



TOWN OF LADYSMITH

A REGULAR MEETING OF THE
COUNCIL OF THE TOWN OF LADYSMITH
WILL BE HELD IN COUNCIL CHAMBERS AT CITY HALL ON
MONDAY, JULY 18, 2016

Call to Order and Closed Meeting
6:00 p.m.
Regular Open Meeting
7:00 p.m.

AGENDA

CALL TO ORDER (6:00 P.M.)

1. CLOSED SESSION

In accordance with section 90(1) of the *Community Charter*, this section of the meeting will be held *In Camera* to consider matters related to the following:

- The acquisition, disposition or expropriation of land (s. 90(1)(e))

2. RISE AND REPORT

REGULAR MEETING (7:00 P.M.)

3. AGENDA APPROVAL

4. MINUTES

- 4.1. Minutes of the Regular Meeting of Council held July 4, 20161 - 5
4.2. Minutes of the Special Meeting of Council held July 11, 2016.....6

5. DELEGATIONS

- 5.1. Derek Haupt, General Manager of Manufacturing & Kindry Mercer, Manager of
Regional Initiatives – Western Forest Products
Update & Report on Western Forest Products Activities7 - 8
- 5.2. Erin Annis, Transit Analyst & Jim Wakeham, Facilities and Transit Manager –
Cowichan Valley Regional District
Shilpa Paniker, Senior Planner, BC Transit
Changes to Transit Service in Ladysmith9 - 14

6. PROCLAMATIONS – None

7. DEVELOPMENT APPLICATIONS

- 7.1. Development Variance Permit Application – Oyster Cove Road (Buckles)..... 15 - 17
Strata Lot 9, District Lot 56, Oyster District, Strata Plan 2009**

Staff Recommendation:

That Council direct staff to proceed with statutory notice for Development Variance Permit application (3090-16-06) for Strata Lot 9, District Lot 56, Oyster District, Strata Plan 2009 (Buckles).

8. BYLAWS (OFFICIAL COMMUNITY PLAN AND ZONING) – None

9. REPORTS

- 9.1. Fourth Avenue Improvement Project – Option Selection..... 18 -22**

Staff Recommendation:

That Council direct staff to:

1. Issue a tender for the 4th Avenue Improvement Project (Hambrook to White St.) utilizing the cross section configuration “Option 1” and structuring the tender to have construction work between White Street and Belaire Street completed in 2016 with the remainder of the project, Belaire Street to Hambrook Street, being completed in the spring of 2017.
2. Complete a functional design for the Option 1 configuration over the remainder of 4th Avenue (White Street to Jim Cram Drive).

- 9.2. Legend Recreation Software Agreement 23 - 25**

Staff Recommendation:

That Council approved the proposed agreement between Legend Recreation Software Inc. and the Town of Ladysmith relating to software licence, service and support, and authorize the Mayor and Corporate Officer to execute the agreement.

10. CORRESPONDENCE – None

11. NEW BUSINESS

- 11.1. Community Services Centre – Renewal of Leases**
Ladysmith Seniors Centre Society Lease 26 – 59
Ladysmith Resources Centre Association Lease..... 60 – 94
Boys and Girls Clubs of Central Vancouver Island Lease..... 95 - 127

Background:

On tonight’s agenda are three leases for the organizations located in the Ladysmith Community Services Centre on High Street: Ladysmith Resources Centre, Ladysmith Seniors Centre and Boys and Girls Club. These leases are virtually renewals of the existing leases with the addition of clearer language regarding insurance, servicing of ventilation systems and approved contractors. Staff have met with representatives

from each of the organizations to discuss the proposed changes. The Town’s solicitor has also reviewed the agreements. All of the agreements have a start date of August 1, 2016.

Staff Recommendation:

That Council:

1. Approve the five-year lease renewal with the Ladysmith Seniors Centre Society for the property located at 630 Second Avenue as presented, effective August 1, 2016, and authorize the Mayor and Corporate Officer to execute the lease renewal;
2. Approve the five-year lease renewal with the Ladysmith Resources Centre Association for the property located at 630 Second Avenue as presented, effective August 1, 2016, and authorize the Mayor and Corporate Officer to execute the lease renewal;
3. Approve the five-year lease renewal with the Boys and Girls Clubs of Central Vancouver Island for the property located at 220 High Street, and authorize the Mayor and Corporate Officer to execute the lease renewal.

11.2. Appointment of Corporate Officer

Staff Recommendation:

That Council appoint Guillermo Ferrero as Corporate Officer, effective August 1, 2016.

12. UNFINISHED BUSINESS

13. BYLAWS

13.1. Town of Ladysmith Officers and Delegation of Authority

Bylaw 2016, No. 1905 128 - 134

The purpose of Bylaw 1905 is to clarify the roles of officers of the Town of Ladysmith and to confirm delegation of Council authority as appropriate. After giving first and second reading to Bylaw 1905 and having the opportunity for further discussion and review at the July 11, 2016 meeting of the Municipal Services Committee, Council directed staff to place the bylaw on the agenda for third reading.

Staff Recommendation:

That Council give third reading to Bylaw 1905 as amended by deleting the reference to a specific version of the *Liquor Control and Licensing Act* in the Definitions section.

14. QUESTION PERIOD

- A maximum of 15 minutes is allotted for questions.
- Persons wishing to address Council during “Question Period” must be Town of Ladysmith residents, non-resident property owners, or operators of a business.

- Individuals must state their name and address for identification purposes.
- Questions put forth must be on topics which are not normally dealt with by Town staff as a matter of routine.
- Questions must be brief and to the point.
- Questions shall be addressed through the Chair and answers given likewise. Debates with or by individual Council members or staff members are not allowed.
- No commitments shall be made by the Chair in replying to a question. Matters which may require action of the Council shall be referred to a future meeting of the Council.

ADJOURNMENT



TOWN OF LADYSMITH
MINUTES OF A REGULAR MEETING OF COUNCIL
MONDAY, JULY 4, 2016
CALL TO ORDER 4:00 P.M.
COUNCIL CHAMBERS, CITY HALL

COUNCIL MEMBERS PRESENT:

Mayor Aaron Stone
Councillor Joe Friesenhan
Councillor Duck Paterson

Councillor Steve Arnett
Councillor Carol Henderson

Councillor Cal Fradin
Councillor Rob Hutchins

STAFF PRESENT:

Guillermo Ferrero
Erin Anderson

Sandy Bowden
Clayton Postings

Felicity Adams
Joanna Winter

CALL TO ORDER

Mayor Stone called this Meeting of Council to order at 4:00 p.m.

CLOSED SESSION

CS 2016-237

Moved and seconded:

That Council retire into closed session at 4:01 p.m. in order to consider items related to the acquisition, disposition or expropriation of land, in accordance with section 90(1) of the *Community Charter*.

Motion carried.

**RISE AND REPORT
AGENDA APPROVAL**

Council rose from Closed Session at 6:52 p.m. without report.

CS 2016-238

Moved and seconded:

That Council approve the agenda for this Regular Meeting of Council for July 4, 2016.

Motion carried.

MINUTES

CS 2016-239

Moved and seconded:

That Council approve the minutes of the Special Meeting of Council held June 13, 2016, the Public Hearing and Regular Meeting of Council held June 20, 2016, and the Special Meeting of Council held June 21, 2016.

Motion carried.

**DEVELOPMENT
APPLICATIONS**

CS 2016-240

Development Variance Permit Application – 428 Davis Road (Millen) – Lot A, District Lot 52, Oyster District Plan EPP61167

Moved and seconded:

That Council issue Development Variance Permit application (3090-16-03) for Lot A, District Lot 52, Oyster District Plan EPP61167 (428 Davis Road – Millen).

Motion carried.

Development Variance Permit Application – 117 Clarke Road (MacCallum) – Lot 1, District Lot 43, Oyster District Plan 6424

Moved and seconded:

CS 2016-241

That Council refer Development Variance Permit application 3090-16-04 (117 Clarke Road – MacCallum) to staff in order to review the following and report back to Council:

- a) potential implications on future development of adjoining lots if the applicant is not required to widen Clarke Road; and
- b) options for compensation to the Town for removing the requirements on the applicant to construct a sidewalk along Dogwood Drive and to widen Clarke Road.

Motion carried.

Development Variance Permit Application – Oyster Cove Road (Lovely) ... Strata Lot 37, District Lot 56, Oyster District, Strata Plan 2009

Moved and seconded:

CS 2016-242

That Council direct staff to proceed with statutory notice for Development Variance Permit application 3090-16-05 for Strata Lot 37, District Lot 56, Oyster District, Strata Plan 2009 (Oyster Cove Road – Lovely).

Motion carried.

Liquor Primary Licence Application – Zack’s Lounge (530 1st Avenue) RESOLUTION RESCINDED BY CS 2016-253

Moved and seconded:

CS 2016-243

That Council request staff to clarify the proposed location of the Liquor Primary Licence Application for Zack’s Lounge that has been referred to Council, and bring the application back to a future meeting.

Motion carried.

COMMITTEE REPORTS

Moved and seconded:

CS 2016-244

That Council write a letter of congratulations and appreciation to the Ladysmith Heritage Advisory Commission for their leadership in the Transfer Beach History Pictorial Display celebrating the history and culture of Transfer Beach.

Motion carried.

Municipal Services Committee Recommendations – Meeting of June 13, 2016

Moved and seconded:

CS 2016-245

That Council:

1. Direct staff to incorporate Social Impact language into the Town’s Purchasing Policy for consideration at an upcoming meeting of the Committee.
2. Direct staff to amend the Town’s Grants-in-Aid Policy to change the deadline for submission of a grant report to December 31, with a reminder of the deadline to be sent by staff prior to December 1.

3. Direct staff to amend the Town's Grants-in-Aid Policy, Item 1, for 2017 to read as follows:

The primary purpose of a grant-in-aid is to provide financial assistance to an organization for a specific project, event or service that benefits the residents of the Town of Ladysmith. The organization should be registered as, or belong to, a parent Society under the laws of British Columbia and/or Canada.

4. Direct staff to develop recommendations for service agreements with the Ladysmith and District Historical Society (Archives and Museum), Ladysmith Resources Centre Association and other agencies who currently receive grants-in-aid for providing a service to the community, and bring the recommendations to the Committee for consideration.
5. Refer consideration of a proposed set budget for grants-in-aid until after the Committee has determined whether to establish Service Agreements instead of grants-in-aid for organizations that provide a service to the community.
6. Direct staff to maintain the current policy with respect to timing of grants-in-aid applications and deliberations for the 2017 budget deliberations.
7. Direct staff to amend the Town's Grants-in-Aid Policy to remove the requirement for audited financial statements/engagement review, and to require that societies submit their Annual General Meeting minutes and agenda, including financial information when applying for a grant-in-aid.
8. Direct staff to maintain the current grant-in-aid policy that allows organizations that receive a Permissive Tax Exemption to also receive Grant-in-Aid funding.
9. Direct staff to bring an amended Grants-in-Aid Policy for consideration at a future meeting of the Municipal Services Committee.
- 10.a) Direct staff to prepare draft Terms of Reference for an Invasive Species Select Committee in accordance with Section 142 of the Community Charter for the purpose of addressing invasive species in the Town of Ladysmith and present the Terms of Reference for review at a future meeting; and
 - b) Send a letter of thanks to Steve and April Marrington in recognition of their volunteer leadership during the 2016 Broom Busting initiative in the Town of Ladysmith.

Motion carried.

CORRESPONDENCE

Lesley Lorenz, Stz'uminus Primary School
Request for Town to Sponsor Yearbook as Fundraiser
MOTION AMENDED

CS 2016-246

Moved and seconded:

That the Town provide a sponsorship in the amount of \$100 for the Ladysmith Primary School yearbook.

AMENDMENT

Moved and seconded:

CS 2016-247

That members of Council donate \$20 each to sponsor the Stz'uminus Primary School yearbook and the Town not provide a sponsorship in the amount of \$100.

Amending motion carried.

Main motion as amended carried.

Property Owners on French Street (between 1st and 2nd Avenues)
Request for the Town to complete curbs, paving and parking designation on French Street

Moved and seconded:

CS 2016-248

That Council refer the request by property owners on French Street for the Town to consider curbing, paving and parking designation on French Street between 1st and 2nd Avenues to the 2017 to 2021 Financial Plan deliberations.

Motion carried.

NEW BUSINESS

Grant-in-Aid Request for Arts on the Avenue

Council noted that the 2016 grants-in-aid budget is fully allocated and that the organization will also be receiving funds from the Cowichan Valley Regional District.

Town Participation in Cowichan Valley Regional District Recreation Promotion Initiative

Moved and seconded:

CS 2016-249

That Council approve participation by the Town of Ladysmith in the Cowichan Valley Regional District regional recreation initiative where residents may exchange an expired monthly bus pass for a one-time swim or fitness centre drop-in at the Frank Jameson Community Centre.

Motion carried.

UNFINISHED BUSINESS

Town of Ladysmith 2015 Annual Report and Community Profile

Moved and seconded:

CS 2016-250

That Council approve the Town of Ladysmith 2015 Annual Report.
Motion carried.

Nutsumaat Syaas Grant-in-Aid Request

Moved and seconded:

CS 2016-251

That Council provide a Grant-in-Aid of \$5,000 for the Nutsumaat Syaas

project at Ladysmith Secondary School, with \$2,800 to be allocated from additional assessment revenue, \$1,200 from the Town's public relations budget, and \$1,000 from miscellaneous administration funds, and direct staff to amend the Financial Plan accordingly.
Motion carried.

Fire & Rescue Service Level Establishment and Limitations Policy

Moved and seconded:

CS 2016-252

That Council adopt Fire and Service Level Establishment and Limitations Policy 14-7200-C.

Motion carried.

QUESTION PERIOD

Members of the public enquired about the estimated cost of the water filtration plant and the waste water treatment plant, Commission and Committee application status, and future possibility for consultation with property owners on French Street before any construction work on paving, curbs and gutters takes place.

DEVELOPMENT APPLICATION

Liquor Primary Licence Application – Zack's Lounge (530 1st Avenue)

Moved and seconded:

CS 2016-253

That Resolution CS 2016-243, to request staff to clarify the proposed location of the Liquor Primary Licence Application for Zack's Lounge that has been referred to Council, and bring the application back to a future meeting, be rescinded.

Motion carried.

Moved and seconded:

CS 2016-254

That Council direct staff to:

- a) gather the views of residents and businesses within 60 metres of the subject property by direct mail and request the owner to place the Town's notice in the window of the building, and
- b) report back to Council regarding the community's views and the matters in Section 10 of the Liquor Control and Licensing Regulation as outlined in Part 4 – Public Interest of the Application Summary, following completion of the notice process.

Motion carried.

ADJOURNMENT

Moved and seconded:

CS 2016-255

That this meeting of Council adjourn at 8:08 p.m.

Motion carried.

CERTIFIED CORRECT:

Mayor (A. Stone)

Corporate Officer (S. Bowden)



TOWN OF LADYSMITH
MINUTES OF A SPECIAL MEETING OF COUNCIL
MONDAY, JULY 11, 2016
CALL TO ORDER 5:32 P.M.
COUNCIL CHAMBERS, CITY HALL

COUNCIL MEMBERS PRESENT:

Councillor Steve Arnett	Councillor Cal Fradin	
Councillor Joe Friesenhan	Councillor Carol Henderson	Councillor Rob Hutchins
Councillor Duck Paterson		

COUNCIL MEMBERS ABSENT:

Mayor Aaron Stone

STAFF PRESENT:

Guillermo Ferrero	Sandy Bowden	Felicity Adams
Erin Anderson	Clayton Postings	Geoff Goodall
Joanna Winter		

CALL TO ORDER

Deputy Mayor Arnett called this Special Meeting of Council to order at 5:32 p.m.

CLOSED SESSION

CS 2016-256

Moved and seconded:

That Council retire into closed session at 5:33 p.m. in order to consider items related to the acquisition, disposition or expropriation of land, and the provision of a municipal service, in accordance with section 90(1) of the *Community Charter*.

Motion carried.

RISE AND REPORT

Council rose from Closed Session at 6:27 p.m. with report on the following item:

Resolution CE 2016-122, that Council direct staff to reissue the Waterfront Area Plan Request for Proposals, as amended.

ADJOURNMENT

CS 2016-257

Moved and seconded:

That this Special Meeting of Council adjourn at 6:28 p.m.

Motion carried.

CERTIFIED CORRECT:

Deputy Mayor (S. Arnett)

Corporate Officer (S. Bowden)



Western Forest Products Inc.

Western Forest Products - Ladysmith Information

WHO WE ARE:

Western Forest Products is the largest forest tenure holder, employer and investor in manufacturing on B.C.'s coast, supporting local jobs and communities.

OUR MISSION:

To create a globally competitive, sustainable business that operates profitably through business cycles, for the benefit of employees, customers, shareholders and the communities in which we operate.

WFP FACILITIES IN LADYSMITH:

Saltair Sawmill

Mill Type Mid-sized logs, Western Red Cedar, Hemlock, Douglas fir, Cypress

Employment 160 people

Ladysmith Sawmill

Mill Type small log Hemlock and Douglas fir

Employment 70 people

Burlieth Log Sort

Sorts wood from WFP's Timberlands operations for use in our east Vancouver Island mills

Close working partnership with the with the Chemainus First Nation

Employment 14 people

WFP FINANCIAL INFLUENCE LADYSMITH 2015:

- **\$24 million** Salaries and Benefits
- **\$60 million** money spent originating from the Ladysmith area
- **\$1.1 million** Community and Municipal Taxes/Rents/Benefits
- **244** living wage jobs

POINTS OF CONTACT FOR WFP

Ladysmith and Saltair Sawmills

Derek Haupt, General Manager, Manufacturing

dhaupt@westernforest.com

250-737-2253

Burlieth Log Sort

Randy Hughes, Log Sort Supervisor

rhughes@westernforest.com

250-245-3216

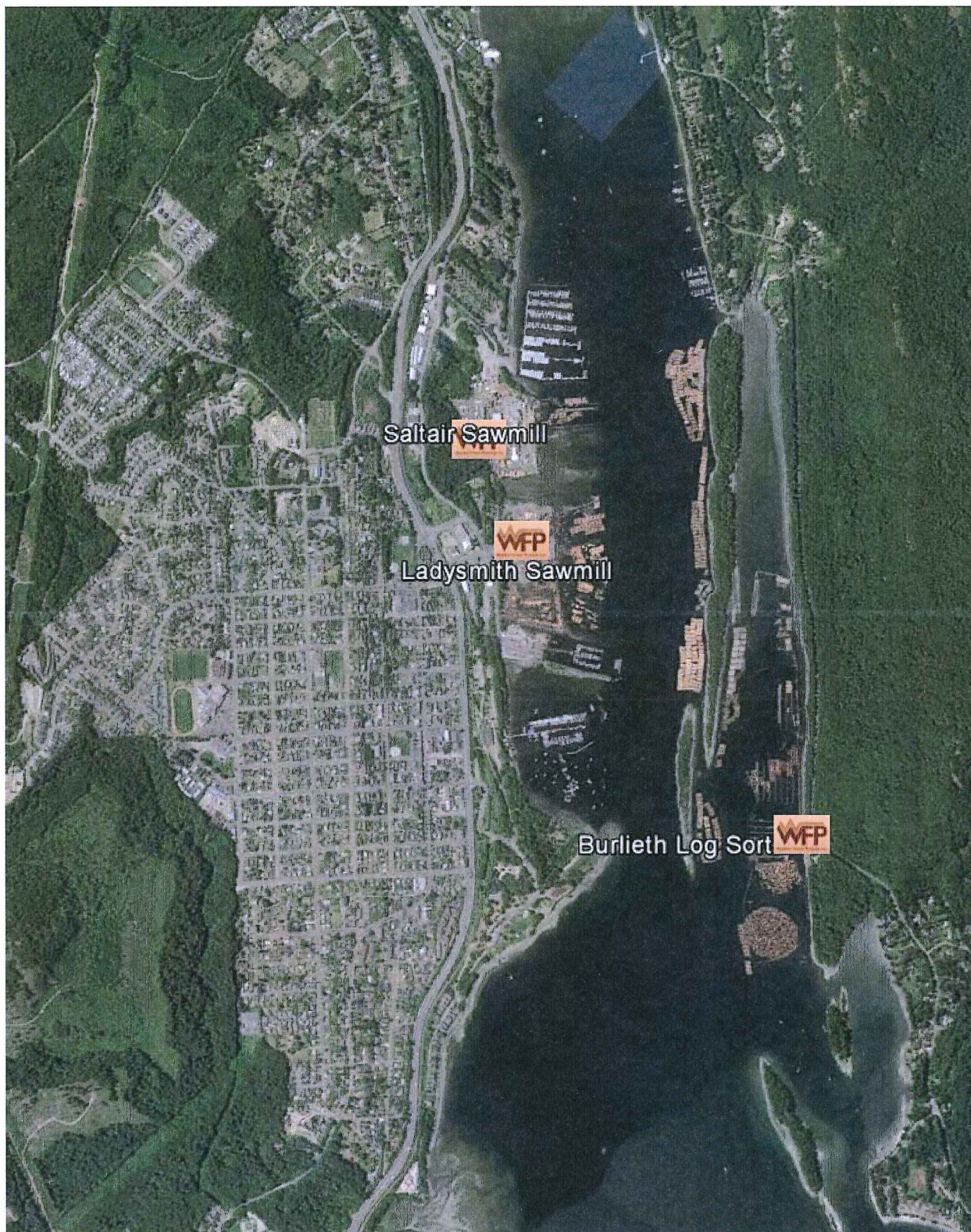
Community

Kindry Mercer, Manager, Regional Initiatives

kmercerc@westernforest.com

250-228-9457

MAP OF WESTERN FOREST PRODUCTS FACILITIES IN LADYSMITH:





Ladysmith Transit Changes

July 18, 2016



Agenda

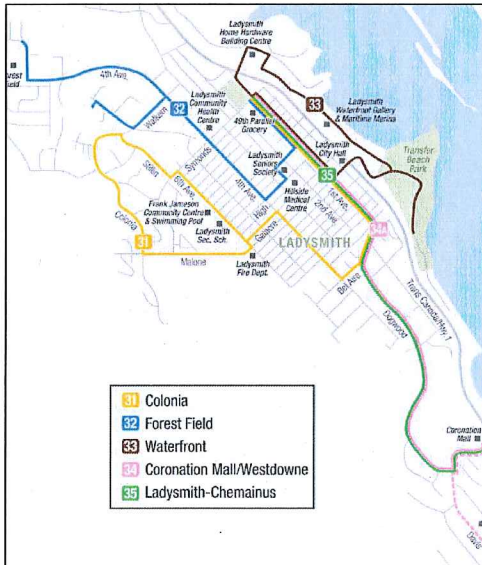
Overview of Ladysmith Transit Service Change Process

- Current system ridership information;
- Ridership trends;
- Proposed service changes;
- Public Consultation process & results;
- Approved service changes;
- Next steps / implementation



