDREWS PAYMENT

By November 30, 2024 St Andrews shall pay to Selkirk the amount of \$451,657.53, representing an agreed upon proportioning relative to what Selkirk paid to RRPD for the unexpired term of the Prepaid RRPD Lease plus costs, less the sum of \$37,427.82 allocated as prepaid rent by Selkirk for the Retained Area (a "Lease Surrender Payment").

2. ST. CLEMENTS PAYMENT

By November 30, 2024 St Clements shall pay to Selkirk the amount of \$451,657.53, representing an agreed upon proportioning relative to what Selkirk paid to RRPD for the unexpired term of the Prepaid RRPD Lease plus costs, less the sum of \$37,427.82 allocated as prepaid rent by Selkirk for the Retained Area (a "Lease Surrender Payment").

3. TERMINATION OF PREPAID RRPD LEASE

Upon Selkirk receiving the net Lease Surrender Payments from each of St. Andrews and St. Clements, Selkirk shall surrender and terminate the Prepaid RRPD Lease.

4. TERMINATION OF REGIONAL LIBRARY AGREEMENT

The Ownership Partners shall terminate the Regional Library Agreement, and together with the Village of Dunnottar (collectively the Ownership Partners with the Village of Dunnottar now being referred to as the "Library Partners") shall enter into a new regional library services agreement with the Library to set out current rights and obligations for the provision of library services (the "2024 Library Services Agreement").

5. REPLACEMENT OF OCCUPANCY AGREEMENT

The Ownership Partners will replace the Occupancy Agreement with a new lease agreement which will be between Selkirk and the Library (the "2024 Lease Agreement") that will provide the Library with the use of the entire Property except for the Retained Area and Selkirk's access to it.

6. LEASE OF RETAINED AREA

In consideration for Selkirk surrendering the Prepaid RRPD Lease and providing a credit to each of St. Andrews and St. Clements equivalent to the prepaid rent Selkirk paid for the Retained Area, the Ownership Partners hereby grant a lease to Selkirk, in its own capacity, for the Retained Area together with the right to access the Retained Area from the main entrance of the building for a term expiring *, 2044 (the "Retained Area Lease").

7. UTILITY COSTS FOR THE RETAINED AREA LEASE

During the term of the Retained Area Lease Selkirk shall pay to Library its proportionate share of utilities and expenses which the Library is responsible to pay under the 2024 Lease Agreement. Selkirk's proportionate share shall be determined by the percentage of which the rentable space within the Retained Area is to the overall rentable space with the building on the Property.

8. SELKIRK AS LANDLORD UNDER THE 2024 LEASE AGREEMENT

Selkirk shall be party to the 2024 Lease Agreement as landlord and is authorized by the Ownership Partners to manage the Property in accordance with the terms thereof in such manner as would be standard for any landlord.

9. RENT ADJUSTMENT UNDER THE 2024 LEASE AGREEMENT

By extension, amendment or replacement of the 2024 Library Services Agreement the parties to that agreement may, from time to time, mutually agree to adjust the amount of rent to be paid under the 2024 Lease Agreement.

10. MAINTENANCE MATTERS

Any maintenance, repair, capital improvement, professional, consulting or other costs incurred by Selkirk in its capacity as trustee for the Ownership Partners shall be shared equally among the Ownership Partners.

11. IN EVENT OF DISCONTINUANCE

Should the regional library be discontinued by mutual agreement of the Library Partners, or as a result of termination of the 2024 Library Services Agreement without a replacement agreement between the Library and two or more Library Partners, the Retained Area Lease shall terminate, if it has not expired by then, and the Property shall be sold and the proceeds distributed in accordance with the following formula whereupon this co-ownership agreement shall terminate:

- a. Each Ownership Partner shall receive the original capital investment they made into the procurement and development of the Property as detailed here:
 - Selkirk - \$1,418,730
 - St. Andrews \$764,230
 - St. Clements \$764,230
- b. Each Ownership Partner shall then receive any additional capital contributed they made to the Property after the Property was developed, as recorded by the Library.
- c. In the event the term of the Retained Area Lease has not expired at the time of the sale, Selkirk shall receive payment for its prepaid rent for the balance of the term.
- d. All remaining assets will be divided equally among the partners.

12. FIRST OPPORTUNITY TO PURCHASE

Should it be required that the Property be sold because all but one of the Library Partner have withdrawn from the Regional Library Agreement, any remaining Library Partner wishing to continuing to provide library services shall be given the first opportunity to acquire the Property at its fair market value.

13. WITHDRAWAL BY TRUSTEE

In the event Selkirk withdraws from the 2024 Library Services Agreement while one or more of the Ownership Partners (the "Remaining Ownership Partner(s)") remain a party to that agreement, and the Library continue to operate from the Property, at Selkirk's option the title to the Property shall be transferred into the name of the Remaining Ownership Partner(s) to be held in trust by them instead of by Selkirk, whereupon Selkirk shall assign its rights as the landlord under the 2024 Lease Agreement to the Remaining Ownership Partner(s).

14. INDEMNIFICATION.

The Ownership Partners agree to indemnify Selkirk while serving in the capacity as trustee for the Ownership Partner and landlord under the 2024 Lease Agreement, and proportional to each Ownership Partner's interest in the Property, hold Selkirk harmless against any and all claims, liabilities, damages, and expenses (including legal fees) arising out of or in connection with its legal ownership of the Property and its duties as landlord under the 2024 Lease Agreement, except where any such costs, expenses, or damages are the result of Selkirk's own willful neglect or default.