Current Transit System

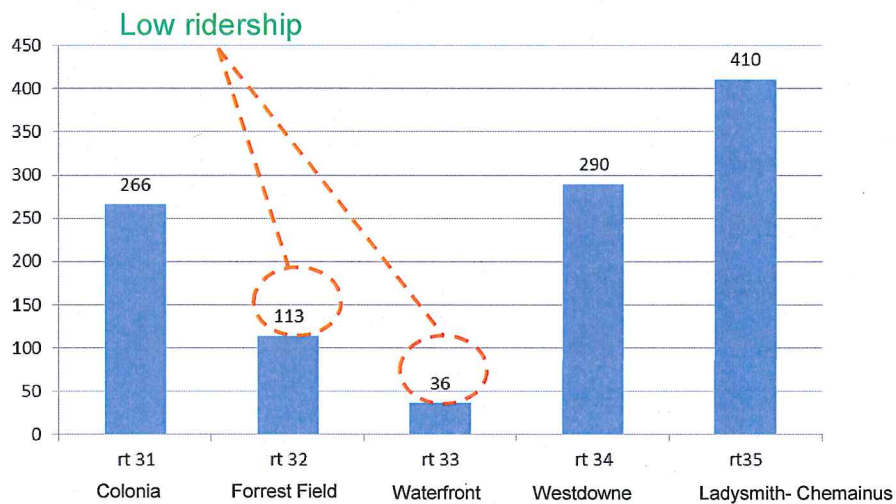
Implemented in September 2013, replaced existing trolley
4 local routes, 1 regional (connector) route



- #31 (Colonia) – 8 trips per day
- #32 (Forrest Field) – 6 trips per day
- #33 (Waterfront) – 3 trips per day
- #34 (Westdowne) – 6 trips per day
- #35 (Chemainus) – 4 trips per day



Existing System Ridership

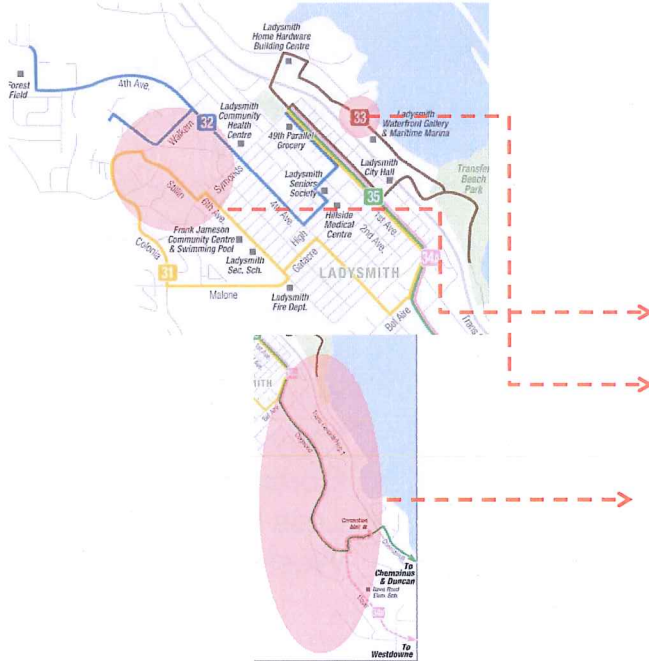


Average monthly boardings (Monday to Friday)*
~1115 per month

* Ridership data from one year of data collection by drivers (2014-2015)



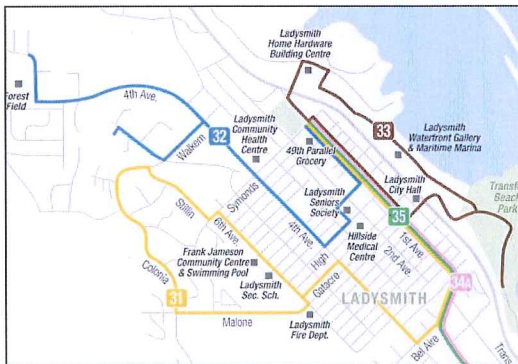
Service changes proposed



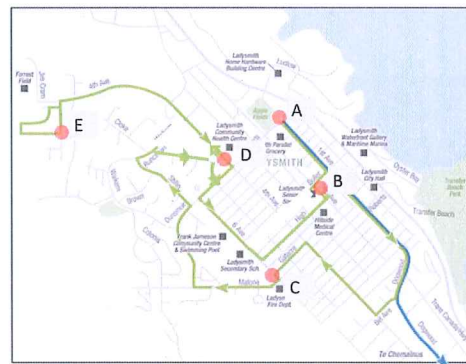
- Combine Rt 31 and Rt 32
Area is over serviced
- Discontinue Rt 33
Does not meet service standards
- Combine Rt 34 and Rt 35
Reduce duplication of routing
- Direct Connection to Duncan
Pilot project
- Discontinue Sunday service
Does not meet service standards



Combine Route 31 and 32



Current local routing_ Colonia, Forrest Field

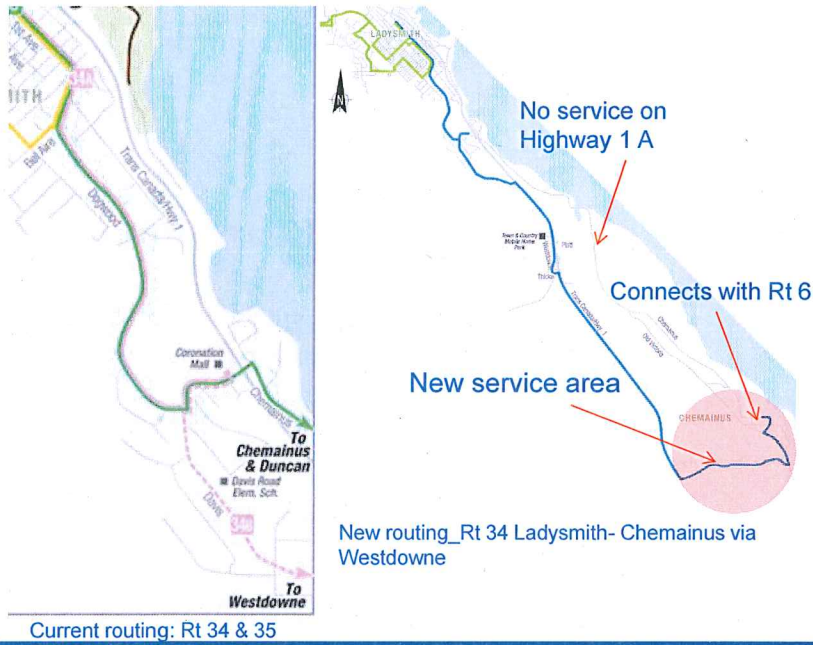


New local routing_ Route 31 Ladysmith-Alderwood

- Serves most of the existing service area with one route
- Residential areas within 400 m walking distance of proposed route
- Connects major destinations in Ladysmith
- Route timings better aligned with hospital and school times
- Safer routing



Combine Route 34 and 35



- Connection to Chemainus on Highway 1
- Serves River Rd
- Connects Westdowne users directly to Chemainus
- Reduced route duplication between Ladysmith and Coronation Mall
- Less direct trips for Westdowne users

Ladysmith–Duncan connection



- A : 1st ave and Symonds
- B: Coronation Mall
- C: Cowichan Commons
- D: Train Station, on Canada Ave
- E: Village Green Mall

- New service with more direct regional connections
- Monday to Saturday service
- 3 round trips to Duncan and back, Mon-Fri

Public Consultations: What We Heard

- Online & onboard survey from March 29 - April 10, 2016 and 4 local open houses;
- Over 500 survey responses (330 completed, 400 comments)
- 80% in favour, or not impacted, by combining routes 31 & 32;
- Strong support (76%) for Ladysmith-Duncan direct transit route
 - Most support for midday trip times (11am-2pm) but ~40% in favour of commuter times as well.
- Desire for more direct routes (~52%), additional coverage areas (~43%) and more frequent trips (~35%)



Approved Fall 2016 Service Changes

Consulted with Ladysmith staff about changes & CVRD Board approved the following changes in May 2016;

- Combine Routes 31 & 32 into new Route #31
- Combine Routes 34 & 35 into new route #34, using Highway 1 and River Road for Ladysmith-Chemainus connections;
- Develop 3 round trips per day (Monday – Friday) and 2 round trips per day (Saturday) for a direct Ladysmith – Duncan transit connection. Pilot project (review ridership results after 6 months);
- Discontinue Route 33 (Waterfront) and Sunday service;



Next Steps: October Implementation

- Production of new Transit Rider's Guide
- Public education about route and schedule changes coming (~September 2016)
- Newspaper ads and onboard advertising about changes



11

Thank you



Questions?



12



Town of Ladysmith

STAFF REPORT

To: Guillermo Ferrero, City Manager
From: Felicity Adams, Director of Development Services
Date: July 11, 2016
File No: 3090-16-06

RE: RE: DEVELOPMENT VARIANCE PERMIT APPLICATION - Oyster Cove Road (Buckles)
Subject Property: Strata Lot 9, District Lot 56, Oyster District, Strata Plan 2009

RECOMMENDATION(S):

That Council direct staff to proceed with statutory notice for Development Variance Permit application (3090-16-06) for Strata Lot 9, District Lot 56, Oyster District, Strata Plan 2009 (Oyster Cove Road - Buckles).

PURPOSE:

The purpose of this staff report is to obtain Council direction regarding statutory notification for a development variance permit application.

INTRODUCTION/BACKGROUND:

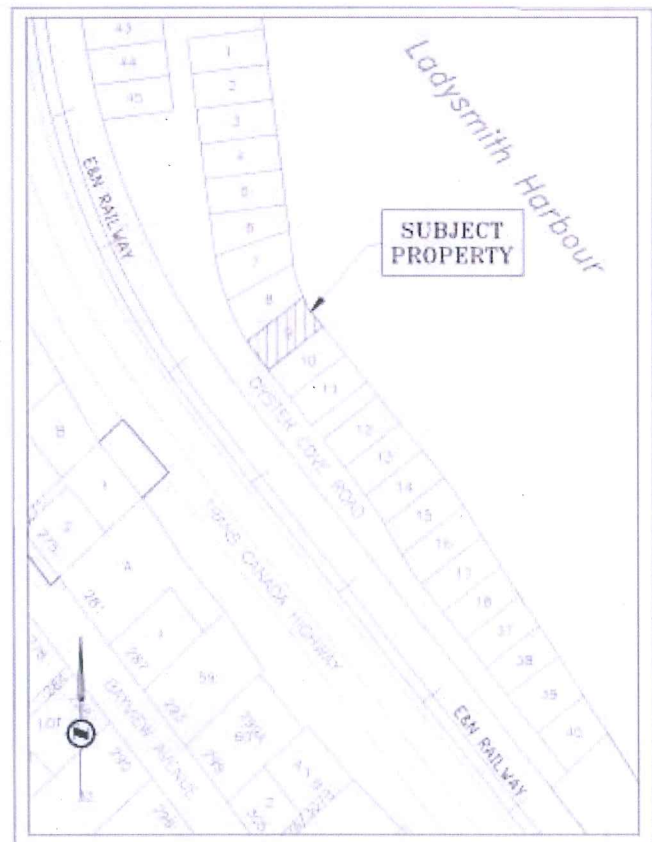
The applicant, Richard Buckles, is requesting a variance for the siting of an attached garage of a proposed new dwelling on Oyster Cove Road. The property is located between Oyster Cove Road and Ladysmith Harbour and currently the property is vacant. The proposed site plan for the property is shown in Figure 1 - Site Plan.

Pursuant to Bylaw 1667 staff require Council's approval to proceed with the statutory notice to the neighbours given the setback variances requested.

SCOPE OF WORK:

The current stage of this application is to seek Council's direction to proceed with a statutory notice for the development variance permit application. The subject property is zoned 'Oyster Cove Residential' (R-2-B).

The applicant intends to construct a dwelling with an attached garage on the subject property. The proposed principle building meets all requirements of the Zoning Bylaw except for a variance request for the garage portion of the building. It is proposed that the attached



garage be sited 0.6 metres from the front parcel line (Oyster Cove Road). Six metres is required, thus a variance of 5.4 metres is requested.

Proposed Variances – Oyster Cove Road – Strata Lot 9

10.8(5)(c) Principle Building	Required	Proposed	Proposed Variance
Front Parcel Line Setback	6.0 metres	0.6 metres	5.4 metres <i>(For the garage portion of the principle building only.)</i>

If the garage was detached from the house a variance would not be required for the proposed setback.

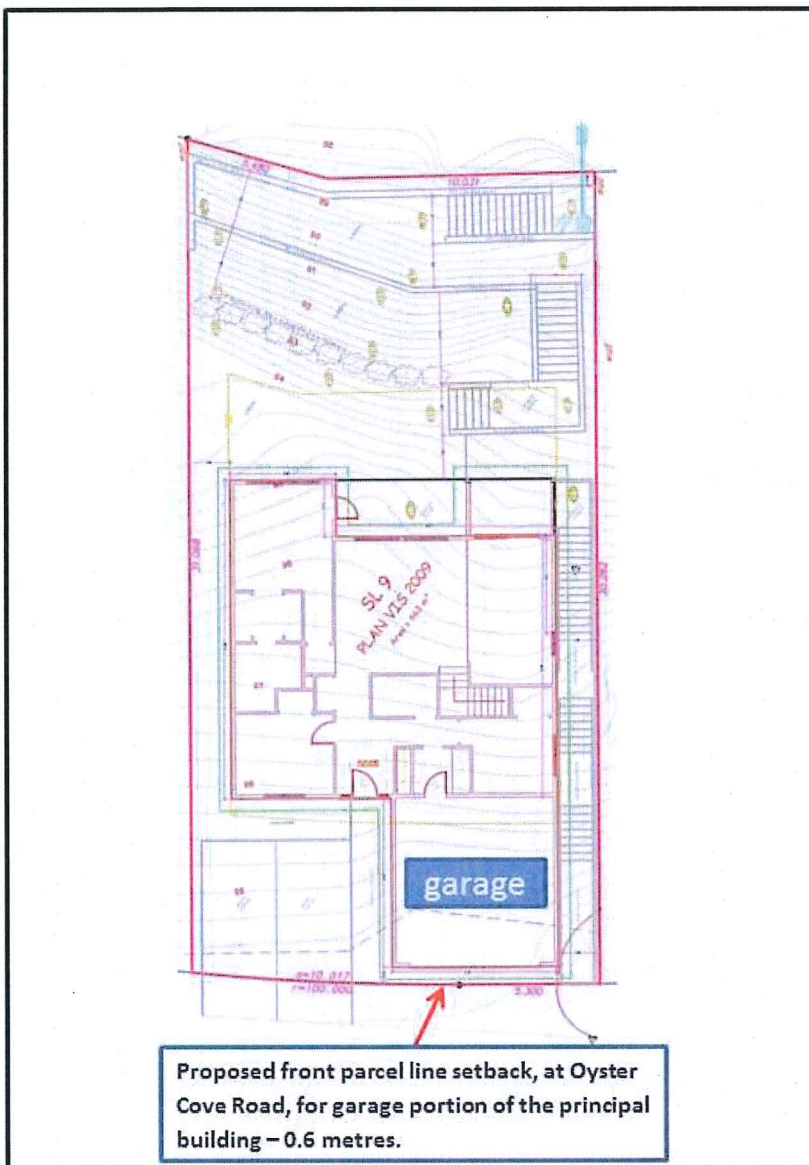


Figure 1 Site Plan - Strata Lot 9

ALTERNATIVES:

To not support Development Variance Permit application 3090-16-06.

FINANCIAL IMPLICATIONS:

None.

LEGAL IMPLICATIONS:

The Local Government Act enables Council to vary zoning regulations, except use and density regulations, through the issuance of a development variance permit. This is a discretionary decision of Council. Public notification is required.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

It is recommended that Council direct staff to proceed with the statutory notice for Development Variance Permit application 3090-16-06.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Development Variance Permit application 3090-16-06 has been referred to the Infrastructure Services Department and to the Senior Building Inspector for review.

RESOURCE IMPLICATIONS:

Processing Development Variance Permit applications is within available staff resources.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Processing Development Variance Permit applications is within available staff resources.

SUMMARY:

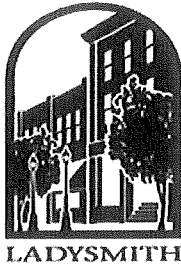
It is recommended that Council direct staff to proceed with the statutory notice for Development Variance Permit application 3090-16-06.

Report Author: Margaret Paridaen, Planner

I concur with the recommendation.

Felicity Adams, Director of Development Services

Guillermo Ferrero, City Manager



Town of Ladysmith

STAFF REPORT

To: Guillermo Ferrero, City Manager
From: Geoff Goodall, Director of Infrastructure Services.
Date: July 12, 2016
File No: 5320-20

RE: 4TH AVENUE. IMPROVEMENT PROJECT OPTION SELECTION

RECOMMENDATION:

That Council direct staff to:

1. Issue a tender for the 4th Avenue. Improvement Project (Hambrook to White St.) utilizing the cross section configuration "Option 1" and structuring the tender to have construction works between White Street and Belaire Street completed in 2016 with the remainder of the project Belaire Street to Hambrook Street being completed in the spring of 2017.
2. Complete a functional design for the Option 1 configuration over the remainder of 4th Avenue (White St. to Jim Cram Drive).

PURPOSE:

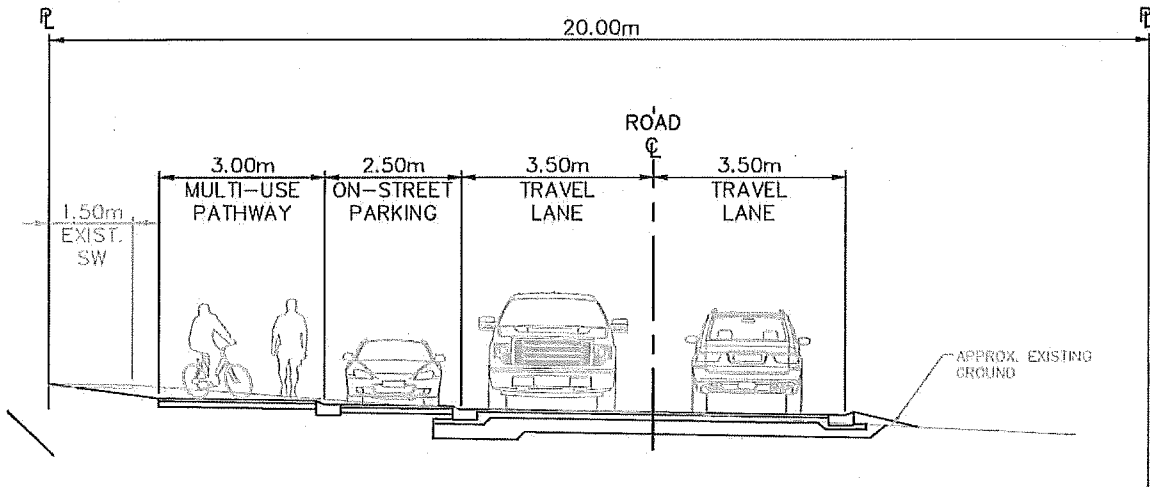
The purpose of this staff report is to seek Council direction on options for the 4th Avenue Improvement project and approval to move forward with a functional design for the entire 4th Avenue corridor.

INTRODUCTION/BACKGROUND:

The 4th Avenue/4th Avenue Extension Improvement Project is part of Council's 2016 capital plan and includes renewal road and utility upgrades to 4th Avenue, from Hambrook Street to White Street. The project also includes the construction of a 3m wide multi-use pathway that will replace the existing 1.5m wide sidewalk.

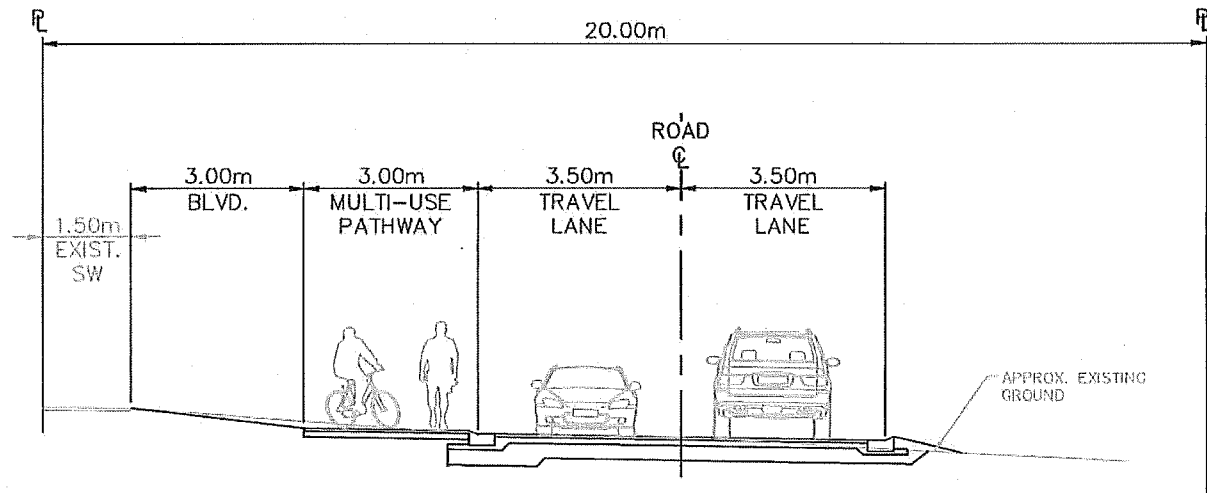
Two configurations options (1 & 2) for the multi-use pathway were considered as shown on the next page.

Option 1



4TH AVENUE: TYPICAL SECTION
1:100

Option 2



4TH AVENUE: TYPICAL SECTION
1:100

The main difference between the two options is that in Option 1 the multi-use path is separated from the vehicle travel lanes by a 2.5m on-street parking lane. In Option 2 the multi-use path is directly adjacent to the vehicle travel lanes and this configuration eliminates any ability for on-street parking on that side of 4th Ave.

Open House

Both options were presented to the public at the open house on July 6th and participants were encouraged to fill out an option selection form. Approximately 80 people attended the open house and provided input on the two options as well as other ancillary information regarding the proposed upgrade. Staff received 38 option selection forms, 25 supporting Option 1 and 13 supporting Option 2. Other comments from the public included:

- Roundabout or 4 way stop at Belaire Street:
- Speed on 4th Avenue.
- Hydro/Telus underground.

Discussion of Ancillary Comments

Staff have taken a very cursory look at the concept of a traffic circle at the intersection of 4th Avenue and Belaire Street. The existing road rights of way are not sufficient to support a roundabout and additional lands from private property would be required. There may also be some challenges with the cross grade through the intersection. A 4 way stop in this location would be technically feasible.

Excessive speeds on 4th Avenue were brought up by many participants at the open house and will require further investigation by staff.

Currently hydro and telephone/cable services are provided overhead; moving to underground servicing will require significantly more budget and time to accomplish.

Project Status and Timelines

Detailed design for the 4th Avenue project is 30% complete. It is estimated that tender ready designs will be complete by mid-August. The tender period for this project will be three weeks with a proposed construction start date of September 20th. The City's engineering consultant has estimated that construction will require 13 weeks to complete giving a completion date of late December. The last task associated with this project is road paving, which due to the likelihood of inclement weather in December can be very difficult to complete. Staff is recommending that the construction on 4th Avenue be broken into two phases. Phase 1 – Belaire Street to White Street – would be completed in 2016 and Phase 2 – Belaire Street to Hambrook Street would be completed in the spring of 2017. Breaking the project into two phases will result in a completion date for phase 1 of mid-November which is not ideal but reduces the risk of inclement weather during paving.

Functional Design

Since the intent of this project is to have the selected option applied throughout the entire 4th Avenue corridor it is prudent to complete a functional design of the entire route applying the selected cross section. This will enable Council to understand any challenges that may occur due to the cross section and also to provide the opportunity to consult the community in a proactive manner.

ALTERNATIVES:

There are a number of alternatives that Council could pursue;

Council could choose to move forward with Option 2. This option is less expensive not only for this Phase of 4th Avenue but for all subsequent phases. Choosing option 2 does result in the loss of on-street parking on the multi-use path side of the Avenue. There is an increased margin of safety when the multi-use lane is not directly adjacent to the travel lanes.

Council could direct staff to tender the project to have construction completed in 2016 rather than in the phased approach recommended. This could result in paving occurring during inclement weather potentially reducing paving quality, voiding the paving warranty or delaying paving to spring 2017.

Council could direct staff not to move forward with the functional design for the remainder of 4th Avenue. Costs associated with this work could be deferred to each individual phase as they are completed. This could result in issues arising during a particular phase that could result in delays or increased costs. Public consultation would be fragmented.

FINANCIAL IMPLICATIONS:

The project budget for the 4th Avenue Improvement Project is \$1,215,897. The project is funded through taxation (\$460,000), Road DCC's (\$168,000), Gas Tax (\$240,000), Reserves (\$347,897). This budget was based on Option 2, Option 1 will require an additional \$170,000 to complete. If the project was split into two phases, Council could direct this additional \$170,000 to come from taxation in the 2017-2021 Financial Plan.

Since decisions made regarding the cross section for this project will set the standard for future phases of 4th Ave. it is important for Council to understand the long term financial implications of choosing Option 1 over Option 2. Option 1 will cost \$285 per linear meter more than Option 2; applying this over the entire remaining length of 4th Avenue (White St. to Jim Cram) will result in an overall cost increase of \$649,000. If Council chooses this approach, staff will develop recommendations for a work plan, schedule and community consultation for Council approval.

Functional design works proposed for the entire corridor are estimated to cost \$5,500 and would be directed to the existing engineering consultant working on this project.

LEGAL IMPLICATIONS:

None identified

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

Completing the functional design for the remainder of 4th Avenue will provide better opportunity to engage the public on the entire corridor as opposed to phased engagement as each segment is developed.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Staff in Engineering and Public Works will be impacted by this project



ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT

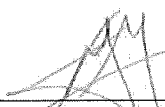
The multi-purpose lane in this development supports sustainability visioning Strategy #2 Low Impact Transportation System.

ALIGNMENT WITH STRATEGIC PRIORITIES:

This project supports the strategic priority of Natural and Built Infrastructure.

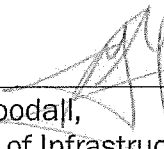
SUMMARY:

Staff are seeking Council's direction on the selected of a cross section option for the 4th Avenue Improvement Project as well as the ability to move forward with a functional design over the entire 4th Avenue corridor.



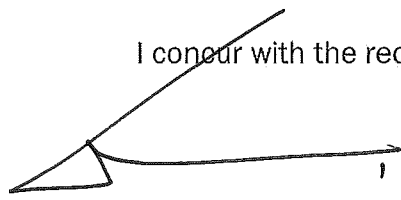
Report Author: Geoff Goodall,
Director of Infrastructure Services

I concur with the recommendation.



Geoff Goodall,
Director of Infrastructure Services

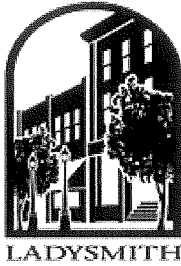
I concur with the recommendation.



Guillermo Ferrero, City Manager

ATTACHMENTS:

None



Town of Ladysmith
STAFF REPORT

To: Guillermo Ferrero, City Manager
From: Clayton Postings, Director, Parks, Recreation and Culture
Date: July 12, 2016
File No:

RE: LEGEND RECREATION SOFTWARE AGREEMENT

RECOMMENDATION(S):

That Council approve the proposed Agreement between Legend Recreation Software Inc. and the Town of Ladysmith relating to software license, service and support;

And authorize the Mayor and Corporate Officer to execute the agreement.

PURPOSE:

The purpose of this report is to recommend that Council consider entering into an agreement with Legend Recreation Software Inc., for software, service and support for the Town of Ladysmith.

INTRODUCTION/BACKGROUND:

Council will recall at its meeting held on September 28, 2015, Council approved the Town entering into a memorandum of understanding to form a working group between the Cowichan Valley Local Governments (Cowichan Valley Regional District (CVRD), District of North Cowichan (DNC), Town of Ladysmith), to develop requirements and procure new recreation management software, as the current software will no longer be supported as of December 31, 2017.

The requirements were developed, and a RFP was distributed by the DNC, on behalf of the Town of Ladysmith, and the CVRD.

The RFP closed February 15, 2016. Six submissions were received. Proposals were evaluated on a number of criteria including

- Proposal and presentation
- Project team and references
- Technical requirements
- Financial requirements
- Front end requirements
- Product demonstration
- Implementation plan
- Budget and payment terms
- Level of support.

Three proposals were shortlisted, and each company was invited to make a four-hour presentation of their software to recreation, IT and finance staff of the working group.

Legend software was evaluated as the highest proponent by a cross section of Town staff, as well the CVRD and DNC also evaluated Legend as the preferred submission.

One of the key features of this software is the ability for some components to be region wide, and some components to be at the sub-regional or facility level. In addition, the software had the highest evaluated customer interface (online) compared to all other submissions, resulting in a customer-based user-friendly system. Another benefit to the Legend proposal was a set annual fee for the term of the agreement which will be 10 years.

SCOPE OF WORK:

The service provider will commence implementation in August 2016, with the launch of the new system in late 2016. During this period staff will be working with the service provider to develop the system and transfer relevant information into the new system.

ALTERNATIVES:

Council may choose not to approve an agreement between Legend Recreation Software Inc. and the Town of Ladysmith for software license, service and support as recommended by the working group. Council may choose to commence its own RFP process.

FINANCIAL IMPLICATION:

The current 2016 budget for annual maintenance fees is \$5,000. The Legend annual maintenance fees will be \$6,180, commencing in 2017 and will remain at this rate for the ten-year term of the agreement.

The one-time implementation costs for planning, project management, staff training, data conversion, and report customization are a combined total of \$8,185.50, some upgraded hardware may be required, and these costs are all within the current 2016 budget.

LEGAL IMPLICATIONS:

All legal implications such as Freedom of Information and personal privacy have been considered and meet the related legislation.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

The community will benefit from this system as the Town will now be able to provide online services.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

Finance has been involved in the process of selecting the software, as well will be involved through the implementation period.

RESOURCE IMPLICATIONS:

Currently no additional resources have been identified.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

8. Create Healthy Communities and Individuals

ALIGNMENT WITH STRATEGIC PRIORITIES:

N/A

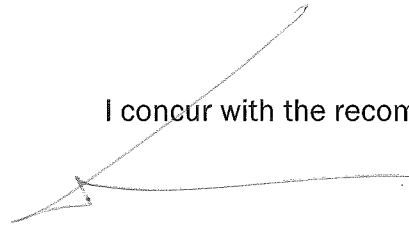
SUMMARY:

The Town of Ladysmith currently uses CLASS software to provide registration, facility booking, membership management and point of sale solutions for the delivery of recreational services. The Town requires a solution to replace the existing recreation management software (CLASS) by December 31, 2017 because the Class vendor will cease support. Legend Software will provide the required recreation software service with upgraded features including customer-based online solutions.



Report Author: Clayton Postings
Director of Parks, Recreation & Culture

I concur with the recommendation.



Guillermo Ferrero, City Manager

ATTACHMENT:

None.



THIS LEASE dated for reference the 1st day of August, 2016

BETWEEN:

THE CORPORATION OF THE TOWN OF LADYSMITH
410 Esplanade, P.O. Box 220
Ladysmith, B.C.
V9G 1A2

(“Town”)

OF THE FIRST PART

AND:

THE LADYSMITH SENIORS CENTRE SOCIETY
630 Second Avenue
Ladysmith, B. C.
V9G 1B1

(“Seniors Centre”)

OF THE SECOND PART

WHEREAS:

- A. The consortium consisting of the Town, The Boys and Girls Clubs of Central Vancouver Island, the Ladysmith Resources Centre Association (the “**LRCA**”) and the Ladysmith Seniors Centre Society (“**Consortium**”) in the spirit of cooperation to provide quality services to the residents of Ladysmith, developed a full service community services Building and civic square in the area of Ladysmith bounded by Buller Street, Second Avenue and High Street, providing a focal point for sustainable long term community programs and support services;
- B. The Seniors Centre contributed \$50,000 to the construction of the Building;
- C. The objective of the Town and the Seniors Centre is to provide a safe, supportive place where seniors can experience opportunities for friendship, support and social interaction and build positive relationships, new confidence and skills;
- D. It is the intent of the Town and the Seniors Centre that all reasonable efforts shall be made by the Town and the Senior Centre and their respective employees, agents, contractors and invitees to ensure cooperation in the operation and management of the property and the services being offered in the community services building and the Town and the Senior Centre shall encourage their respective employees, agents, contractors and invitees to work in a spirit of cooperation.
- E. All programs and activities will support Social Programming.

- F. The parties entered into a lease with respect to the Leased Premises dated for reference June 1, 2011 (the "**Prior Lease**") and this Lease replaces the Prior Lease.

In consideration of the rents, covenants and agreements hereinafter reserved and contained the parties covenant and agree with each other as follows:

1. ESSENTIAL TERMS, DEFINITIONS AND SCHEDULES

1.01 Summary of Essential Terms

This section 1.01 sets out definitions of words and phrases of this Lease. This section 1.01 is for convenience and if a conflict occurs between the provisions of section 1.01 and any other provision of this Lease, the other provisions of this Lease shall govern.

- (a) "**Annual Base Rent**" is the sum of Ten dollars (\$10.00) per annum to be paid by the Seniors Centre to the Town plus applicable provincial or federal taxes, within thirty days of the Commencement Date during the first year of the Term, then on the anniversary of the Commencement date during the remaining years of the Term.
- (b) "**Commencement Date**" is August 1, 2016.
- (c) "**Consortium**" is the four participating organizations; the Seniors Centre, Ladysmith Resources Centre Association, the Boys and Girls Clubs of Central Vancouver Island and the Town of Ladysmith. The Consortium will cooperate to oversee the events and issues that impact one or more of the Consortium members, establish an annual budget, perform the other functions specified herein and maintain open communication.
- (d) "**Term**" is the period of time set out in section 3.01.

1.02 Definitions

In this Lease, the words, phrases and expressions set forth in Schedule B are used with the meanings defined therein.

1.03 Schedules

The following schedules are attached to and are incorporated as part of this Lease:

Schedule "A" - "Floor Plan of the Leased Premises"

Schedule "B" - "Definitions"

Schedule "C" - "Capital Contingency Replacement Plan"

Schedule "D" - "Site Plan"

Schedule "E" – "Green Housekeeping Policy"

2. DEMISE OF LEASED PREMISES / USE OF COMMON AREAS

2.01 In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of the Seniors Centre to be paid, observed, and performed, the Town hereby:

- (a) demises and leases to the Seniors Centre, and the Seniors Centre leases from the Town, the Leased Premises; and
- (b) hereby grants to the Seniors Centre the full, free, and unlimited right, liberty, and licence for the Seniors Centre and its employees, agents and invitees in common with the Landlord and the other tenants and their respective invitees of the Building to use the Common Areas for all purposes subject only to the Rules and Regulations contemplated by paragraph 10.05 of this Lease.

3. TERM

3.01 The Term of this Lease shall be for the period of five (5) years beginning on the Commencement Date, provided that the Seniors Centre may unilaterally initiate a new five (5) year Lease by delivering written notice of renewal to the Town at least three (3) months prior to the end of the initial five (5) year term then in effect. If the Seniors Centre initiates a new Lease term then the Town will grant to the Seniors Centre a new Lease for a term of 5 years from the expiration of the then current Term upon the same covenants, agreements, conditions, provisos and rental payments contained in this Lease. The parties agree that in total there may be a maximum of six (6) new leases, and at the end of the seventh new lease there will be no further right to initiate a new lease.

4. RENT

4.01 The Seniors Centre shall yield and pay for the Leased Premises unto the Town, at the office of the Town or at such other place as the Town may direct in writing, during the Term in lawful money of Canada without any setoff, abatement, compensation, or deduction whatsoever on the days and at the times hereinafter specified, Rent which shall include the aggregate of the sums specified in sub-sections (a) and (b) below:

- (a) Annual Base Rent in the amount per annum set out in sub-section 1.01(a); and
- (b) Additional Rent consisting of the aggregate of the following:
 - (i) the Seniors Centre Share of Operating Costs;

- (ii) the Seniors Centre Share of the Capital Cost Contingency Reserve Fund as set out in Schedule "C" hereof (as amended from time to time as provided herein);
- (iii) the Agency Operating Costs incurred by the Town and not paid directly by the Seniors Centre;
- (iv) such other amounts, charges, costs, and expenses agreed to by at least three members of the Consortium and budgeted and reconciled annually by the Consortium, as are required to be paid by the Seniors Centre to the Town pursuant to this Lease and the Consortium Agreement in addition to Annual Base Rent.

Provided, however, that to the extent Operating Costs include costs payable from the Capital Cost Contingency Reserve Fund, the Operating Costs shall be reduced by like amount.

4.02 The Seniors Centre shall pay the Rent under this section 4 to the Town as follows:

(a) Annual Base Rent

The Annual Base Rent will be paid in accordance with section 1.01(a).

(b) Additional Rent Payments

The amount of any or all of the items of Additional Rent under sub-section 4.01(b) which the Seniors Centre is to pay for such fiscal period or portion thereof is determined under sub-section 4.01(b).

The Seniors Centre agrees to pay to the Town the amount of Additional Rent in equal monthly installments in advance in amounts and during the period specified by the Consortium on the first day of each month of the Term. As soon as reasonably possible after the end of the fiscal period for which such estimated payments have been made, the Consortium will make a final determination of the Seniors Centre Share of Operating Costs and the Seniors Centre Share of the Capital Contingency Replacement Plan for such fiscal period and notify the Seniors Centre of the actual amount required to be paid as Additional Rent under sub-section 4.01(b). If necessary, an adjustment shall be made between the parties and any money owing by or to one party shall be paid or credited within 30 days of such notice.

4.03 Net Lease

The Seniors Centre acknowledges and agrees that it is intended that this Lease shall be a net lease for the Town except as shall be otherwise provided in the specific provisions contained in this Lease, and that the Town shall not be responsible during the Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Leased Premises, and the Seniors Centre, except as shall be otherwise provided in the specific provisions contained in this Lease, shall pay all charges and costs of every nature and kind relating to

the Leased Premises or the use or occupancy thereof, or the contents thereof, or the business carried on therein. Despite the foregoing and despite anything to the contrary contained in this Lease:

- (a) the Seniors Centre shall not be responsible for and shall not be required to pay, directly or indirectly, during the Term for any costs related to the exterior of the Building, the roof of the Building or the Land surrounding the Building; and
- (b) the parties acknowledge and agree that the Town will bear a proportion of the Operating Costs itself, namely 16.4%, it being the parties agreement that such a percentage equitably reflects the costs which should be borne by the Town in recognition of the anticipated use of certain Common Areas for civic purposes not related to the use of the Building by the Seniors Centre and the LRCA.

4.04 In the spirit of cooperation of all parties and as an incentive to make timely payments, if the Seniors Centre shall fail to pay, when the same is due, any Additional Rent, such unpaid amount shall bear interest from the due date thereof to date of payment at a rate of three percent (3%) per annum in excess of the Prime Rate. For clarity, if for example the Prime Rate is three percent (3%), the interest charged to the Seniors Centre will be three percent (3%) plus three percent (3%) equals six percent (6%).

4.05 Place of Payment

All payments required to be made by the Seniors Centre directly to the Town under or in respect of this Lease shall be made to the Town at the Town's office at 410 Esplanade, Ladysmith, British Columbia V9G 1A2 or to such agent or agents of the Town or at such other place as the Town shall hereinafter from time to time direct in writing to the Seniors Centre.

5. SENIORS CENTRE'S TAX OBLIGATIONS

5.01 The Seniors Centre shall pay all Taxes due and owing with respect to its operations and the lease of the Leased Premises.

5.02 The Seniors Centre shall pay all Property Taxes due and owing for the Leased Premises, provided that the parties acknowledge and agree that the Building and Leased Premises are currently subject to a permissive property value tax exemption that is expected to expire in the year 2020.

6. UTILITIES

6.01 The Seniors Centre shall be solely responsible for and shall promptly pay all taxes and charges for water, gas, electricity, telephone and other public and private utilities and services used or consumed in or in respect of the Leased Premises,

and for all fittings, machines, apparatus or other things leased or purchased in respect thereof, and for all work or services performed by any corporation or commission in connection with such utilities or services. In no event shall the Town be liable for, nor shall the Town have any obligation with respect to, any interruption or cessation of, or a failure in the supply of, any such utilities, services or systems (including, without limitation, the water and sewage systems) to the Building or to the Leased Premises, whether or not supplied by the Town or others.

- 6.02 Despite section 6.01, the Seniors Centre shall be compensated for utility costs not related to the purposes of the Seniors Centre but directly caused by the Town in relation to municipal services outside the operation of the Leased Premises, such as electrical costs during the Festival of Lights and lighting and water supply to public space including the public washrooms.

7. INSURANCE

7.01 Seniors Centre Insurance

During the Term the Seniors Centre shall maintain in force:

- (a) Such insurance on glass forming demising walls of the Leased Premises (whether provided by the Town or the Seniors Centre) as determined by the Town and Seniors Centre to be required acting reasonably;
- (b) Fire insurance with extended coverage endorsement including earthquake, flood or collapse covering:
 - (i) all leasehold improvements made or installed by or on behalf of the Seniors Centre in an amount equal to the full replacement value thereof; and
 - (ii) all the contents of the Leased Premises whether owned by the Seniors Centre or for which the Seniors Centre is responsible in an amount at least equal to the actual cash value thereof;

Except that the Town will cover the installation and operational costs to monitor the fire panel monitoring system;

- (c) Public liability insurance in an amount to be determined by the Town and in any event to be not less than Five Million (\$5,000,000.00) Dollars inclusive limit per occurrence; and
- (d) Any other form or forms of insurance as the Seniors Centre or the Town or the Town's mortgagees may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent Seniors Centre and business proprietor would protect itself.

Each such policy shall provide that the insurer shall not have any right of subrogation against the Town on account of any loss or damage covered by such insurance or on account of payments made to discharge claims against or liabilities of the Town or Seniors Centre covered by such insurance. The cost for each and every such policy shall be paid by the Seniors Centre. The Seniors Centre shall obtain from the insurers under such policies, undertakings to notify the Town in writing at least thirty (30) days prior to any cancellation or termination thereof. The Seniors Centre agrees upon written request to provide the Town with certificates of insurance evidencing the policies in effect from time to time.

- (e) If the Town places a mortgage on the property the Town will be responsible for any increase in insurance costs including any increase in insurance costs for the Seniors Centre as they arise due to the Mortgage.

7.02 Insurance Risks

Each party agrees not to do, omit to do, or permit to be done or omitted to be done upon the Leased Premises anything which would cause the other party's cost of insurance to be increased (and, without waiving the foregoing prohibition, a party may demand, and the other party shall pay to the party upon demand, the amount of any such increase of cost caused by anything so done or omitted to be done) or which shall cause policy of insurance to be subject to cancellation.

7.03 Town's Insurance

The Ladysmith Senior Center Society shall also be responsible for reimbursing the Town for any insurance maintained by the Town under this section 7.03. The Town shall be deemed to have insured (for which purpose it shall be a co-insurer, if and to the extent that it shall not have insured) the Building and all improvements and installations made by the Town in the Leased Premises, except to the extent hereinafter specified, in respect of perils and to amounts and on terms and conditions which from time to time are insurable at a reasonable premium and which are normally insured by reasonably prudent owners of properties similar to the Building, as from time to time determined at reasonable intervals (but which need not be determined more often than annually) by insurance advisors selected by the Town, and whose written opinion shall be conclusive. Upon the request of the Seniors Centre from time to time the Town will furnish a statement as to the perils in respect of which and the amounts to which it has insured the Building. The Town may maintain such other insurance in such amounts and upon such terms as would normally be carried by a prudent owner.

8. SENIORS CENTRE CONTRIBUTIONS TO CAPITAL COST CONTINGENCY RESERVE FUND

8.01 The Seniors Centre shall pay the Seniors Centre Share of the Capital Cost Contingency Reserve Fund provided that the Town may in its absolute unfettered discretion pay for some or all of the Seniors Centre Share of the Capital Cost Contingency Reserve Fund as set out in Schedule C (as amended from time to time as provided for herein).

9. REPAIRS

9.01 Subject to section 14, the Seniors Centre shall, at its sole cost maintain the whole of the Leased Premises and every part thereof in a good and reasonable state of repair, with the exception of reasonable wear and tear, except Structural Elements of the Leased Premises, defects in construction performed or installations which the Town may make in its discretion in relation to Insured Damage.

9.02 Subject to section 14, the Town may keep in a good and reasonable state of repair, the Building (other than the Leased Premises) including the Structural Elements, roof, exterior walls including glass portions thereof, and entrances provided for use by the Seniors Centre. For certainty, the Seniors Centre shall not have responsibility for the cost of any capital item referred to in this section 9.02. The parties agree that only Town employees or contractors approved by the Town shall perform repair work for the Structural Elements and roof, and exterior walls of the Building.

9.03 Without limiting section 10.07, the Town or its agent(s) may at all reasonable times during the Term enter the Leased Premises to inspect the condition thereof and that the Seniors Centre will carry out their duty to repair according to notice in writing, and that the Seniors Centre will leave the Leased Premises in a good and reasonable state of repair, subject always to the exceptions referred to in subsection 9.01. The Seniors Centre shall give the Town prompt written notice of any defect to the plumbing, climate control apparatus, electrical equipment and wires and any other defect in the Leased Premises and anything connected therewith, forthwith upon the same becoming known to the Seniors Centre.

9.04 There shall not be any repairs, alterations, replacements, decorations or improvements to any part of the Leased Premises that are beyond those necessary or desirable for the reasonable daily operation of the Leased Premises without prior joint consultation and agreement between the Seniors Centre and the Town.