15. DISPUTE RESOLUTION

Any disputes involving this agreement that cannot be resolved between the respective parties may be referred by any party to a mediator for resolution. If not resolved through mediation within a reasonable time, up one month's written notice by any party to the others parties the dispute shall be referred to binding arbitration in accordance with *The Arbitration Act*.

16. NOTICES

All notices under this Agreement shall be in writing and shall be deemed given when delivered personally or sent by certified or registered mail, return receipt requested, to the addresses of the parties publicly known as published on their website, or as subsequently designated in writing.

17. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the co-ownership of the Property and supersedes all prior agreements and understandings, whether written or oral.

18. AMENDMENTS

Any amendments or modifications to this Agreement must be in writing and signed by the parties.

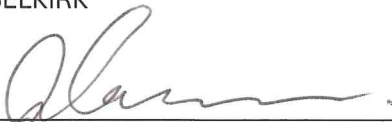
19. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

The parties have signed this agreement as of the day and year first above written.

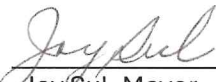
SIGNATURE PAGE TO FOLLOW

CITY OF SELKIRK

Per: 
Larry Johannson, Mayor

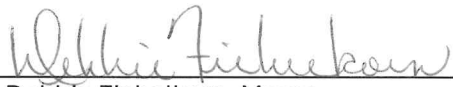
Per: 
Duane Nicol, CAO

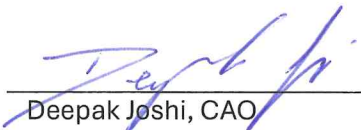
RURAL MUNICIPALITY OF ST. ANDREWS

Per: 
Joy Sul, Mayor

Per: 
Brent Olynk, CAO

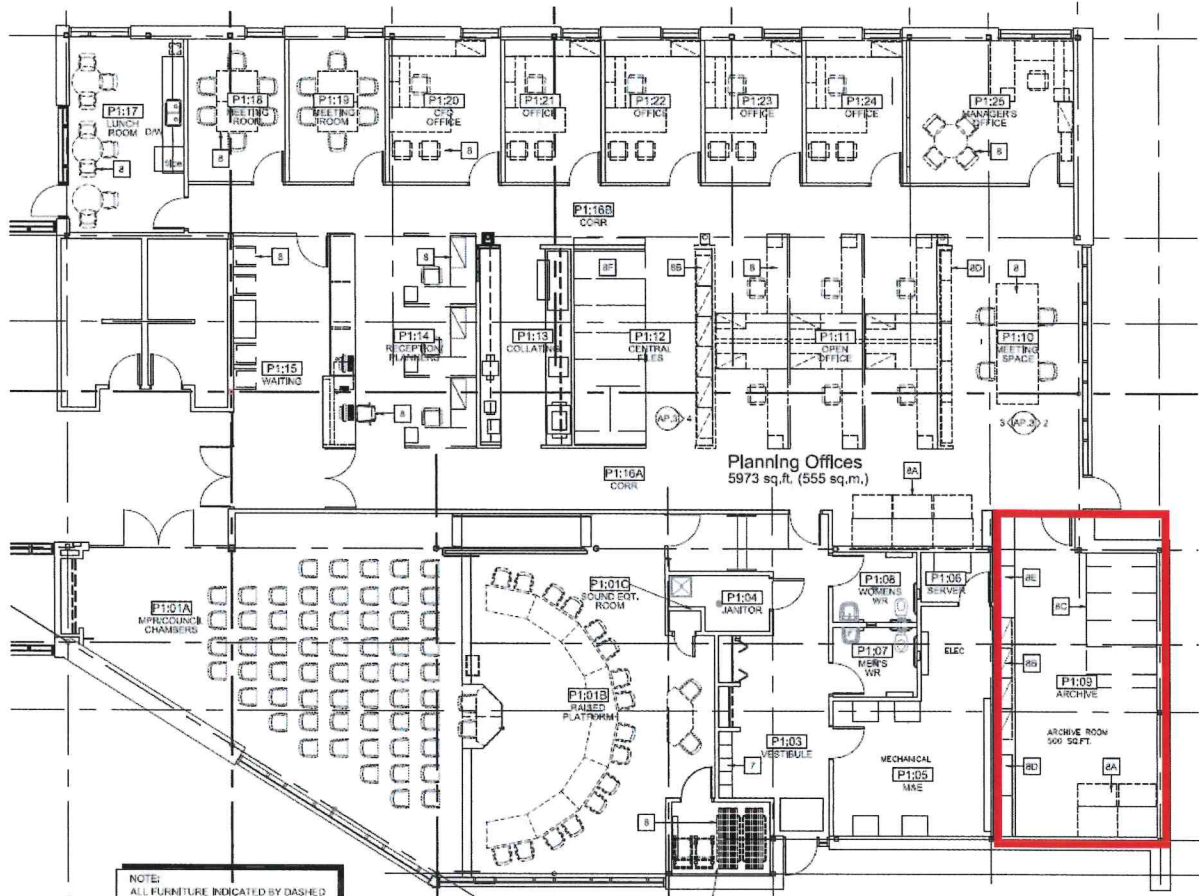
RURAL MUNICIPALITY OF ST. CLEMENTS

Per: 
Debbie Fiebelkorn, Mayor

Per: 
Deepak Joshi, CAO

SCHEDULE A

Sketch of the Retained Area



Retained Area – Identified in Red Box.