9.05 All Leasehold Improvements in or upon the Leased Premises shall immediately upon affixation be and become the Town's property without compensation to the Seniors Centre. Except to the extent otherwise expressly agreed by the Town in writing, no Leasehold Improvements, trade fixtures, furniture, or equipment shall be removed by the Seniors Centre from the Leased Premises either during or at the expiration or sooner termination of the Term, except that:

- (a) the Seniors Centre shall at the end of the Term remove such of the Leasehold Improvements and trade fixtures as the Town shall require to be removed; and
- (b) the Seniors Centre shall remove its furniture and equipment at the end of the Term, and also during the Term in the usual and normal course of its business where such furniture or equipment has become excess for the Seniors Centre's purposes or the Seniors Centre is substituting therefore new furniture and equipment, and

The Seniors Centre shall, in the case of every removal either during or at the end of the Term, immediately make good any damage caused to the Leased Premises by the installation and removal.

9.06 The Seniors Centre shall not create or grant any mortgage, conditional sale agreement, security under the *Bank Act* of Canada or under the *Personal Property Security Act* of British Columbia or any other encumbrance (individually an "**Encumbrance**") in respect of its Leasehold Improvements, trade fixtures, goods or merchandise or permit any such Encumbrance to attach to the Leased Premises without the prior written consent of the Town such consent not be unreasonably withheld. The Seniors Centre shall promptly pay all its contractors and suppliers and shall do any and all things necessary in order to prevent any construction or other liens (individually, a "**Lien**") or orders for the payment of money to be registered against the Leased Premises, the Building or the Land. If any Lien or Encumbrance is granted or filed, the Seniors Centre shall discharge the same forthwith, after notice thereof is given to The Town, at the Seniors Centre's expense. If the Seniors Centre shall fail to cause any such Lien or Encumbrance to be discharged, as aforesaid, then, in addition to any other right or remedy of the Town, the Town may, but shall not be so obligated, discharge same by paying the amount claimed to be due into Court or directly to any such Lien claimant or Encumbrance holder and the amount so paid by the Town and all costs and expenses, including solicitor's fees, on a solicitor own client basis, incurred for the discharge of such Lien or Encumbrance shall be due and payable by the Seniors Centre to the Town as Additional Rent on demand. The Town will not discharge the same without first providing thirty (30) days advanced written notification to the Seniors Centre.

9.07 All repairs and replacements required to be made to any electrical, plumbing, heating, and ventilating or air conditioning systems contained in the Leased Premises and connected to the Building systems or to any locks shall be made by joint agreement with the Town and Seniors Centre. The costs and expenses of all such repairs and replacements that are not identified in the Capital Contingency Replacement Plan (Schedule 'C') shall be paid by the Seniors Centre to the Town, as Additional Rent, on demand or within the budgeted monthly expenses. If the Structural Elements of the Building or the Leased Premises or any part or parts thereof shall require repair or shall become damaged or destroyed through

negligence, carelessness or misuse of the Seniors Centre or those for whom the Seniors Centre is in law responsible, the expenses of all repairs and replacements thereto shall be paid by the Seniors Centre to the Town, as Additional Rent, forthwith upon demand.

- 9.08 During the Term the Seniors Centre shall, at its cost, replace all electric light bulbs, fluorescent tubes and ballasts in the Leased Premises when required to ensure the proper operation of the lighting system within the Leased Premises. The parties agree that such work shall be completed by Town employees or contractors approved by the Town.

10. USE OF THE LEASED PREMISES

- 10.01 The Seniors Centre shall occupy and use the Leased Premises solely for the purpose of the Permitted Use, including all activities required by the Seniors Centre to carry out its mandate and mission, and no other purpose, unless permitted by the Town in writing.

10.02 Cleanliness

The Seniors Centre agrees not to permit the Leased Premises to become untidy, unsightly, or hazardous, or permit unreasonable quantities of waste or refuse to accumulate therein, and throughout the Term the Seniors Centre shall, at its cost, provide all janitorial service in the Leased Premises, including interior window cleaning and garbage disposal. The Seniors Centre agrees to use environmentally friendly cleaning products in the provisions of janitorial service.

10.03 Compliance with Laws

The Seniors Centre agrees to comply at its own expense with all municipal, provincial, and federal sanitary, fire, and safety laws, bylaws, regulations, and requirements pertaining to the operation and use of the Leased Premises, the condition of the Leasehold Improvements, trade fixtures, furniture, and equipment installed therein, and the making by the Seniors Centre of any repairs, changes or improvements therein.

10.04 Installations

The Seniors Centre agrees to permit the Town during the Term to install any equipment in or make alterations to the Leased Premises necessary to comply with the requirements of any statute, law, bylaw, ordinance, order, or regulation referred to in sub-section 10.03 and imposed after completion of the Town's original construction of the Building, and to permit ingress and egress to and from the Leased Premises by the Town or by its respective employees, servants, workmen, and invitees with prior notification and consent which will not be unreasonably withheld.

10.05 Rules and Regulations

The Seniors Centre agrees to observe, and to cause its employees, invitees, and others over whom the Seniors Centre can reasonably be expected to exercise control to observe the Rules and Regulations established from time to time by the Consortium, and such further and other reasonable rules and regulations and amendments and changes therein as may hereafter be made by the Consortium, of which notice in writing shall be given to the Seniors Centre; and all such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

10.06 Signs

In order to respect the mandate and mission of all the parties, the Seniors Centre agrees not to display, place, or affix signs or lettering of any kind without joint prior agreement which will not be unreasonably withheld, anywhere outside the Leased Premises (whether on the outside or inside of the Building) or within the Leased Premises so as to be visible from the outside of the Leased Premises.

10.07 Inspection and Access

The Seniors Centre agrees to permit the Town and its authorized agents, employees, and contractors to enter the Leased Premises for the purpose of inspection, maintenance, or making repairs, alterations, or improvements to the Leased Premises or the Building. The Town in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Seniors Centre's use and enjoyment of the Leased Premises with prior notification.

10.08 Showing Leased Premises

The Seniors Centre agrees to permit the Town and its authorized agents and employees to show the Leased Premises to prospective tenants during the Normal Business Hours of the last three months of the Term.

10.09 Quiet Enjoyment

Upon payment by the Seniors Centre of the Annual Base Rent and Additional Rent herein provided and upon the observance and performance of all covenants, terms and conditions on the Seniors Centre's part to be observed and performed, the Seniors Centre shall peaceably and quietly hold and enjoy the Leased Premises for the Term without hindrance or interruption by the Town, subject nevertheless to the terms and conditions of this Lease.

11. LIABILITY AND INDEMNIFICATION OF TOWN AND SENIORS CENTRE

11.01 Subject to the Town's obligation to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Town or those for whom at law it is responsible, the Town shall not be liable or responsible in any way for any death or injury occurring in or upon the Leased Premises, or the Building, or for any damage to property of the Seniors Centre or others located in or upon the Leased Premises, or the Building, or for any loss of profits or consequential damage suffered by the Seniors Centre or others or for any other loss, damage or injury of any nature whatsoever arising from or out of any occurrence in, upon or relating to the Leased Premises. Without limiting the generality of the foregoing, the Town shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Leased Premises or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause whatsoever.

The Town shall not be liable for any such damage caused by the Seniors Centre or persons in the Building or by occupants of adjacent property, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of the Seniors Centre kept or stored on the Leased Premises shall be so kept or stored at the risk of the Seniors Centre only and the Seniors Centre shall hold the Town harmless from and against any claims arising out of damages to the same.

11.02 Subject to the Town's obligation to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Town or those for whom at law the Town is responsible, the Seniors Centre will indemnify the Town and save it harmless from and against any and all loss (including, without limitation, loss of monthly rent payable by the Seniors Centre pursuant to this Lease) claims, actions, damages, liabilities and expenses in connection with loss of life, personal injury or damage to property arising from or out of any occurrence in, upon or at the Leased Premises (for Seniors Centre) the occupancy or use by the Seniors Centre of the Leased Premises or any part thereof, however caused, or occasioned wholly or in part by any act, neglect or negligence of the Seniors Centre or those for whom at law it is responsible. If the Town shall, without fault on its part, be made a party to any litigation commenced by or against the Seniors Centre, then the Seniors Centre shall protect and hold the Town harmless and shall pay all costs, expenses and the Town's solicitor own client legal expenses incurred or paid by the Town in connection with such litigation. The Seniors Centre shall also pay costs, expenses and the Town's own legal expenses that are incurred or paid by the Town on a solicitor-client basis in enforcing the covenants and agreements contained in this Lease, unless a Court shall otherwise decide.

11.03 Subject to the Seniors Centre's obligation to repair, to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Seniors Centre or those for whom at law the Seniors Centre is responsible, the Town shall indemnify and save harmless the Seniors Centre from and against any and all manner of actions or causes of action, damages, costs, loss or expenses of whatever kind (including without limitation legal fees on a solicitor and client basis) which the Seniors Centre may sustain, incur, or be put to by reason of or arising out of any act, neglect or negligence of the Town or any persons for whom the Town is at law responsible, from the Town's use and occupation of the Building or the Land, and, without limiting the generality of the foregoing, from the non-observance or non-performance by the Town or any persons for whom the Town is, at law, responsible of any of the obligations imposed under the provisions of any laws, ordinances, regulations, or requirements or any federal, provincial, municipal, or other authority, or any of the covenants, agreements, terms, conditions, and provisos contained in this Lease to be observed and performed by the Town; and such liability to indemnify and save harmless shall survive any termination of this Lease and the expiry of the Term or any renewal hereof, anything in this Lease to the contrary notwithstanding.

12. ASSIGNMENT AND SUBLETTING

12.01 For greater certainty the parties agree that the licensing of the Leased Premises or any portion thereof by the Seniors Centre for community events and functions, will not constitute an assignment or sublet under this section 12.01. The Seniors Centre will not assign this Lease in whole or in part nor sublet, part with or share possession of all or any part of the Leased Premises, nor mortgage nor encumber this Lease or the Seniors Centre's interest in the Leased Premises or any part thereof, nor suffer nor permit the occupation of all or any part thereof by others (the "**Transfer**") without the prior written consent of the Town in each instance, which consent may not be unreasonably withheld and which shall in every case be subject to the provisions of sub-section 12.02. The consent by the Town to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. This prohibition against assigning or subletting shall be construed to include a prohibition against any Transfer by operation of law. Notwithstanding any assignment or subletting, the Seniors Centre shall not be relieved from observing and performing the terms, covenants and conditions contained herein on their part to be observed and performed. Any consent pursuant to this section shall be prepared by the Seniors Centre or its solicitors in such form as may be acceptable to the Town and its solicitors, acting reasonably, and any and all legal costs incurred by the Town for its solicitors to review such form shall be paid by the Seniors Centre on a solicitor own client basis.

12.02 If the Seniors Centre desires to effect a Transfer, the Seniors Centre shall give prior written notice to the Town of such desire, specifying therein the name of the proposed assignee, transferee or sub-tenant and such other information as the

Town may require and the Town shall within thirty (30) days thereafter notify the Seniors Centre in writing that it consents or does not consent as aforesaid to the Transfer.

13. SENIORS CENTRE'S DEFAULT, REMEDIES OF TOWN AND SURRENDER

13.01 The Seniors Centre acknowledges and agrees that the Town has the absolute right to terminate this Lease in the event of any of the following occurrences:

- (a) except to the extent that the Seniors Centre has a bona fide dispute in respect thereof and diligently pursues its resolution, non-payment of Additional Rent that remains outstanding for a period of more than ninety (90) days after the Town has given thirty (30) days' written notice of such breach to the Seniors Centre and the Seniors Centre has failed to cure such breach;
- (b) if without the prior written consent of the Town this Lease is assigned by the Seniors Centre or if the Leased Premises is sub-leased by the Seniors Centre or and such sublease is not terminated or such assignment reversed within 60 days of written notice from the Town to the Seniors Centre so requiring;
- (c) if this Lease is taken in execution or attachment by any person or the Seniors Centre commits an act of bankruptcy, becomes insolvent, is petitioned into bankruptcy or voluntarily enters into an arrangement with its creditors;
- (d) any of the goods and chattels of the Seniors Centre on the Leased Premises at any time during the Term are seized or taken in execution or attachment by a creditor of the Seniors Centre;
- (e) the Seniors Centre makes an assignment for the benefit of creditors which was consented to or did not require consent;
- (f) a receiver or receiver-manager is appointed in respect of any property of the Seniors Centre or is appointed to control the conduct of the business on or from the Leased Premises; or
- (g) an order is made for the winding-up of the Seniors Centre.

If the Town wishes to exercise its right to terminate the Lease, it will provide six (6) months' written notice to the Seniors Centre.

13.02 On expiration of the Term or on termination of the Lease pursuant to sub-section 13.01 the Seniors Centre will:

- (a) forthwith peaceably quit and deliver possession of the Leased Premises to the Town in a safe, clean and sanitary condition.
- (b) forthwith remove from the Leased Premises all machinery and equipment placed or installed on the Leased Premises by or on behalf of the Seniors Centre during the Term.

and all right, interest and estate of the Seniors Centre in the Leased Premises will cease and vest in the Town at that time and, to the extent necessary, this covenant will survive the expiration of the Term or the earlier termination thereof.

14. DAMAGE OR DESTRUCTION

14.01 Abatement and Termination

It is agreed between the Town and the Seniors Centre that in the event of damage to the Leased Premises or to the Building:

- (a) if the damage is such that the Leased Premises or any substantial part thereof are rendered not reasonably capable of use and occupancy by the Seniors Centre for the purposes of its business for any period of time in excess of 10 days, then:
 - (i) unless the damage was caused by the fault or negligence of the Seniors Centre or its employees, invitees, or others under its control, from and after the date of occurrence of the damage and until the Leased Premises are again reasonably capable of use and occupancy as aforesaid, Rent shall abate from time to time in proportion to the part or parts of the Leased Premises not reasonably capable of use and occupancy, and
 - (ii) unless this Lease is terminated as hereinafter provided, the Seniors Centre (according to the nature of the damage and its respective obligations to repair as provided in sub-sections 9.01 and 9.02) shall repair such damage with all reasonable diligence, but to the extent that any part of the Leased Premises is not reasonably capable of such use and occupancy by reason of damage which the Seniors Centre is obligated to repair hereunder, any abatement of Rent to which the Seniors Centre is otherwise entitled hereunder shall not extend later than the time by which, in the reasonable opinion of the Town, repairs by the Seniors Centre ought to have been completed with reasonable diligence; and
- (b) if either:
 - (i) the Leased Premises, or
 - (ii) premises comprising in the aggregate 50% or more of the Rentable Area of the Building are substantially damaged or destroyed by any cause to the

extent such that in the reasonable opinion of the Town they cannot be repaired or rebuilt (based on standard hours of construction work) within 240 days after the occurrence of the damage or destruction, then the Town or the Seniors Centre may at its option, exercisable by written notice to the other party given within 60 days after the occurrence of such damage or destruction, terminate this Lease, in which event neither the Town nor the Seniors Centre shall be bound to repair as provided in sub-sections 9.01 and 9.02, and the Seniors Centre shall instead deliver up possession of the Leased Premises to the Town with reasonable expedition but in any event within 60 days after delivery of such notice of termination, and Rent shall be apportioned and paid to the date upon which possession is so delivered up (but subject to any abatement to which the Seniors Centre may be entitled under sub-section 14.01(a) by reason of the Leased Premises having been rendered in whole or in part not reasonably capable of use and occupancy), but otherwise the Town or the Seniors Centre as the case may be (according to the nature of the damage and their respective obligations to repair as provided in sub-sections 9.01 and 9.02) shall repair such damage with reasonable diligence.

14.02 Service Interruptions

The Seniors Centre acknowledges to the Town that the operation of systems and the availability of facilities may be interrupted from time to time in cases of accident and emergency, in order to carry out maintenance, repairs, alterations, replacements, and upgrading, or for any other reasonable reason required by the Town. During periods of such interruption, any obligation of the Town to provide access to such systems and facilities or common areas of the Building shall be suspended and section 17.01 shall apply.

14.03 Expropriation

The Town and the Seniors Centre shall cooperate with respect to any public taking of the Building or the Leased Premises or any part thereof so that each of them may receive compensation to which respectively they are entitled at law. Public taking means, without limitation, any expropriation, condemnation or forced sale by the Town to any government, regulatory authority or utility with the powers of expropriation. Compensation shall include indemnifying the Seniors Centre in regards to compliance.

15. ASSIGNMENT BY TOWN

15.01 The Town may assign or mortgage its rights under this Lease to a lending institution as collateral security for a loan to the Town and in the event that such an assignment or mortgage is given and executed by the Town and notification thereof is given to the Seniors Centre by or on behalf of the Town it is expressly agreed between the Town and the Seniors Centre that this Lease shall not be cancelled or modified for any reason whatsoever, except as provided for,

anticipated or permitted by the terms of this Lease or by law, without the consent in writing of such lending institution.

- 15.02 The Seniors Centre covenants and agrees with the Town that it will, if and whenever reasonably required by the Town, consent to and become a party to any instrument relating to this Lease which may be required by or on behalf of any purchaser, lessee or mortgagee from time to time of the Land and Building, provided always that the rights of the Seniors Centre as hereinbefore set out shall not be altered or varied by the terms of such instrument or document.
- 15.03 Within ten (10) days after written request therefore by the Town of any sale, assignment, lease or mortgage of the Leased Premises, the Lands or the Building by the Town, the Seniors Centre agrees to deliver a certificate, in the form supplied by the Town at the Town's own expense, to any proposed mortgagee, assignee or purchaser or to the Town stating (if such be the case) that:
- (a) This Lease is unmodified and in full force and effect (or if there have been any modifications, that this Lease is in full force and effect as modified and identify the modification agreements, if any) or if this Lease is not in full force and effect, the certificate shall so state;
 - (b) The date to which Annual Base Rent and Additional Rent have been paid under this Lease; and
 - (c) Whether or not there is any existing default by the Seniors Centre in the payment of any Annual Base Rent or Additional Rent, and whether or not there is any other existing default by either party under this Lease, and if there is any such default, specifying the nature and extent thereof.

15.04 Attornment

If required by any mortgagee or the holder of any trust deed or trust indenture, this Lease and all rights of the Seniors Centre hereunder shall be subject and subordinate to all mortgages, trust deeds, or trust indentures now or hereafter existing which may now or hereafter affect the Building and to all renewals, modifications, consolidations, replacements, and extensions thereof; provided that the Seniors Centre, whenever required by any mortgagee (including any trustee under a trust deed or trust indenture), shall attorn to such mortgagee as the Seniors Centre upon all of the terms of this Lease. The Seniors Centre agrees to execute and deliver promptly whenever requested by the Town or by such mortgagee an instrument of subordination or attornment, at the Town's expense, as the case may be, as may be required of it, and if the Seniors Centre fails to do so within seven days after receiving the instrument, the Seniors Centre hereby irrevocably and conclusively authorizes the Town to complete, execute, and deliver the instrument for, on behalf of, in the name of, and as agent of, the Seniors Centre.

15.05 Registration

The Seniors Centre agrees that the Town shall not be obliged to deliver this Lease in form registrable under the *Land Title Act*, R.S.B.C. 1996, c. 250 and covenants and agrees with the Town not to register this Lease.

16. ENVIRONMENTAL MATTERS

16.01 Definitions

For the purposes of this section 16.01:

- (a) "**Contaminants**" means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, lead, asbestos, asbestos-containing materials, hazardous, corrosive, or toxic substances, special waste, waste polychlorinated biphenyls ("PCBs"), PCB-containing equipment or materials, pesticides, defoliants or any other solid, liquid, gas, vapour, odour, heat, sound, vibration, radiation, or combination of any of them, which is now or hereafter prohibited, controlled, or regulated under Environmental Laws; and
- (b) "**Environmental Laws**" means any statutes, laws, regulations, orders, bylaws, standards, guidelines, protocols, permits, and other lawful requirements of any governmental authority having jurisdiction over the Leased Premises now or hereafter in force relating in any way to the environment, environmental assessment, health, occupational health and safety, or transportation of dangerous goods, including the principles of common law and equity.

16.02 Seniors Centre's Covenants for Environmental Laws

The Seniors Centre covenants and agrees as follows:

- (a) not to use or permit to be used all or any part of the Leased Premises for the sale, storage, manufacture, disposal, use, or any other dealing with any Contaminants, without the prior written consent of the Town, which may not be unreasonably withheld;
- (b) at its own cost, to strictly comply, and cause any person for whom it is at law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Leased Premises;
- (c) to promptly notify the Town in writing of any release of a Contaminant or any other occurrence or condition at the Leased Premises or any adjacent property which could contaminate the Leased Premises or subject the Town or the Seniors Centre to any fines, penalties, orders, investigations, or proceedings under Environmental Laws;

16.03 The Town covenants and agrees:

- (a) not to use or permit to be used all or any portion of the Land or Building for the sale, storage, manufacture, disposal, handling, treatment, or any other dealing with any Contaminants, except in compliance with Environmental Laws;
- (b) at its own cost, strictly comply with, and cause those for whom it is responsible at law to comply with all Environmental Laws in its maintenance, use, and occupancy of the Land and Building;

16.04 The Seniors Centre covenants and agrees to comply with the requirements of the Green Housekeeping Policy attached as Schedule E in relation to the purchase and use of cleaning supplies. The Seniors Centre covenants and agrees that it will ensure that:

- (a) its officers, employees and contractors shall be informed of the requirements of the Green Housekeeping Policy;
- (b) any cleaner on the Leased Premises, including contractors and agents of the Seniors Centre, must comply with the Green Housekeeping Policy;
- (c) the Seniors Centre will document in writing the Seniors Centre's housekeeping policies and environmental cleaning solution specifications that have provided to its officers, employees, contractors and agents, including a list of approved and prohibited chemicals;
- (d) the documentation referred to in paragraph (c) must be made available to the Town at the Town's request; and
- (e) institute a written program for training and implementation of the Green Housekeeping Policy within three months of the reference date of this Agreement.

16.05 The Seniors Centre shall carry out the following additional green practices in the Leased Premises:

- (a) waste reduction and recycling, including recycling of non-refundable glass containers;
- (b) whenever possible, utilizing biodegradable and compostable catering products, including potato and corn based utensils, bowls, and cups, but no plastic or Styrofoam vessels or utensils; and
- (c) composting of organic matter.

17. GENERAL LEASE PROVISIONS

17.01 Unavoidable Delay

Except as herein otherwise expressly provided, if and whenever and to the extent that either the Town or the Seniors Centre shall be prevented, delayed, or restricted in the fulfillment of any obligations hereunder in respect of the supply or provision of any service or utility, the making of any repair, the doing of any work or any other thing (other than the payment of Rent) by reason of civil commotion, war-like operation, invasion, rebellion, hostilities, sabotage, strike, or work stoppage, or being unable to obtain any material, service, utility, or labour required to fulfill such obligation or by reason of any statute, law, or regulation of or inability to obtain any permission from any governmental authority having lawful jurisdiction preventing, delaying, or restricting such fulfillment, or by reason of other unavoidable occurrence other than lack of funds, the time for fulfillment of such obligation shall be extended during the period in which such circumstance operates to prevent, delay, or restrict the fulfillment thereof, and the other party to this Lease shall not be entitled to compensation for any inconvenience, nuisance, or discomfort thereby occasioned, nor shall rent abate; but nevertheless the Town will use reasonable efforts to maintain services essential to the use and enjoyment of the Leased Premises.

17.02 No Admission

The acceptance of any rent from or the performance of any obligation hereunder by a person other than the Seniors Centre shall not be construed as an admission by the Town of any right, title, or interest of such person as a sub-tenant assignee, transferee, or otherwise in the place and stead of the Seniors Centre.

17.03 Part Payment

The acceptance by the Town of a part payment of any sums required to be paid hereunder shall not constitute waiver or release of the right of the Town to payment in full of such sums.

17.04 Notices

Any notice required or contemplated by any provision of this Lease shall be given in writing, and if to the Town, either delivered to an executive officer of the Town or delivered or mailed (by prepaid registered mail) to the Town at:

410 Esplanade, PO Box 220, Ladysmith British Columbia, V9G 1A2

and if to the Seniors Centre, either delivered to the Seniors Centre or delivered or mailed (by prepaid registered mail) to the Seniors Centre at:

630 Second Avenue, P.O. Box 1653, Ladysmith, B.C., V9G 1B2.

Any notice, direction or instrument aforesaid shall:

- (a) if delivered, be deemed to have been given or made at the time of delivery;
- (b) if mailed by registered mail in Canada and properly addressed be deemed to have been given or made on the third day following the day on which it was so mailed; provided that if mailed, should there be, at the time of mailing or between the time of mailing and the actual receipt of the notice, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice by the mails, then such notice shall be only effective if actually delivered; and
- (c) if sent by telex, telecommunication device or other similar form of communication, be deemed to have been given or made on the day following the day on which it was sent.

Any party may give written notice of change of address in the same manner, in which event such notice shall thereafter be given to it as above provided at such changed address.

17.05 Extraneous Agreements

The Seniors Centre acknowledges that there are no covenants, representations, warranties, agreements, or conditions expressed or implied relating to this Lease or the Leased Premises save as expressly set out in this Lease and in any agreement to lease in writing between the Town and the Seniors Centre pursuant to which this Lease has been executed. In the event of any conflict between the terms of this Lease and such agreement to lease, the terms of this Lease shall prevail. This Lease may not be modified except by an agreement in writing executed by the Town and the Seniors Centre.

17.06 Time of Essence

Time shall be of the essence of this Lease.

17.07 Area Determination

The Rentable Area of any premises (including the Leased Premises) or the Building shall be determined by the Town's architect or surveyor from time to time appointed for the purpose. Such determination shall be conclusive.

17.08 Successors and Assigns

This Lease and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns of the Town and the permitted successors

and permitted assigns of the Seniors Centre. If the Seniors Centre is comprised of more than one person or entity, then each such person and entity is jointly and severally bound by the representations, warranties, agreements, and covenants of the Seniors Centre herein and any notice given or deemed to have been given at any time to any such person or entity shall be deemed to have been given at the same time to each other such person and entity.

17.09 Frustration

Notwithstanding the occurrence or existence of any event or circumstance or the non-occurrence of any event or circumstance, and so often and for so long as the same may occur or continue which, but for this sub-section 17.09, would frustrate or void this Lease, and notwithstanding any statutory provision to the contrary, the obligations and liabilities of the Seniors Centre hereunder shall continue in full force and effect as if such event or circumstance had not occurred or existed

17.10 Waiver

No condoning, excusing, or overlooking by the Town or Seniors Centre of any default, breach, or non-observance by the Seniors Centre or the Town at any time or times in respect of any covenant, proviso, or condition herein contained shall operate as a waiver of the Town's or the Seniors Centre's rights hereunder in respect of any continuing or subsequent default, breach, or non-observance or so as to defeat or affect in any way the rights of the Town or the Seniors Centre herein in respect of any such continuing or subsequent default or breach, no acceptance of rent by the Town subsequent to a default by the Seniors Centre (whether or not the Town knows of the default) shall operate as a waiver by the Town, and no waiver shall be inferred from or implied by anything done or omitted by the Town or the Seniors Centre save only express waiver in writing.

17.11 Governing Law and Severability

This Lease shall be governed by and construed in accordance with the laws in force in the province of British Columbia. The Town and the Seniors Centre agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section hereof. Should any provision or provisions of this Lease be illegal or not enforceable, it or they shall be considered separate and severable from the Lease and its remaining provisions shall remain in force and be binding upon the parties as though the said provision or provisions had never been included.

17.12 Captions

The captions appearing in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit, or enlarge the scope or meaning of this Lease or of any provision thereof.

17.13 General Arbitration

The Town and Seniors Centre agree to try to resolve disputes in the spirit of cooperation as set out in Recital C of this Lease, first by their respective staff, failing that, by the Town Manager of Ladysmith and Executive Director of the Seniors Centre, and failing that, by resolutions of the Town Council of Ladysmith and Board of Directors of the Seniors Centre.

Any dispute between the Town and the Seniors Centre which cannot be resolved by resolutions of the Town Council of Ladysmith and the Board of Directors of the Seniors Centre within 30 days shall be determined by one (1) arbitrator pursuant to the provisions of the *Commercial Arbitration Act* of British Columbia (or its successor legislation).

18. CAPITAL LIABILITY

18.01 For certainty, nothing in this Lease obligates the Town to incur a capital liability.

IN WITNESS WHEREOF the parties have executed this Lease.

**THE CORPORATION OF THE TOWN OF
LADYSMITH**

Per: _____
Mayor

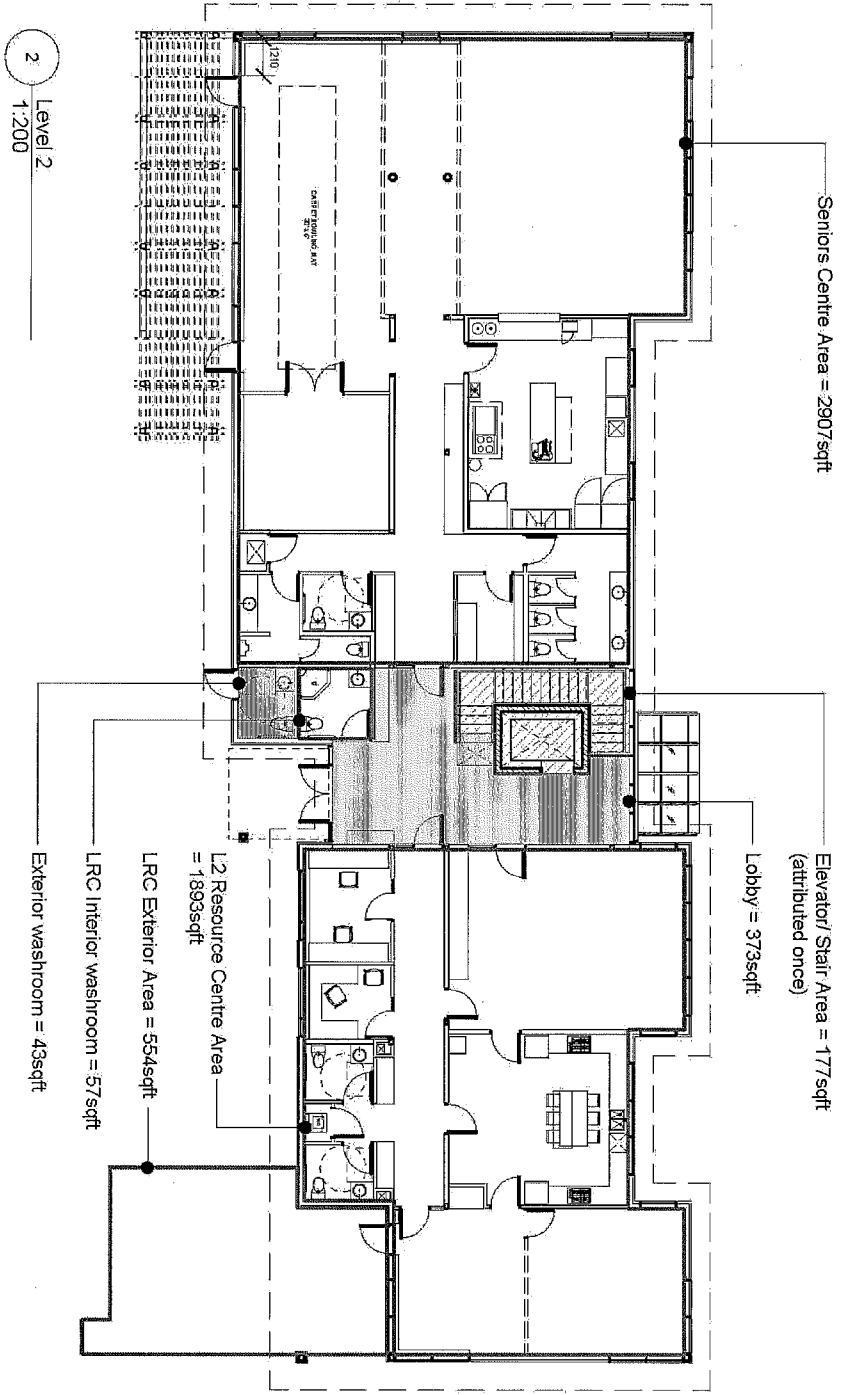
Per: _____
Corporate Officer

THE LADYSMITH SENIORS CENTRE SOCIETY

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

**SCHEDULE A
FLOOR PLAN(S) OF THE LEASED PREMISES**



LADYSMITH RESOURCE CENTRE + LADYSMITH SENIORS' CENTRE • Lease Area Calculations

NOTE: The areas noted describe the floor area as represented by the red polygons. All areas are approximate only as they have not been surveyed or verified by a qualified BC Land Surveyor.

SCHEDULE B
DEFINITIONS

In this Lease the following expressions shall have the following meanings:

"Additional Rent" means all sums of money to be paid by the Seniors Centre, whether to the Town or otherwise under this Lease, except for Annual Base Rent and goods and services tax payable by the Seniors Centre;

"Agency Operating Costs" means costs associated with the use and occupancy of the building only within the Leased Premises and/or directly related to program specific activities/uses. This would include security, supervision, traffic control, janitorial, window cleaning, waste collection, disposal and recycling services, and the costs of machinery, supplies, tools, equipment, and materials used in connection with the operation, administration, or management of Leased Premises. It would also include costs of providing electric light and power, fuel, water, telephone gas, sewage disposal, and other utilities, and costs of replacing building standard electrical light fixtures, ballasts, tubes, starters, lamps, light bulbs, and controls. These costs will be the responsibility of the tenant;

"Annual Base Rent" means the annual rent set out in sub-section 1.01(a) and payable by the Seniors Centre as set forth in sub-section 4.02(a);

"Building" means that certain building at 220 High Street and those certain areas and improvements to be constructed on the Land and all additions and replacements thereto;

"Capital Cost Contingency Reserve Fund" means major building elements such as mechanical, HVAC and electrical building systems equipment and fixtures (but not system distribution) and flooring, and exterior building envelope (such as doors, windows, siding or roofing). The fund is created through contributions by both the Tenant(s) (for interior building systems equipment and flooring) and the Owner (for exterior building envelope items). The fund will be held by the Owner in Trust, and the required contribution amount will be reviewed by the parties to the Lease, in conjunction with the end of each lease term (every 5 years);

"Commencement Date" means the date the Term commences as set forth in or determined under sub-section 1.01(b) (August 1, 2016);

"Consortium" means the consortium consisting of the Town, The Boys and Girls Clubs of Central Vancouver Island, the Ladysmith Resources Centre Association and the Seniors Centre pursuant to the Consortium Agreement made May 9th, 2011;

"Essential Terms" means those terms set out in sub-section 1.01, some of which are more particularly defined in this Schedule B;

"Insured Damage" means that part of any damage occurring to any portion of the Leased Premises for which the Town is responsible, of which the entire cost of repair is actually recoverable by the Town under a policy of insurance in respect of fire and other perils from

time to time effected by the Town, or, if and to the extent that the Town has not insured and is deemed to be a co-insurer or self-insurer under sub-section 7.03, would have been recoverable had the Town effected insurance in respect of perils, to amounts and on terms for which it is deemed to be insured;

"Land" means that parcel of land, in Ladysmith, British Columbia, more particularly described as:

Parcel Identifier: 005-841-526

Block B, District Lot 56, Oyster District, Plan 6460, except that part in Plan 13908 and VIP68919;

"Lease Year" means, in the case of the first Lease Year, the period beginning on the Commencement Date and terminating 12 months from the last day of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall terminate on the day prior to the first anniversary of the Commencement Date) and, in the case of each subsequent Lease Year, means each 12-month period after the first Lease Year;

"Leased Premises" means the Building located at 220 High Street, Ladysmith, British Columbia, on the Land containing the aggregate number of square meters, more or less, of 630.1 square meters and having the appropriate location and configuration shown outlined in heavy dark line on the plan(s) attached as Schedule A. The exterior face of the Building and any space or vertical penetration in the Leased Premises used for stacks, shafts, pipes, conduits, ducts, or other building facilities, heating, electrical, plumbing, air conditioning, and other Building systems supplied by the Town are expressly excluded from the Leased Premises;

"Leasehold Improvements" means all fixtures, improvements, installations, alterations, and additions now or from time to time hereafter made, erected, or installed, whether by the Seniors Centre, the Town or anyone else, in the Leased Premises or in other premises in the Building with the exception of trade fixtures and furniture and equipment not of the nature of fixtures, but includes all partitions however fixed (including movable partitions) and includes all wall-to-wall carpeting with the exception of such carpeting where laid over vinyl tile or other finished floor and affixed so as to be readily removable without damage;

"Normal Business Hours" means the hours from 6:00 a.m. to 10:00 p.m. Monday to Sunday, inclusive, of each week;

"Operating Cost" means, subject to the exclusions and deductions set out below, the total, without duplication, of the costs, expenses, fees, rentals, disbursements, and outlays (in this definition referred to collectively as "**costs**") of every kind paid, payable, or incurred by or on behalf of the Town on an accrual basis consistent with generally accepted accounting principles and fully chargeable in the year in which they were incurred (except as expressly set out below) in accordance with generally accepted accounting principles in the maintenance, repair, operation, administration, and management of the Land and Building. Without limiting the generality of the foregoing, Operating Cost shall include:

- (1) costs of providing security, supervision, traffic control, janitorial, window cleaning, waste collection, disposal and recycling services, and the costs of machinery, supplies, tools, equipment, and materials used in connection with the operation, administration, or management of the Land and Building or any rentals thereof;
- (2) costs of providing electric light and power, fuel, water, telephone, steam, gas, sewage disposal, and other utilities, and costs of replacing building-standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs, and controls;
- (3) costs of all insurance, which the Town is obligated or permitted to obtain under this Lease, including the Town insurance under section 7.03;
- (4) sales, goods and services, harmonized sales tax, and excise or other taxes on goods and services provided by or on behalf of the Town in connection with the maintenance, repair, operation, administration, or management of the Building net of input tax credits, refunds, or rebates (to the extent the Town receives and utilizes same);
- (5) costs of repairs and alterations to the Building (including those required to comply with applicable laws or the requirements of the Town's insurers, which become effective or are imposed after substantial completion of the original construction of the relevant structure) to the extent reasonably allocated by the Town to any fiscal period;
- (6) one half of the costs associated with installing, servicing and maintaining the fire panel monitoring system for the Leased Premises (with the Town paying the other half of those costs);
- (7) all costs associated with installing, servicing and maintaining the ventilating and air conditioning units for the Leased Premises;
- (8) the cost of all auditing, accounting, bookkeeping, legal (on a solicitor own client basis), architectural, appraisal, inspection, surveying and any other professional and consulting services and expenses incurred by or on behalf of the Town and at the Town's expense with respect to or which relate to the Leased Premises or any part thereof.

excluding therefrom the following (except as specifically included above):

- (9) corporation capital tax or any replacements;
- (10) debt service of the Town and income tax of the Town;

- (11) the net insurance proceeds received by the Town to the extent that such proceeds reimburse the Town for the cost to repair and recoveries by the Town in respect of warranties and guarantees or damage and destruction;
- (12) landscaping maintenance of the lawns and flower beds and snow removal on the Land, which the Town will provide at its expense;
- (13) except as set out in the Capital Contingency Replacement Plan attached as Schedule "C", repairs to the Structural Elements or repairs to remedy construction or design defects identified by the Town's architect within the first year after substantial completion of the Building; and
- (14) Agency Operating Costs and those other costs for which the Seniors Centre is liable directly as set out in this Lease, and

And without limitation includes Property Management and Building Operating Costs and Agency Operating Costs;

"Permitted Use" means use by participants in the Seniors Centre programs events and activities as well as rentals that support the mission of the Seniors Centre and Social Programming.

"Prime Rate" means that rate of interest declared from time to time by the main branch in Ladysmith, British Columbia, of the financial institution to the Town as the annual rate of interest used by such bank as its reference rate in setting interest rates for commercial loans of Canadian dollars in Canada and commonly referred to by such bank as its "prime rate";

"Property Management and Building Operating Costs" means estimated costs (other than costs identified as Level 1 or Level 3 costs or otherwise specifically stated in the Lease) for building maintenance and repairs and preventative maintenance outside the designated Leased Premises as indicated in the Lease. It also includes:

- (1) costs of all insurance, which the Town is obligated or permitted to obtain under this Lease;
- (2) sales, goods and services, harmonized sales tax, and excise or other taxes on goods and services provided by on or behalf of the Town in connection with the maintenance, repair, operation, administration, or management of the Building net of input tax credits, refunds, or rebates (to the extent the Town receives and utilizes same);
- (3) costs of repairs and alterations to the Building (including those required to comply with applicable laws or the requirements of the Town's insurers, which become effective or are imposed after substantial completion of the original construction of the relevant structure) to the extent reasonably allocated by the Town to any fiscal period;

- (4) the cost of all auditing, accounting, bookkeeping, legal (on a solicitor own client basis), architectural, appraisal, inspection, surveying and any other professional and consulting services and expenses incurred by or on behalf of the Town with respect to or which relate to the Land and Building or any part thereof.

excluding the following (except as specifically included above):

- (1) corporation capital tax or any replacements;
- (2) debt service of the Town;
- (3) the net insurance proceeds received by the Town to the extent that such proceeds reimburse the Town for the cost to repair and recoveries by the Town in respect of warranties and guarantees or damage and destruction;
- (4) landscaping maintenance of the lawns and flower beds and snow removal on the Land, which the Town will provide at its expense;
- (5) except as set out in the Capital Cost Contingency Reserve Fund, attached as Schedule "C", repairs to the Structural Elements or repairs to remedy construction or design defects identified by the Town's architect within the first year after substantial completion of the Building.

This fund is created through contributions by both the Tenant(s) and the Owner, as determined by the Consortium on an annual basis. The fund will be held by a member of the Consortium, as agreed to by the Consortium.

"Property Taxes" means that portion of the property taxes payable for the Land and Building applicable to the Leased Premises. For greater certainty and subject to any property tax exemptions granted by the Town or otherwise, where Property Taxes are payable by the Seniors Centre, the amount of Property Taxes payable by the Seniors Centre's shall be an amount equal to the amount of property taxes payable for the Land and Building multiplied by the percentage of the Building that is occupied by the Seniors Centre, namely 28.6%.

"Rent" means the Annual Base Rent, Additional Rent, and all other sums payable by the Seniors Centre to the Town under this Lease except for goods and services tax payable by the Seniors Centre;

"Rentable Area", whether in the case of a whole floor of the Building or in the case of premises comprising part of a floor of the Building, shall be determined by the Town's architect or land surveyor;

"Rules and Regulations" means those rules and regulations established from time to time by the Consortium with respect to the use and occupation of the Building and the Leased Premises, and such further and other reasonable rules and regulations and amendments

and changes therein as may hereafter be made by the Consortium, of which notice in writing shall be given to the Seniors Centre;

"Seniors Centre Share" means one twenty-eight and sixty one-hundredths percent (28.6%);

"Social Programming" Means organized activities and services to improve the conditions of disadvantaged people within society and to protect citizens from economic risk, insecurities of life, ensuring social justice and human rights for individuals, families, groups, organizations and communities, within the mandate of the Seniors Centre.

"Structural Elements" means specifically the foundations, structural sub-floor, slab, bearing walls, structural columns and beams and the structural components of the roof.

"Taxes" means and includes any and all goods and services taxes, harmonized taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Town or the Seniors Centre from time to time in respect of the Leased Premises, the Rent payable by the Seniors Centre to the Town under this Lease, the rental of the Leased Premises or the provision of any goods, services, or utilities whatsoever by the Town to the Seniors Centre under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, harmonized sales tax, business transfer tax, or otherwise;

"Term" means the term of this Lease set forth in sub-section 1.01(d), including any renewal or extension thereof and any period of permitted overholding; and

"Total Rentable Area" means the total Rentable Area of the Building, whether rented or not, calculated as nearly as possible as if the Building were entirely occupied by Seniors Centre renting whole floors. The calculation of the Total Rentable Area, whether rented or not, shall be adjusted from time to time to give effect to any structural change in the Building.

"Town" means the person executing this Lease and includes its successors and assigns; and in the definition of "Operating Cost" references to "Town" include the owner of the Land and Building as registered in the applicable land title office and any and all beneficial owners of the Land and Building;

"Transfer" means any assignment, subletting, parting with, sharing, mortgage, transfer or encumbrance of this Lease or the Seniors Centre's interest in the Leased Premises or any part thereof.

SCHEDULE C
CAPITAL CONTINGENCY REPLACEMENT PLAN

CAPITAL CONTINGENCY ITEMS	LOCATION	QUANTITY	YEAR INSTALLED	CYCLE FACTOR	ACTION YEAR	ORIGINAL VALUE	Total Cost for Building	Seniors Centre monthly Installation	COMMENTS	CAPITAL CONTINGENCY ITEMS
1 Heat Recovery Ventilator		1	2010	20	2030	\$ 30,000	\$ 125	\$ 35,776		1 Heat Recovery Ventilator
2 Condensing unit		1	2010	20	2030	\$ 8,000	\$ 33	\$ 9,540		2 Condensing unit
3 Fan coil units		22	2010	15		\$ 3,409	\$ 417	\$ 119,250	\$3,409 per unit x 22 units	
5 Electric water heater		1	2010	15	2025	\$ 3,500	\$ 19	\$ 5.57		5 Electric water heater
6 Storage tank	Building Service Room	1	2010	15	2025	\$ 3,500	\$ 19	\$ 5.57		6 Storage tank
9 Elevator		1	2010	40	2050	\$ 51,900	\$ 108	\$ 30,946		9 Elevator
							\$ 722	\$ 206.64		

	Square footage	Seniors	Town	LRCA	Total
Upstairs		2907	629	1893	5429
Downstairs		2907	177	4551	4728
			806	6444	10157

{00369892, 1}

SCHEDULE E GREEN HOUSEKEEPING POLICY

Statement of Purpose

The green housekeeping policy is aimed at achieving a healthier and more sustainable indoor environment by identifying and prescribing products that do not sacrifice indoor air quality or contribute to environmental degradation. The policy promotes those products that meet cleaning objectives, but are less toxic and less resource intensive than conventional cleaning products.

Too often the products we use to clean are actually responsible for a host of environmental and health problems. Many cleaning products have high levels of volatile organic compounds, suspected carcinogens and potent allergens. When these cleaners are flushed down the toilet or sent down the sink they end up in our waterways, often proving to be toxic to aquatic life. Cleaners exist that do an excellent job cleaning, but are non-toxic, and environmentally friendly. This policy encourages the use of better cleaners, for the health of the occupants, the health and safety of those using the cleaners, and for our environment.

Many steps have been taken to avoid using toxic chemicals during construction. Adhesives, paints, insulation and finishings have all been carefully chosen to avoid the introduction of VOCs (volatile organic compounds) into the air. It then makes good sense to protect the resource of good indoor air quality by avoiding using toxic or polluting cleaners. It also makes good business sense as a growing number of the general population suffers from allergies or asthma.

Benefits of Green Housekeeping Policy

A green housekeeping policy will provide tenants and their clients with the following benefits:

- Better working environment for staff
- Better air quality for customers
- Reduced liability – no dangerous cleaners on premises
- Marketing benefits by demonstrating environmental responsibility
- An opportunity to act in an ecologically safe manner without having to make compromises.

The Seniors Centre will adhere to the following Green Housekeeping Policy:

All cleaners used on premises must meet the following requirements:

1. For products to conform to the green housekeeping policy they must meet the requirements of either Canada's EcoLogo certification (see www.environmentalchoice.ca and see criteria for Cleaning Supplies), or Green Seal requirements (see www.greenseal.org and see Green Seal criteria for cleaners), and basic certification criteria include:
 - cleaners must not be manufactured with certain ingredients including phosphates, halogenated organic solvents, ethylene dinitrotetracetic acid or any of its salts, APEOs, and must not contain VOCs (volatile organic compounds) in excess of 10% by weight;
 - cleaners must be readily biodegradable, not toxic to aquatic life, nor accumulate in the tissue of living organisms;
 - cleaners must be able to clean common hard surfaces effectively; and
 - cleaners must not require labelling as poisonous under the Hazardous Products Act,

and full requirements are set out on the *Environmental Choice* and *Green Seal* websites, as updated and amended from time to time.

2. Concentrated cleaners will be used.
3. Cleaners will be acquired from bulk supply, using refillable containers.

THIS LEASE dated for reference the 1st day of ~~August~~ July, 2016

BETWEEN:

THE CORPORATION OF THE TOWN OF LADYSMITH
410 Esplanade, P.O. Box 220
Ladysmith, B.C., V9G 1A2

("Town")

OF THE FIRST PART

AND:

LADYSMITH RESOURCES CENTRE ASSOCIATION
630 Second Avenue, P.O. Box 1653
Ladysmith, B.C., V9G 1B2

("LRCA")

OF THE SECOND PART

WHEREAS:

- A. The consortium consisting of the Town, The Boys and Girls Club of Central Vancouver Island, the Ladysmith Resources Centre Association ("**LRCA**") and the Ladysmith Seniors Centre Society, ("**Consortium**") in the spirit of cooperation to provide quality services to the residents of Ladysmith, has developed a full service community services building and civic square in the area of Ladysmith bounded by Buller Street, Second Avenue and High Street, providing a focal point for sustainable long term community programs and support services;
- B. The LRCA joined with the Town in this development through both human resource support and financial contributions of \$250,000 from its major capital funding for renovations to create a hub and a further \$100,000 from its capital reserves, plus a further \$363,000 used by the Town subject to the terms and conditions of this Lease and a prior lease with respect to the Leased Premises dated for reference May 9, 2011 (the "**Prior Lease**").
- C. The objective of the Town and the LRCA is to provide a community space where children, youth, parents, adults and seniors can participate in LRCA programs in relation to parenting, youth at risk, families, food security, counseling, literacy, seniors, victims services, computer and internet access, and other social programming and activities;
- D. It is the intent of the Town and LRCA that all reasonable efforts shall be made by the Town and the LRCA and their respective employees, agents, contractors and invitees to ensure cooperation in the operation and management of the property and the services being offered in the community services building and the Town and the

LRCA shall encourage their respective employees, agents, contractors and invitees to work in a spirit of cooperation;

E. This Lease replaces the Prior Lease.

In consideration of the rents, covenants and agreements hereinafter reserved and contained the parties covenant and agree with each other as follows:

1. ESSENTIAL TERMS, DEFINITIONS AND SCHEDULES

1.01 Summary of Essential Terms

This section 1.01 sets out definitions of certain words and phrases of this Lease.

1.01.1 "**Annual Base Rent**" is the sum of Ten dollars (\$10.00) per annum to be paid by the LRCA to the Town plus applicable provincial or federal taxes, within thirty days of the Commencement Date during the first year of the Term, then on the anniversary of the Commencement Date during the remaining years of the Term.

1.01.2 "**Commencement Date**" is ~~July~~ August 1, 2016.

1.01.3 "**Consortium**" is the four participating organizations namely: Ladysmith Seniors Centre Society, Ladysmith Resources Centre Association, The Boys and Girls Club of Central Vancouver Island and the Town of Ladysmith. The Consortium will cooperate to oversee the events and issues that impact one or more of the Consortium members, establish an annual budget, perform the other functions specified herein and maintain open communication.

1.01.4 "**Term**" is the period of time set out in section 3.01.

1.02 Definitions

In this Lease, the words, phrases and expressions set forth in Schedule B are used with the meanings defined therein.

1.03 Schedules

The following schedules are attached to and are incorporated as part of this Lease:

Schedule "A" - "Floor Plans of the Leased Premises"

Schedule "B" - "Definitions"

Schedule "C" - "Contingency and Replacement Plan"

Schedule "D" - "Site Plan"

Schedule "E" – "Green Housekeeping Policy"

2. DEMISE OF LEASED PREMISES / USE OF COMMON AREAS

2.01 In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of the LRCA to be paid, observed, and performed, the Town hereby:

- (a) demises and leases to the LRCA, and the LRCA leases from the Town, the Leased Premises; and
- (b) hereby grants to the LRCA the full, free, and unlimited right, liberty, and irrevocable easement for the LRCA and its employees, agents and invitees in common with the Landlord and the other tenants and their respective invitees of the Building to use the Common Areas for all purposes subject only to the Rules and Regulations contemplated by paragraph 10.05 of this Lease.

3. TERM

3.01 The Term of this Lease shall be for a period of five (5) years beginning on the Commencement Date, provided that the LRCA may unilaterally initiate a new five (5) year Lease by delivering written notice of renewal to the Town at least three (3) months prior to the end of the initial five (5) year term or the new term then in effect. If the LRCA initiates a new Lease then the Town will grant to the LRCA a new Lease for a term of five (5) years from the expiration of the then current Term upon the same covenants, agreements, conditions, provisos and rental payments contained in this Lease save and except that:

- (a) each such new Lease shall contain a new amount in section 4.01 (b), 8.01 and 13.02 (b) to account for any amounts the Town has voluntarily paid under those sections; and
- (b) in total there may be a maximum of six (6) new leases, and that at the end of the sixth new lease there will be no further right to initiate a new lease.

4. RENT

4.01 The LRCA shall yield and pay for the Leased Premises unto the Town, at the office of the Town or at such other place as the Town may direct in writing, during the Term in lawful money of Canada without any setoff, abatement, compensation, or deduction whatsoever on the days and at the times hereinafter specified, Rent which shall include the aggregate of the sums specified in subsections (a) and (b) below:

- (a) Annual Base Rent in the amount per annum set out in sub-section 1.01.1;
and
- (b) Additional Rent

The aggregate of the following:

- (i) the LRCA's Share of Operating Costs;
- (ii) the Agency Operating Costs incurred by the Town and not paid directly by the LRCA; and
- (iii) such other amounts, charges, costs, and expenses agreed to by at least three members of the Consortium, and budgeted and reconciled annually by the Consortium, as are required to be paid by the LRCA to the Town pursuant to this Lease and the Consortium Agreement in addition to Annual Base Rent;

provided, however, that to the extent Operating Costs include costs payable from the Contingency Reserve Fund the Operating Costs shall be reduced by like amount and provided further, however, that as of the date the Town has paid \$363,000.00 in respect of LRCA's Share of Contingency Reserve Fund under section 8.01, LRCA shall also pay under this section 4.01 LRCA's Share of Contingency Reserve Fund contributions as set out in Schedule C (as amended from time to time as provided herein).

4.02 The LRCA shall pay the Rent under this Section 4 to the Town as follows:

- (a) Annual Base Rent

The Annual Base Rent will be paid in accordance with section 1.01.1.

- (b) Additional Rent Payments

The amount of any or all of the items of Additional Rent under sub-section 4.01(b) which the LRCA is to pay for such fiscal period or portion thereof is determined under sub-section 4.01(b).

The LRCA agrees to pay to the Town the amount of Additional Rent in equal monthly installments in advance in amounts and during the period specified by the Consortium on the first day of each month of the Term. As soon as reasonably possible after the end of the fiscal period for which such estimated payments have been made, the Consortium will make a final determination of the LRCAs' Share of Operating Costs and LRCAs' Share of contributions to the Contingency Reserve Fund for such fiscal period and notify the LRCA of the actual amount required to be paid as Additional Rent under sub-section 4.01(b). If necessary an adjustment shall be made between the parties and any money owing by or to one party shall be paid or credited within 30 days of such notice.

4.03 Net Lease

The LRCA acknowledges and agrees that it is intended that this Lease shall be a net lease for the Town except as shall be otherwise provided in the specific provisions contained in this Lease, and that the Town shall not be responsible during the Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Leased Premises, and the LRCA, except as shall be otherwise provided in the specific provisions contained in this Lease, shall as to the LRCA's Share pay all charges and costs of every nature and kind relating to the Leased Premises or the use or occupancy thereof, or the contents thereof, or the business carried on therein. Despite the foregoing and despite anything to the contrary contained in this Lease:

- (a) the LRCA shall not be responsible for and shall not be required to pay, directly or indirectly, during the Term for any costs related to the exterior of the Building, the roof of the Building or the Land surrounding the Building;
- (b) the parties acknowledge and agree that the Town will bear a proportion of the Operating Costs itself, namely 16.4%, it being the parties agreement that such a percentage equitably reflects the costs which should be borne by the Town in recognition of the anticipated use of certain Common Areas for civic purposes not related to the use of the Building by the LRCA and the Ladysmith Seniors Centre Society.

4.04 In the spirit of cooperation of all parties and as an incentive to make timely payments, if the LRCA shall fail to pay, when the same is due, any Additional Rent, such unpaid amount shall bear interest from the due date thereof to date of payment at a rate of three percent (3%) per annum in excess of the Prime Rate. For clarity, if for example the Prime Rate is three percent (3%), the interest charged to the LRCA will be three percent (3%) plus three percent (3%) equals six percent (6%).

4.05 Place of Payment

All payments required to be made by the LRCA directly to the Town under or in respect of this Lease shall be made to the Town at the Town's office at 410 Esplanade, Ladysmith, British Columbia V9G 1A2 or to such agent or agents of the Town or at such other place as the Town shall hereinafter from time to time direct in writing to the LRCA.

5. LRCA'S PROPERTY TAX OBLIGATIONS

5.01 The LRCA shall pay all Capitalized Taxes due and owing; provided that the parties acknowledge and agree that the Building and Leased Premises are

currently subject to a permissive property value tax exemption that is expected to expire in the year 2020.

6. UTILITIES

6.01 The LRCA shall be solely responsible for and shall promptly pay all taxes and charges for water, gas, electricity, telephone and other public and private utilities and services used or consumed in or in respect of the Leased Premises, and for all fittings, machines, apparatus or other things leased or purchased in respect thereof, and for all work or services performed by any corporation or commission in connection with such utilities or services. In no event shall the Town be liable for, nor shall the Town have any obligation with respect to, any interruption or cessation of, or a failure in the supply of, any such utilities, services or systems (including, without limitation, the water and sewage systems) to the Building or to the Leased Premises, whether or not supplied by the Town or others.

6.02 Despite section 6.01, the LRCA shall not be charged for or if charged for shall be reimbursed by the Town for the utility costs not directly related to the purposes of the LRCA in relation to municipal services outside the Leased Premises, such as electrical cost during Festival of Lights and lighting and water supply to public space including the public washrooms.

7. INSURANCE

7.01 LRCA Insurance

During the Term the LRCA shall maintain in force:

7.01.1 Insurance upon all glass and plate glass in or forming demising walls of the Leased Premises (whether provided by the Town or the LRCA);

7.01.2 Fire insurance with extended coverage endorsement including earthquake, flood or collapse.

Covering:

(i) all leasehold improvements made or installed by or on behalf of the LRCA in an amount equal to the full replacement value thereof; and

(ii) all the contents of the Leased Premises whether owned by the LRCA or for which the LRCA is responsible in an amount at least equal to the actual cash value thereof;

Except that the Town will cover the installation and operational costs to monitor the Fire Panel Monitoring System;

7.01.3 Public liability insurance in an amount to be determined by the Town and in any event to be not less than FIVE MILLION (\$5,000,000.00) DOLLARS inclusive limit per occurrence; and

7.01.4 Any other form or forms of insurance as the LRCA or the Town or the Town's mortgagees may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent LRCA and business proprietor would protect itself.

Each such policy shall provide that the insurer shall not have any right of subrogation against the Town on account of any loss or damage covered by such insurance or on account of payments made to discharge claims against or liabilities of the Town or LRCA covered by such insurance. The cost for each and every such policy shall be paid by the LRCA. The LRCA shall obtain from the insurers under such policies, undertakings to notify the Town in writing at least ten (10) days prior to any cancellation or termination thereof. The LRCA agrees upon written request to provide the Town with certificates of insurance evidencing the policies in effect from time to time.

7.01.5 If the Town places a mortgage on the property the Town will be responsible for any increase in insurance costs including any increase in insurance costs for the LRCA as they arise due to the Mortgage.

7.02 Insurance Risks

Each party agrees not to do, omit to do, or permit to be done or omitted to be done upon the Leased Premises anything which would cause the other party's cost of insurance to be increased (and, without waiving the foregoing prohibition, a party may demand, and the other party shall pay to the party upon demand, the amount of any such increase of cost caused by anything so done or omitted to be done) or which shall cause policy of insurance to be subject to cancellation.

7.03 Town's Insurance

The LRCA shall also be responsible for reimbursing the Town for any insurance maintained by the Town under this Section 7.03. The Town shall be deemed to have insured (for which purpose it shall be a co-insurer, if and to the extent that it shall not have insured) the Building and all improvements and installations made by the Town in the Leased Premises, except to the extent hereinafter specified, in respect of perils and to amounts and on terms and conditions which from time to time are insurable at a reasonable premium and which are normally insured by reasonably prudent owners of properties similar to the Building, as from time to time determined at reasonable intervals (but which need not be determined more often than annually) by insurance advisors selected by the Town, and whose written opinion shall be conclusive. Upon the request of the LRCA from time to

time the Town will furnish a statement as to the perils in respect of which and the amounts to which it has insured the Building. The Town may maintain such other insurance in such amounts and upon such terms as would normally be carried by a prudent owner.

8. TOWN OBLIGATIONS

8.01 Further to the \$363,000 LRCA contribution referred to in paragraph B of the recitals, the Town, may in its absolute unfettered discretion pay or refund some or all of LRCA's Share of contributions to the Contingency Reserve Fund as set out in Schedule C (as amended from time to time as provided for herein).

8.02 The Town will, as applicable, keep an accounting of the amounts paid under section 8.01, and deliver to LRCA an annual report of the accounting within six months of the end of each calendar year during the Term.

9. REPAIRS

9.01 Subject to Section 14, the LRCA shall, at its sole cost maintain the whole of the Leased Premises and every part thereof in a good and reasonable state of repair, with the exception of reasonable wear and tear, except Structural Elements of the Leased Premises, defects in construction performed or installations which the Town may make in its discretion in relation to Insured Damage.

9.02 Subject to section 4.01 and Section 14, the Town may keep in a good and reasonable state of repair and cleanliness, the Building (other than the Leased Premises) including the Structural Elements, roof, exterior walls including glass portions thereof, the Common Areas and entrances provided for use by the LRCA. For certainty, the LRCA shall not have responsibility for the cost of any capital item referred to in this section 9.02. The parties agree that only Town employees or contractors approved by the Town shall perform repair work for the Structural Elements, roof, and exterior walls.

9.03 Without limiting section 10.07, the Town or its agent(s) may at all reasonable times during the Term enter the Leased Premises to inspect the condition thereof and the LRCA will carry out their duty to repair according to notice in writing, and the LRCA will leave the Leased Premises in a good and reasonable state of repair, subject always to the exceptions referred to in sub-section 9.01. The LRCA shall give the Town prompt written notice of any defect to the plumbing, climate control apparatus, electrical equipment and wires and any other defect in the Leased Premises and anything connected therewith, forthwith upon the same becoming known to the LRCA.

9.04 There shall not be any repairs, alterations, replacements, decorations or improvements to any part of the Leased Premises that are beyond those necessary or desirable for the reasonable daily operation without prior consultation between LRCA and the Town.

9.05 All Leasehold Improvements in or upon the Leased Premises shall immediately upon affixation be and become the Town's property without compensation to the LRCA. Except to the extent otherwise expressly agreed by the Town in writing, no Leasehold Improvements, trade fixtures, furniture, or equipment shall be removed by the LRCA from the Leased Premises either during or at the expiration or sooner termination of the Term, except that:

- (a) the LRCA may at the end of the Term remove its trade fixtures;
- (b) the LRCA shall at the end of the Term remove such of the Leasehold Improvements and trade fixtures as the Town shall require to be removed;
and
- (c) the LRCA shall remove its furniture and equipment at the end of the Term, and also during the Term in the usual and normal course of its business where such furniture or equipment has become excess for the LRCAs' purposes or the LRCA is substituting therefore new furniture and equipment,
and

The LRCA shall, in the case of every removal either during or at the end of the Term, immediately make good any damage caused to the Leased Premises by the installation and removal.

9.06 The LRCA shall promptly pay all its contractors and suppliers and shall do any and all things necessary in order to prevent any construction or other liens (individually, a "**Lien**") or orders for the payment of money to be registered against the Leased Premises, the Building or the Land. If any Lien or Encumbrance is granted or filed, the LRCA shall discharge the same forthwith, after notice thereof is given to The Town, at the LRCAs' expense or where such lien is disputed the LRCA shall take all reasonable commercial steps to resolve the dispute and discharge the Lien. If the LRCA shall fail to cause any such Lien or Encumbrance to be discharged, as aforesaid, then, in addition to any other right or remedy of the Town, the Town may, but shall not be so obligated, discharge same by paying the amount claimed to be due into Court or directly to any such Lien claimant or Encumbrance holder and the amount so paid by the Town and all costs and expenses, including solicitor's fees, on a solicitor own client basis, incurred for the discharge of such Lien or Encumbrance shall be due and payable by the LRCA to the Town as Additional Rent on demand. The Town will not discharge the same without first providing thirty (30) days' advanced written notification to the LRCA.

9.07 All repairs and replacements required to be made to any electrical, plumbing, heating, and ventilating or air conditioning systems contained in the Leased Premises and connected to the Building systems or to any locks shall be made by joint agreement with the Town and LRCA. The costs and expenses of all such repairs and replacements that are not identified in the Contingency and

Replacement Plan (Schedule 'C') shall be paid by the LRCA to the Town, as Additional Rent, on demand or within the budgeted monthly expenses. If the Structural Elements of the Building or the Leased Premises or any part or parts thereof shall require repair or shall become damaged or destroyed through negligence, carelessness or misuse of the LRCA or those for whom the LRCA is in law responsible, then except to the extent that such repair or replacement cost is covered by the Town's insurance the expenses of all repairs and replacements thereto shall be paid by the LRCA to the Town, as Additional Rent, forthwith upon demand.

9.08 During the Term the LRCA shall, at its cost, replace all electric light bulbs, fluorescent tubes and ballasts in the Leased Premises when required to ensure the proper operation of the lighting system within the Leased Premises. The parties agree that such work shall be completed by Town employees or contractors approved by the Town.

9.09 Contingency and Replacement Plan

The Members of the Consortium will establish a Contingency Reserve Fund to fund payments pursuant to the Contingency and Replacement Plan described in Schedule C (as amended from time to time).

10. USE OF THE LEASED PREMISES

10.01 The LRCA shall occupy and use the Leased Premises solely for the purpose of the Permitted Use, including all activities required by the LRCA to carry out its mandate and mission, and no other purpose, unless permitted by the Town in writing.

10.02 Cleanliness

The LRCA agrees not to permit the Leased Premises to become untidy, unsightly, or hazardous, or permit unreasonable quantities of waste or refuse to accumulate therein, and throughout the Term the LRCA shall, at its cost, provide all janitorial service in the Leased Premises, including interior window cleaning and garbage disposal. The LRCA agrees to use environmentally friendly cleaning products in the provisions of janitorial service.

10.03 Compliance with Laws

The LRCA agrees to comply at its own expense with all municipal, provincial, and federal sanitary, fire, and safety laws, bylaws, regulations, and requirements pertaining to the operation and use of the Leased Premises, the condition of the Leasehold Improvements, trade fixtures, furniture, and equipment installed therein, and the making by the LRCA of any repairs, changes or improvements therein.

10.04 Installations

The LRCA agrees to permit the Town during the Term to install any equipment in or make alterations to the Leased Premises necessary to comply with the requirements of any statute, law, bylaw, ordinance, order, or regulation referred to in sub-section 10.03 and imposed after completion of the Town's original construction of the Building, and to permit ingress and egress to and from the Leased Premises by the Town or by its respective employees, servants, workmen, and invitees with prior notification and consent which will not be unreasonably withheld.

10.05 Rules and Regulations

The LRCA agrees to observe, and to use reasonable efforts to cause its employees, invitees, and others over whom the LRCA can reasonably be expected to exercise control to observe the Rules and Regulations established from time to time by the Consortium, and such further and other reasonable rules and regulations and amendments and changes therein as may hereafter be made by the Consortium, of which notice in writing shall be given to the LRCA; and all such rules and regulations shall be deemed to be incorporated into and form part of this Lease. In establishing Rules and Regulations from time to time, the Representatives of each Member of the Consortium must act in good faith and in a manner which is not oppressive toward any Member of the Consortium.

10.06 Signs

In order to respect the mandate and mission of all the parties, the LRCA agrees not to display, place, or affix signs or lettering of any kind without joint prior agreement which will not be unreasonably withheld, anywhere outside the Leased Premises (whether on the outside or inside of the Building) or within the Leased Premises so as to be visible from the outside of the Leased Premises.

10.07 Inspection and Access

The LRCA agrees to permit the Town and its authorized agents, employees, and contractors to enter the Leased Premises for the purpose of inspection, maintenance, or making repairs, alterations, or improvements to the Leased Premises or the Building. The Town in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the LRCAs' use and enjoyment of the Leased Premises with prior notification and consent which will not be unreasonably withheld.

10.08 Showing Leased Premises

The LRCA agrees to permit the Town and its authorized agents and employees to show the Leased Premises to prospective tenants during the Normal Business Hours of the last three months of the Term.

10.09 Quiet Enjoyment

Upon payment by the LRCA of the Annual Base Rent and Additional Rent herein provided and upon the observance and performance of all covenants, terms and conditions on the LRCAs' part to be observed and performed, the LRCA shall peaceably and quietly hold and enjoy the Leased Premises for the Term without hindrance or interruption by the Town, subject nevertheless to the terms and conditions of this Lease.

10.10. Parking

The Parking Area shall be available generally for the use of the invitees of the LRCA in common with the invitees of The Boys and Girls Club of Central Vancouver Island, the Ladysmith Seniors Centre Society and the Town ("Members"). Subject to the designations of certain parking stalls as restricted to handicapped use, no parking stalls in the Parking Area shall be reserved or designated for the use of one or more Members and their respective invitees to the exclusion of or in a manner which limits use by one or more other Member and their respective invitees. The Parking Area shall not be used by the employees of a Member. Subject to the foregoing, the use of the Parking Area shall be governed in accordance with the Rules and Regulations.

11. LIABILITY AND INDEMNIFICATION OF LRCA

11.01 Subject to the Town's obligation to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Town or those for whom at law it is responsible, the Town shall not be liable or responsible in any way for any death or injury occurring in or upon the Leased Premises, or for any damage to property of the LRCA or others located in or upon the Leased Premises, or the Building, or for any loss of profits or consequential damage suffered by the LRCA or others or for any other loss, damage or injury of any nature whatsoever arising from or out of any occurrence in, upon or relating to the Leased Premises. Without limiting the generality of the foregoing, the Town shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Leased Premises or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause whatsoever.

The Town shall not be liable for any such damage caused by the LRCA or persons in the Building or by occupants of adjacent property, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of the LRCA kept or stored on the Leased Premises shall be so kept or stored at the risk of the LRCA only and the LRCA shall hold the Town harmless from and against any claims arising out of damages to the same.

- 11.02 Subject to the Town's obligation to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Town or those for whom at law the Town is responsible, the LRCA will indemnify the Town and save it harmless from and against any and all loss (including, without limitation, loss of monthly rent payable by the LRCA pursuant to this Lease) claims, actions, damages, liabilities and expenses in connection with loss of life, personal injury or damage to property arising from or out of any occurrence in, upon or at the Leased Premises (for the LRCA) the occupancy or use by the LRCA of the Leased Premises or any part thereof, however caused, or occasioned wholly or in part by any act, neglect or negligence of the LRCA or those for whom at law it is responsible. If the Town shall, without fault on its part, be made a party to any litigation commenced by or against the LRCA, then the LRCA shall protect and hold the Town harmless and shall pay all costs, expenses and the Town's solicitor own client legal expenses incurred or paid by the Town in connection with such litigation. The LRCA shall also pay costs, expenses and the Town's solicitor own client legal expenses that are incurred or paid by the Town in enforcing the covenants and agreements contained in this Lease, unless a Court shall otherwise decide.
- 11.03 Subject to the LRCA's obligation to repair, to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the LRCA or those for whom at law the LRCA is responsible, the Town shall indemnify and save harmless the LRCA from and against any and all manner of actions or causes of action, damages, costs, loss or expenses of whatever kind (including without limitation legal fees on a solicitor own client basis) which the LRCA may sustain, incur, or be put to by reason of or arising out of any act, neglect or negligence of the Town or any persons for whom the Town is at law responsible, from the Town's use and occupation of the Building or the Land, and, without limiting the generality of the foregoing, from the non-observance or non-performance by the Town or any persons for whom the Town is, at law, responsible of any of the obligations imposed under the provisions of any laws, ordinances, regulations, or requirements or any federal, provincial, municipal, or other authority, or any of the covenants, agreements, terms, conditions, and provisos contained in this Lease to be observed and performed by the Town; and such liability to indemnify and save harmless shall survive any termination of this Lease and the expiry of the Term or any renewal hereof, anything in this Lease to the contrary notwithstanding.

12. ASSIGNMENT AND SUBLETTING

- 12.01 For greater certainty, the parties agree that the licensing of the Leased Premises or any portion thereof by the LRCA for community events and functions will not constitute an assignment or sublet under this section 12.01. Except as permitted by paragraph 12.01A the LRCA will not assign this Lease in whole or in part nor sublet, part with or share possession of all or any part of the Leased Premises, nor mortgage nor encumber this Lease or the LRCAs' interest in the Leased

Premises or any part thereof, (the "**Transfer**") without the prior written consent of the Town in each instance, which shall in every case be subject to the provisions of sub-section 12.02. The consent by the Town to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. This prohibition against assigning or subletting shall be construed to include a prohibition against any Transfer by operation of law. Notwithstanding any assignment or subletting, the LRCA shall not be relieved from observing and performing the terms, covenants and conditions contained herein on their part to be observed and performed. Any consent pursuant to this section shall be prepared by the LRCA or its solicitors in such form as may be acceptable to the Town and its solicitors, acting reasonably, and any and all legal costs incurred by the Town for its solicitors to review such form shall be paid by the LRCA on a solicitor own client basis.

12.01A Permitted Assignment and Sublets

- (a) The LRCA may license the use of the Leased Premises or any part thereof to community or other groups, associations, or organizations in furtherance of the Permitted Use of the Leased Premises.
- (b) The LRCA may sublet part but not all of the Leased Premises to community or other groups, associations, or organizations in furtherance of the Permitted Use of the Leased Premises provided always that any such sublease shall be terminable with not more than 120 days notice.
- (c) The LRCA may license the use of the Leased Premises or any part thereof for community events or functions.

12.02 If the LRCA desires to effect a Transfer not permitted pursuant to paragraph 12.01A, the LRCA shall give prior written notice to the Town of such desire, specifying therein the name of the proposed assignee, transferee or sub-tenant and such other information as the Town may require and the Town shall within thirty (30) days thereafter notify the LRCA in writing that it consents or does not consent as aforesaid to the Transfer.

13. LRCA's DEFAULT, REMEDIES OF TOWN AND SURRENDER

13.01 The LRCA acknowledges and agrees that the Town has the absolute right to terminate this Lease in the event of any of the following occurrences:

- (a) except to the extent that the LRCA has a bona fide dispute in respect thereof and diligently pursues its resolution, non-payment of Additional Rent that remains outstanding for a period of more than ninety (90) days after the Town has given thirty (30) days' written notice of such breach to the LRCA and the LRCA has failed to cure such breach;

- (b) if without the prior written consent of the Town this Lease is assigned by the LRCA or if the Leased Premises is sub-leased by the LRCA and such sublease is not terminated or such assignment reversed within 60 days of written notice from the Town to the LRCA so requiring;
- (c) if this Lease is taken in execution or attachment by any person or the LRCA commits an act of bankruptcy, becomes insolvent, is petitioned into bankruptcy or voluntarily enters into an arrangement with its creditors;
- (d) any of the goods and chattels of the LRCA on the Leased Premises at any time during the Term are seized or taken in execution or attachment by a creditor of the LRCA unless the LRCA disputes such seizure or taking and takes all reasonable commercial efforts to set such seizure or taking aside;
- (e) the LRCA makes an assignment for the benefit of creditors which was consented to or did not require a consent;
- (f) a receiver or receiver-manager is appointed in respect of any property of the LRCA or is appointed to control the conduct of the business on or from the Leased Premises; or
- (g) an order is made for the winding-up of the LRCA.

If the Town wishes to exercise its right to terminate the Lease, it will provide six (6) months' written notice to the LRCA.

13.02 On expiration of any Term, or on termination of the Lease, pursuant to section 13.01,

- (a) LRCA will:
 - (i) forthwith peaceably quit and deliver possession of the Leased Premises to the Town in a safe, clean and sanitary condition; and
 - (ii) forthwith remove from the Leased Premises all machinery and equipment placed or installed on the Leased Premises by or on behalf of the LRCA during the Term, and all right, interest and estate of the LRCA in the Leased Premises will cease and vest in the Town at that time and, to the extent necessary, this covenant will survive the expiration of the Term or the earlier termination thereof; and
- (b) if the expiration of any Term, or termination of any Lease, occurs before the Town has completed making voluntary payments under section 8.01 totaling \$363,000.00, the Town will on expiration or termination pay LRCA or its lawful successor the difference between \$363,000.00 and the amount previously paid by the Town under section 8.01 (the "**Remaining LRCA Funds**"). If LRCA initiates a new Lease under section 3.01, then LRCA must,

if so required by the Town, pay the Town an amount equivalent to the Remaining LRCA Funds on the reference date of the new Lease.

14. DAMAGE OR DESTRUCTION

14.01 Abatement and Termination

It is agreed between the Town and the LRCA that in the event of damage to the Leased Premises or to the Building:

- (a) if the damage is such that the Leased Premises or any substantial part thereof are rendered not reasonably capable of use and occupancy by the LRCA for the purposes of its business for any period of time in excess of 10 days, then:
 - (i) unless the damage was caused by the fault or negligence of the LRCA or its employees, invitees, or others under its control, from and after the date of occurrence of the damage and until the Leased Premises are again reasonably capable of use and occupancy as aforesaid, Rent shall abate from time to time in proportion to the part or parts of the Leased Premises not reasonably capable of use and occupancy, and
 - (ii) unless this Lease is terminated as hereinafter provided, the LRCA (according to the nature of the damage and its respective rights to repair as provided in sub-sections 9.01 and 9.02) shall repair such damage with all reasonable diligence, but to the extent that any part of the Leased Premises is not reasonably capable of such use and occupancy by reason of damage which the LRCA is obligated to repair hereunder, any abatement of Rent to which the LRCA is otherwise entitled hereunder shall not extend later than the time by which, in the reasonable opinion of the Town, repairs by the LRCA ought to have been completed with reasonable diligence; and
- (b) if either:
 - (i) the Leased Premises, or
 - (ii) premises comprising in the aggregate 50% or more of the Rentable Area of the Building are substantially damaged or destroyed by any cause to the extent such that in the reasonable opinion of the Town they cannot be repaired or rebuilt (based on standard hours of construction work) within 540 days after the occurrence of the damage or destruction, then the Town or the LRCA may at its option, exercisable by written notice to the other party given within 60 days after the occurrence of such damage or destruction, terminate this Lease, in which event neither the Town nor the LRCA shall be bound to repair as provided in sub-sections 9.01 and 9.02, and the

LRCA shall instead deliver up possession of the Leased Premises to the Town with reasonable expedition but in any event within 60 days after delivery of such notice of termination, and Rent shall be apportioned and paid to the date upon which possession is so delivered up (but subject to any abatement to which the LRCA may be entitled under sub-section 14.01(a) by reason of the Leased Premises having been rendered in whole or in part not reasonably capable of use and occupancy), but otherwise the Town or the LRCA as the case may be (according to the nature of the damage and their respective rights to repair as provided in sub-sections 9.01 and 9.02) may repair such damage with reasonable diligence.

14.02 Service Interruptions

The LRCA acknowledges to the Town that the operation of systems and the availability of facilities may be interrupted from time to time in cases of accident and emergency, in order to carry out maintenance, repairs, alterations, replacements, and upgrading, or for any other reasonable reason required by the Town. During periods of such interruption, any obligation of the Town to provide access to such systems and facilities or common areas of the Building shall be suspended and sub-section 19.01 shall apply.

14.03 Expropriation

The Town and the LRCA shall cooperate with respect to any public taking of the Building or the Leased Premises or any part thereof so that each of them may receive compensation to which respectively they are entitled at law. Public taking means, without limitation, any expropriation, condemnation or forced sale by the Town to any government, regulatory authority or utility with the powers of expropriation. Compensation shall include indemnifying the LRCA in regards to compliance.

15. ASSIGNMENT BY TOWN

15.01 The Town may assign or mortgage its rights under this Lease to a lending institution as collateral security for a loan to the Town and in the event that such an assignment or mortgage is given and executed by the Town and notification thereof is given to the LRCA by or on behalf of the Town it is expressly agreed between the Town and LRCA that this Lease shall not be cancelled or modified for any reason whatsoever, except as provided for, anticipated or permitted by the terms of this Lease or by law, without the consent in writing of such lending institution.

15.02 The LRCA covenants and agrees with the Town that it will, if and whenever reasonably required by the Town, consent to and become a party to any instrument relating to this Lease which may be required by or on behalf of any purchaser, lessee or Mortgagee from time to time of the Land and Building,

provided always that the rights of the LRCA as hereinbefore set out shall not be altered or varied by the terms of such instrument or document.

15.03 Within ten (10) days after written request therefore by the Town of any sale, assignment, lease or mortgage of the Leased Premises, the Lands or the Building by the Town, the LRCA agrees to deliver a certificate, in the form supplied by the Town at the Town's own expense, to any proposed Mortgagee, assignee or purchaser or to the Town stating (if such be the case) that:

15.03.1 This Lease is unmodified and in full force and effect (or if there have been any modifications, that this Lease is in full force and effect as modified and identify the modification agreements, if any) or if this Lease is not in full force and effect, the certificate shall so state;

15.03.2 The date to which Annual Base Rent and Additional Rent have been paid under this Lease; and

15.03.3 Whether or not there is any existing default by the LRCA in the payment of any Annual Base Rent or Additional Rent, and whether or not there is any other existing default by either party under this Lease, and if there is any such default, specifying the nature and extent thereof.

15.04 Attornment

The LRCA, whenever required by any mortgagee (including any trustee under a trust deed or trust indenture), shall attorn to such mortgagee upon all of the terms of this Lease. The LRCA agrees to execute and deliver promptly whenever requested by the Town or by such mortgagee an instrument of subordination or attornment, at the Town's expense, as the case may be, as may be required of it, and if the LRCA fails to do so within seven days after receiving the instrument, the LRCA hereby irrevocably and conclusively authorizes the Town to complete, execute, and deliver the instrument for, on behalf of, in the name of, and as agent of, the LRCA.

15.05 Registration

The LRCA agrees that the Town shall not be obliged to deliver this Lease in form registrable under the *Land Title Act*, R.S.B.C. 1996, c. 250 and covenants and agrees with the Town not to register this Lease.

16. ENVIRONMENTAL MATTERS

16.01 Definitions

For the purposes of this Section:

- (a) "Contaminants" means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, lead, asbestos, asbestos-containing materials, hazardous, corrosive, or toxic substances, special waste, waste polychlorinated biphenyls ("PCBs"), PCB-containing equipment or materials, pesticides, defoliants or any other solid, liquid, gas, vapour, radiation, or combination of any of them, which is now or hereafter prohibited, controlled, or regulated under Environmental Laws; and
- (b) "Environmental Laws" means any statutes, laws, regulations, orders, bylaws, standards, guidelines, protocols, permits, and other lawful requirements of any governmental authority having jurisdiction over the Leased Premises now or hereafter in force relating in any way to the environment, environmental assessment, health, occupational health and safety, or transportation of dangerous goods, including the principles of common law and equity.

16.02 LRCAs' Covenants and Indemnity

The LRCA covenants and agrees as follows:

- (a) not to use or permit to be used to any material degree all or any part of the Leased Premises for the sale, storage, manufacture, disposal, use, or any other dealing with any Contaminants, without the prior written consent of the Town, which may not be unreasonably withheld;
- (b) at its own cost, to strictly comply, and cause any person for whom it is at law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Leased Premises; and
- (c) to promptly notify the Town in writing of any release of a Contaminant or any other occurrence or condition at the Leased Premises or any adjacent property which could contaminate the Leased Premises or subject the Town or the LRCA to any fines, penalties, orders, investigations, or proceedings under Environmental Laws.

16.03 The Town covenants and agrees:

- (a) not to use or permit to be used all or any portion of the Land or Building for the sale, storage, manufacture, disposal, handling, treatment, or any other dealing with any Contaminants, except in compliance with Environmental Laws; and
- (b) at its own cost, strictly comply with, and cause those for whom it is responsible at law to comply with all Environmental Laws in its maintenance, use, and occupancy of the Land and Building.

16.04 The LRCA covenants and agrees to comply with the requirements of the Green Housekeeping Policy attached as Schedule E in relation to the purchase and use of cleaning supplies. The LRCA covenants and agrees that it will ensure that:

- (a) its officers, employees and contractors shall be informed of the requirements of the Green Housekeeping Policy;
- (b) any cleaner on the Leased Premises, including contractors and agents of the LRCA, must comply with the Green Housekeeping Policy;
- (c) the LRCA will document in writing the LRCA's housekeeping policies and environmental cleaning solution specifications that have provided to its officers, employees, contractors and agents, including a list of approved and prohibited chemicals;
- (d) the documentation referred to in paragraph (c) must be made available to the Town at the Town's request; and
- (e) institute a written program for training and implementation of the Green Housekeeping Policy within three months of the Commencement Date of this Agreement.

16.05 The LRCA shall carry out the following additional green practices in the Leased Premises:

- (a) waste reduction and recycling, including recycling of non-refundable glass containers;
- (b) utilizing biodegradable and compostable catering products, including potato and corn based utensils, bowls, and cups, but no plastic or Styrofoam vessels or utensils; and
- (c) composting of organic matter.

17. GENERAL LEASE PROVISIONS

17.01 Unavoidable Delay

Except as herein otherwise expressly provided, if and whenever and to the extent that either the Town or the LRCA shall be prevented, delayed, or restricted in the fulfillment of any obligations hereunder in respect of the supply or provision of any service or utility, the making of any repair, the doing of any work or any other thing (other than the payment of Rent) by reason of civil commotion, war-like operation, invasion, rebellion, hostilities, sabotage, strike, or work stoppage, or being unable to obtain any material, service, utility, or labour required to fulfill such obligation or by reason of any statute, law, or regulation of or inability to obtain any permission from any governmental authority having lawful jurisdiction preventing, delaying, or restricting such fulfillment, or by reason of other unavoidable occurrence other than lack of funds, the time for fulfillment of such

obligation shall be extended during the period in which such circumstance operates to prevent, delay, or restrict the fulfillment thereof, and the other party to this Lease shall not be entitled to compensation for any inconvenience, nuisance, or discomfort thereby occasioned, nor shall rent abate; but nevertheless the Town will use reasonable efforts to maintain services essential to the use and enjoyment of the Leased Premises.

17.02 No Admission

The acceptance of any rent from or the performance of any obligation hereunder by a person other than the LRCA shall not be construed as an admission by the Town of any right, title, or interest of such person as a sub-tenant assignee, transferee, or otherwise in the place and stead of the LRCA.

17.03 Part Payment

The acceptance by the Town of a part payment of any sums required to be paid hereunder shall not constitute waiver or release of the right of the Town to payment in full of such sums.

17.04 Notices

Any notice required or contemplated by any provision of this Lease shall be given in writing, and if to the Town, either delivered to an executive officer of the Town or delivered or mailed (by prepaid registered mail) to the Town at:

410 Esplanade, PO Box 220, Ladysmith British Columbia V9G 1A2

and if to the LRCA, either delivered to the LRCA personally (or to a partner or officer of the LRCA if the LRCA is a firm or corporation) or delivered or mailed (by prepaid registered mail) to the LRCA at:

630 Second Avenue, P.O. Box 1653, Ladysmith, B.C., V9G 1B2.

Any notice, direction or instrument aforesaid shall:

- (a) if delivered, be deemed to have been given or made at the time of delivery;
- (b) if mailed by registered mail in Canada and properly addressed be deemed to have been given or made on the third day following the day on which it was so mailed; provided that if mailed, should there be, at the time of mailing or between the time of mailing and the actual receipt of the notice, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice by the mails, then such notice shall be only effective if actually delivered; and

- (c) if sent by telex, telecommunication device or other similar form of communication, be deemed to have been given or made on the day following the day on which it was sent.

Any party may give written notice of change of address in the same manner, in which event such notice shall thereafter be given to it as above provided at such changed address.

17.05 Extraneous Agreements

The LRCA acknowledges that there are no covenants, representations, warranties, agreements, or conditions expressed or implied relating to this Lease or the Leased Premises save as expressly set out in this Lease and in any agreement to lease in writing between the Town and the LRCA pursuant to which this Lease has been executed. In the event of any conflict between the terms of this Lease and such agreement to lease, the terms of this Lease shall prevail. This Lease may not be modified except by an agreement in writing executed by the Town and the LRCA.

17.06 Time of Essence

Time shall be of the essence of this Lease.

17.07 Area Determination

The Rentable Area of any premises (including the Leased Premises) or the Building shall be determined by the Town's architect or surveyor from time to time appointed for the purpose. Such determination shall be conclusive.

17.08 Successors and Assigns

This Lease and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns of the Town and its heirs, executors, and administrators and the permitted successors and permitted assigns of the LRCA. References to the LRCA shall be read with such changes in gender as may be appropriate, depending upon whether the LRCA is a male or female person or a firm or corporation. If the LRCA is comprised of more than one person or entity, then each such person and entity is jointly and severally bound by the representations, warranties, agreements, and covenants of the LRCA herein and any notice given or deemed to have been given at any time to any such person or entity shall be deemed to have been given at the same time to each other such person and entity.

17.09 Frustration

Notwithstanding the occurrence or existence of any event or circumstance or the non-occurrence of any event or circumstance, and so often and for so long as the same may occur or continue which, but for this sub-section 17.09, would frustrate

or void this Lease, and notwithstanding any statutory provision to the contrary, the obligations and liabilities of the LRCA hereunder shall continue in full force and effect as if such event or circumstance had not occurred or existed

17.10 Waiver

No condoning, excusing, or overlooking by the Town or LRCA of any default, breach, or non-observance by the LRCA or the Town at any time or times in respect of any covenant, proviso, or condition herein contained shall operate as a waiver of the Town's or the LRCAs' rights hereunder in respect of any continuing or subsequent default, breach, or non-observance or so as to defeat or affect in any way the rights of the Town or the LRCA herein in respect of any such continuing or subsequent default or breach, no acceptance of rent by the Town subsequent to a default by the LRCA (whether or not the Town knows of the default) shall operate as a waiver by the Town, and no waiver shall be inferred from or implied by anything done or omitted by the Town or the LRCA save only express waiver in writing.

17.11 Governing Law and Severability

This Lease shall be governed by and construed in accordance with the laws in force in the province of British Columbia. The Town and the LRCA agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section hereof. Should any provision or provisions of this Lease be illegal or not enforceable, it or they shall be considered separate and severable from the Lease and its remaining provisions shall remain in force and be binding upon the parties as though the said provision or provisions had never been included.

17.12 Captions

The captions appearing in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit, or enlarge the scope or meaning of this Lease or of any provision thereof.

17.13 General Arbitration

The Town and LRCA agree to try to resolve disputes in the spirit of cooperation as set out in Recital D of this Lease, first by their respective staff, failing that, by the Town Manager of Ladysmith and Executive Director of the LRCA, and failing that, by resolutions of the Town Council of Ladysmith and Board of Directors of the LRCA.

Any dispute between the Town and the LRCA which cannot be resolved by resolutions of the Town Council of Ladysmith and the Board of Directors of the LRCA within 30 days shall be determined by one (1) arbitrator pursuant to the

provisions of the *Commercial Arbitration Act* of British Columbia (or its successor legislation).

18. Certainty

18.01 For certainty, the following items were included in the initial capital cost of the building, and are not costs for which LRCA is liable: storage cupboards, reception desk, folding wall in the children's area, and the approximately \$114,000.00 additional cost of expansion of the Community Cupboard (Food Bank).

19. Capital Liability

19.01 For certainty, nothing in this Lease obligates the Town to incur a capital liability.

IN WITNESS WHEREOF the parties have executed this Lease.

**THE CORPORATION OF THE TOWN OF
LADYSMITH**

Per: _____
Mayor

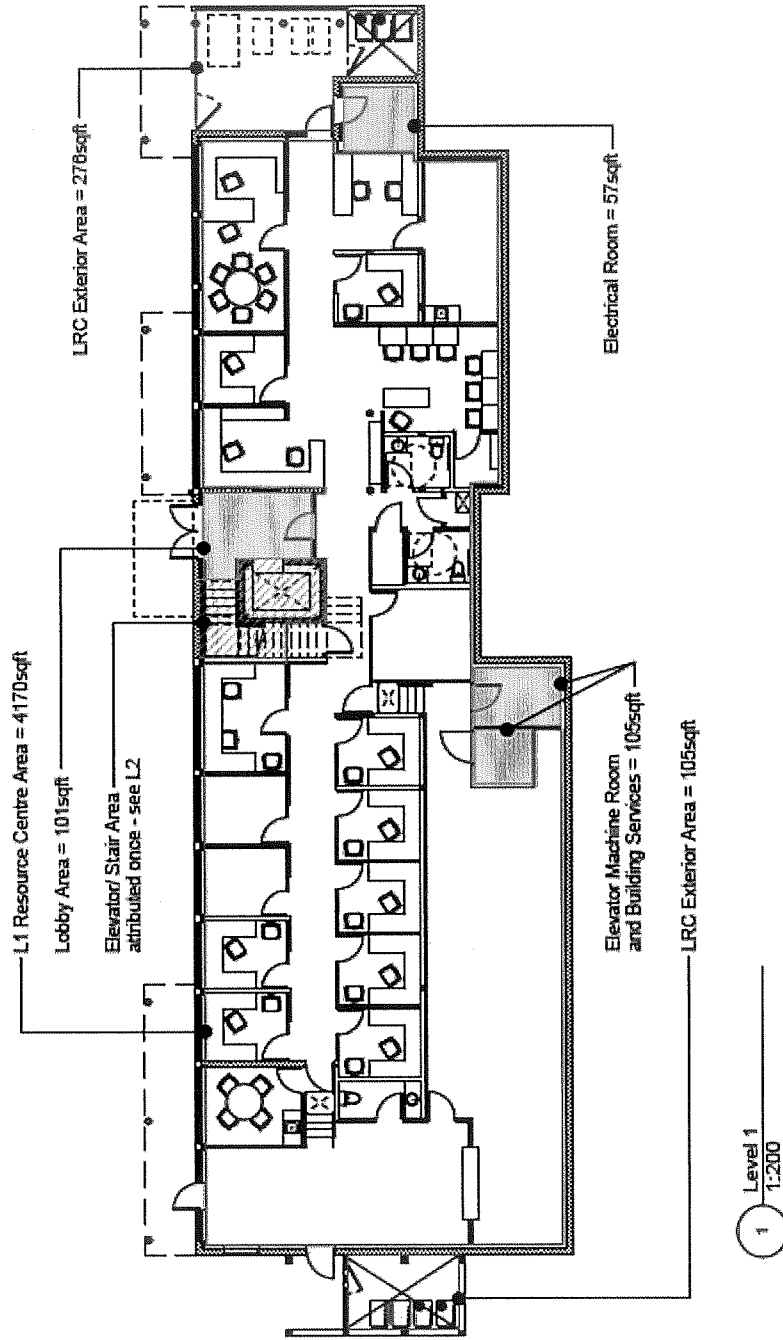
Per: _____
Corporate Officer

LADYSMITH RESOURCES CENTRE ASSOCIATION

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

**SCHEDULE A
FLOOR PLAN(S) OF THE LEASED PREMISES**

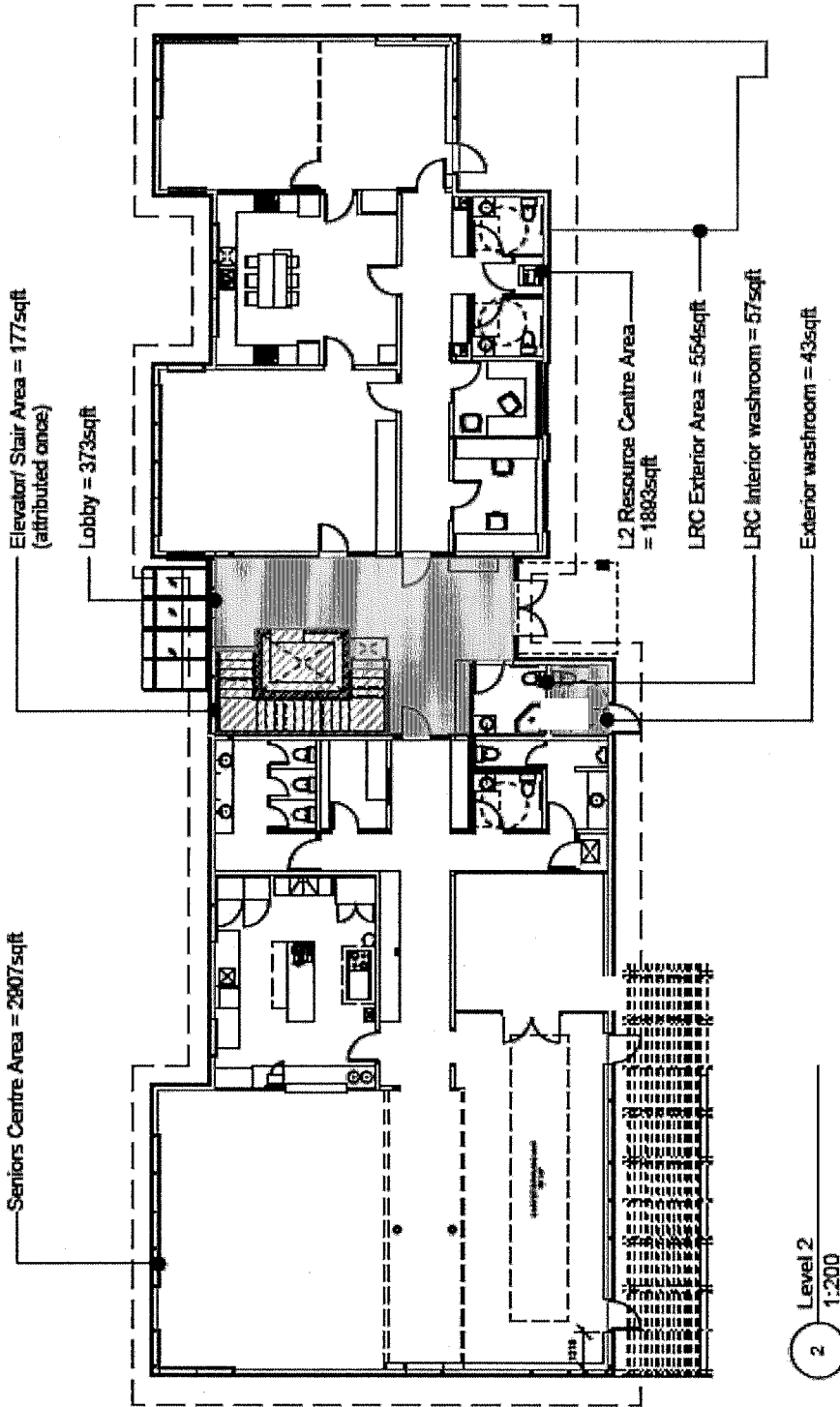


LADYSMITH RESOURCE CENTRE + LADYSMITH SENIORS' CENTRE • Lease Area Calculations

MAY 18, 2011

D'AMBROSIO
architecture + urbanism

NOTE: The areas noted describe the floor area as represented by the red polygons. All areas are approximate only as they have not been surveyed or verified by a qualified BC Land Surveyor.



LADYSMITH RESOURCE CENTRE + LADYSMITH SENIORS' CENTRE • Lease Area Calculations

MAY 18, 2011

NOTE: The areas noted describe the floor area as represented by the red polygons. All areas are approximate only as they have not been surveyed or verified by a qualified BC Land Surveyor.

D'AMBROSIO
architecture + urbanism

SCHEDULE B DEFINITIONS

In this Lease the following expressions shall have the following meanings:

"Additional Rent" means all sums of money to be paid by the LRCA, whether to the Town or otherwise under this Lease, except for Annual Base Rent and Capitalized Taxes thereon;

"Agency Operating Costs" means costs associated with the use and occupancy of the building only within the Leased Premises and/or directly related to program specific activities/uses. This would include security, supervision, traffic control, janitorial, window cleaning, waste collection, disposal and recycling services, and the costs of machinery, supplies, tools, equipment, and materials used in connection with the operation, administration, or management of Leased Premises. It would also include costs of providing electric light and power, fuel, water, telephone, gas, sewage disposal, and other utilities, and costs of replacing building standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs, and controls within the Leased Premises. These costs will be the responsibility of the Tenant.

"Annual Base Rent" means the annual rent set out in sub-section 1.01.1 and payable by the LRCA as set forth in sub-section 4.02(a);

"Boys and Girls Premises" means the premises civically described as 220 High Street, Ladysmith, BC which is intended for occupation by The Boys and Girls Club of Central Vancouver Island.

"Building" means that certain building on the Land shown on the site plan attached as Schedule "D" as the "LCS/LRC Building" and all additions and replacements thereto;

"Contingency Reserve Fund" means the fund established and funded as provided for in the Prior Lease and this Lease in order to pay for replacement of major interior building elements including mechanical, HVAC and electrical building systems equipment and fixtures (but not system distribution) and flooring. The fund was created through contributions by the Members of the Consortium based upon their respective Shares of Operating Costs as provided for in this Lease and in the lease of the Boys and Girls Club Premises. The fund is held by the Town, and the required contribution amount is reviewed by the Consortium, annually prior to each anniversary of the Commencement Date.

"Contingency and Replacement Plan" means the plan described in Schedule C as amended from time to time by the Consortium.

"Capitalized Taxes" means and includes any and all goods and services taxes, harmonized taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Town or the LRCA from time to time in respect of the Rent payable by the LRCA to the Town under this Lease or the rental of the Leased Premises or the provision of any goods,

services, or utilities whatsoever by the Town to the LRCA under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, harmonized sales tax, business transfer tax, or otherwise;

"Commencement Date" means the date the Term commences as set forth in or determined under sub-section 1.01.2, namely ~~July~~ August 1, 2016;

"Common Areas" means all areas of the Lands intended for the common use of the LRCA and other tenants of the Building and includes the elevators, the common entrances, lobbies, stairways, corridors, and the Parking Area;

"Insured Damage" means that part of any damage occurring to any portion of the Leased Premises for which the Town is responsible, of which the entire cost of repair is actually recoverable by the Town under a policy of insurance in respect of fire and other perils from time to time effected by the Town, or, if and to the extent that the Town has not insured and is deemed to be a co-insurer or self-insurer under sub-section 7.03, would have been recoverable had the Town effected insurance in respect of perils, to amounts and on terms for which it is deemed to be insured;

"Land" means that parcel of land, in Ladysmith, British Columbia, more particularly described as:

PARCEL IDENTIFIER: 005-841-526
BLOCK B, DISTRICT LOT 56, OYSTER DISTRICT, PLAN 6460, EXCEPT
THAT PART IN PLAN 13908 AND VIP68919

"Leased Premises" means the portion of the Building located at 630 Second Avenue, Ladysmith, British Columbia, on the Land containing the aggregate number of square metres, more or less, of 6120 square feet and having the approximate location and configuration shown outlined in heavy red line on the plan(s) attached as Schedule A. The exterior face of the Building and any space or vertical penetration in the Leased Premises used for stacks, shafts, pipes, conduits, ducts, or other building facilities, heating, electrical, plumbing, air conditioning, and other Building systems supplied by the Town are expressly excluded from the Leased Premises;

"Leasehold Improvements" means all fixtures, improvements, installations, alterations, and additions now or from time to time hereafter made, erected, or installed, whether by the LRCA, the Town or anyone else, in the Leased Premises or in other premises in the Building with the exception of trade fixtures and furniture and equipment not of the nature of fixtures, but includes all partitions however fixed (including movable partitions) and includes all wall-to-wall carpeting with the exception of such carpeting where laid over vinyl tile or other finished floor and affixed so as to be readily removable without damage;

"LRCA's Share" means 55 per cent;

"Normal Business Hours" means the hours from 6:00 a.m. to 10:00 p.m. Monday to Sunday, inclusive, of each week;

"Operating Cost" means, subject to the exclusions and deductions set out below, the total, without duplication, of the costs, expenses, fees, rentals, disbursements, and outlays (in this definition referred to collectively as "costs") of every kind paid, payable, or incurred by or on behalf of the Town on an accrual basis consistent with generally accepted accounting principles and fully chargeable in the year in which they were incurred (except as expressly set out below) in accordance with generally accepted accounting principles in the maintenance, repair, operation, administration, and management of the Building. Without limiting the generality of the foregoing, Operating Cost shall include (other than those costs for which the LRCA is liable directly and costs for which the LRCA is stated to be not responsible pursuant to paragraph 4.03):

- (1) costs of providing security, supervision, traffic control, janitorial, window cleaning, waste collection, disposal and recycling services, and the costs of machinery, supplies, tools, equipment, and materials used in connection with the operation, administration, or management of the Building or any rentals thereof;
- (2) costs of providing electric light and power, fuel, water, telephone, steam, gas, sewage disposal, and other utilities, and costs of replacing building-standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs, and controls;
- (3) costs of all insurance, which the Town is obligated or permitted to obtain under this Lease, including the Town insurance under Section 7.03;
- (4) sales, goods and services, harmonized sales tax, and excise or other taxes on goods and services provided by or on behalf of the Town in connection with the maintenance, repair, operation, administration, or management of the Building net of input tax credits, refunds, or rebates (to the extent the Town receives and utilizes same);
- (5) costs of repairs and alterations to the Building (including those required to comply with applicable laws or the requirements of the Town's insurers, which become effective or are imposed after substantial completion of the original construction of the relevant structure) to the extent reasonably allocated by the Town to any fiscal period;
- (6) one half of all costs associated with installing, servicing and maintaining the fire panel monitoring system for the Leased Premises (with the Town paying the other half of the costs);
- (7) all costs associated with installing, servicing and maintaining the ventilating and air conditioning units for the Leased Premises;
- (8) the cost of all auditing, accounting, bookkeeping, legal (on a solicitor own client basis), architectural, appraisal, inspection, surveying and any other professional and consulting services and expenses incurred by or on behalf of the Town and at

the Town's expense with respect to or which relate to the Leased Premises or any part thereof.

excluding therefrom the following:

- (9) corporation capital tax or any replacements;
- (10) debt service of the Town, provided that nothing in this Lease obligates the Town to incur or service debt, and income tax of the Town;
- (11) the net insurance proceeds received by the Town to the extent that such proceeds reimburse the Town for the cost to repair and recoveries by the Town in respect of warranties and guarantees or damage and destruction, where the Town voluntarily elects to repair or address the damage or destruction;
- (12) except as set out in the Contingency and Replacement Plan attached as Schedule "C", repairs to the Structural Elements or repairs to remedy construction or design defects identified by the Town's architect within the first year after substantial completion of the Building, where the Town elects to repair;
- (12) The Agency Operating Costs and similar costs relating to the other tenants of the Building.

For greater certainty, the parties agree that landscaping, maintenance of the lawns and flower beds and hardscape, and snow removal on the Land, will be provided at the Town's expense;

"Parking Area" means the areas on the Land designed for vehicular egress, ingress and parking and is shown approximately on the Site Plan of the Lands attached as Schedule D.

"Permitted Use" means use in furtherance of the purpose set out in LRCA's Constitution including, without limitation, use by, participants in the LRCA programs events and activities and rentals intended to support the mission of the LRCA under its constating documents;

"Prime Rate" means that rate of interest declared from time to time by the main branch in Ladysmith, British Columbia, of the financial institution to the Town as the annual rate of interest used by such bank as its reference rate in setting interest rates for commercial loans of Canadian dollars in Canada and commonly referred to by such bank as its "prime rate";

"Rent" means the Annual Base Rent, Additional Rent, and all other sums payable by the LRCA to the Town under this Lease except for goods and services tax payable by the LRCA;

"Structural Elements" means specifically the foundations, structural sub-floor, slab, bearing walls, structural columns and beams and the structural components of the roof.

"Term" means the term of this Lease set forth in sub-section 1.01.5, including any renewal or extension thereof and any period of permitted overholding; and

"Town" means the person executing this Lease as the Corporation of the Town of Ladysmith and includes its successors and assigns; and in the definition of "Operating Cost" references to "Town" include the owner of the Land and Building as registered in the applicable land title office and any and all beneficial owners of the Land and Building.

**SCHEDULE C
CONTINGENCY AND REPLACEMENT PLAN**

Following is a schedule of replacement costs for the following list of Building components to be replaced using funds from the Contingency Reserve Fund, (see definitions) as well as the projected life span for each component:

CAPITAL CONTINGENCY ITEMS	LOCATION	QUANTITY	YEAR INSTALLED	CYCLE FACTOR	ACTION YEAR	ORIGINAL VALUE	LRCA monthly installment
Heat Recovery Ventilator	Roof top	1	2011	20	2031	\$ 30,000	\$ 71
Condensing unit		1	2011	20	2031	\$ 8,000	\$ 19
Fan coil units		22	2011	15	2026	\$ 74,998	\$ 236
Electric water heater		1	2011	15	2026	\$ 3,500	\$ 11
Storage tank	Building Service Room	1	2011	15	2026	\$ 3,500	\$ 11
Elevator		1	2011	40	2051	\$ 51,900	\$ 61
TOTAL						\$ 171,898	\$ 409

SCHEDULE E

GREEN HOUSEKEEPING POLICY

Statement of Purpose

The green housekeeping policy is aimed at achieving a healthier and more sustainable indoor environment by identifying and prescribing products that do not sacrifice indoor air quality or contribute to environmental degradation. The policy promotes those products that meet cleaning objectives, but are less toxic and less resource intensive than conventional cleaning products.

Too often the products we use to clean are actually responsible for a host of environmental and health problems. Many cleaning products have high levels of volatile organic compounds, suspected carcinogens and potent allergens. When these cleaners are flushed down the toilet or sent down the sink they end up in our waterways, often proving to be toxic to aquatic life. Cleaners exist that do an excellent job cleaning, but are non-toxic, and environmentally friendly. This policy encourages the use of better cleaners, for the health of the occupants, the health and safety of those using the cleaners, and for our environment.

Many steps have been taken to avoid using toxic chemicals during construction. Adhesives, paints, insulation and finishings have all been carefully chosen to avoid the introduction of VOCs (volatile organic compounds) into the air. It then makes good sense to protect the resource of good indoor air quality by avoiding using toxic or polluting cleaners. It also makes good business sense as a growing number of the general population suffers from allergies or asthma.

Benefits of Green Housekeeping Policy

A green housekeeping policy will provide tenants and their clients with the following benefits:

- Better working environment for staff
- Better air quality for customers
- Reduced liability – no dangerous cleaners on premises
- Marketing benefits by demonstrating environmental responsibility
- An opportunity to act in an ecologically safe manner without having to make compromises.

Ladysmith tenants will adhere to the following Green Housekeeping Policy:

All cleaners used on premises must meet the following requirements:

1. For products to conform to the green housekeeping policy they must meet the requirements of either Canada's EcoLogo certification (www.environmentalchoice.ca and see criteria for Cleaning Supplies), or Green Seal requirements (see www.greenseal.org and see Green Seal criteria for cleaners), and basic certification criteria include:
 - cleaners must not be manufactured with certain ingredients including phosphates, halogenated organic solvents, ethylene dinitrotetracetic acid or any of its salts, APEOs, and must not contain VOCs (volatile organic compounds) in excess of 10% by weight;
 - cleaners must be readily biodegradable, not toxic to aquatic life, nor accumulate in the tissue of living organisms;
 - cleaners must be able to clean common hard surfaces effectively; and
 - cleaners must not require labelling as poisonous under the Hazardous Products Act,

and full requirements are set out on the *Environmental Choice* and *Green Seal* websites, as updated and amended from time to time.

2. Concentrated cleaners will be used.
3. Cleaners will be acquired from bulk supply, using refillable containers.

THIS LEASE dated for reference the 1st day of August, 2016

BETWEEN:

THE CORPORATION OF THE TOWN OF LADYSMITH
410 Esplanade, P.O. Box 220
Ladysmith, B.C., V9G 1A2

("Town")

OF THE FIRST PART

AND:

BOYS AND GIRLS CLUBS OF CENTRAL VANCOUVER ISLAND
#20 Fifth Street
Nanaimo, B. C., V9R 1M7

("Boys and Girls Clubs")

OF THE SECOND PART

WHEREAS:

- A. The consortium consisting of the Town, The Boys and Girls Clubs of Central Vancouver Island, the Ladysmith Resources Centre Association and the Ladysmith Seniors Centre Society, ("**Consortium**") in the spirit of cooperation to provide quality services to the residents of Ladysmith, has developed a full service community services building and civic square in the area of Ladysmith bounded by Buller Street, Second Avenue and High Street, providing a focal point for sustainable long term community programs and support services;
- B. The Boys and Girls Clubs joined with the Town in this development through both human resource support and financial contributions of \$417,000 from its Major Capital Funding of Creation of New Childcare Spaces grant allocation and a further \$50,000 from its fund raising programs;
- C. The objective of the Town and the Boys and Girls Clubs is to provide a safe, supportive place where children, youth, parents, adults and seniors can experience new opportunities, overcome barriers, build positive relationships and develop new confidence and skills;
- D. It is the intent of the Town and Boys and Girls Clubs that all reasonable efforts shall be made by the Town and the Boys and Girls Clubs and their respective employees, agents, contractors and invitees to ensure cooperation in the operation and management of the property and the services being offered in the community services building and the Town and the Boys and Girls Clubs shall encourage their respective employees, agents, contractors and invitees to work in a spirit of cooperation.

- E. All programs and activities will support Social Programming.
- F. The parties entered into a lease with respect to the Leased Premises dated for reference August 14, 2010 (the "**Prior Lease**") and this Lease replaces the Prior Lease.

In consideration of the rents, covenants and agreements hereinafter reserved and contained the parties covenant and agree with each other as follows:

1. ESSENTIAL TERMS, DEFINITIONS AND SCHEDULES

1.01 Summary of Essential Terms

This section 1.01 sets out definitions of words and phrases of this Lease. Section 1.01 is for convenience and if a conflict occurs between the provisions of Section 1.01 and any other provision of this Lease, the other provisions of this Lease shall govern.

- 1.01.1 "**Annual Base Rent**" is the sum of Ten dollars (\$10.00) per annum to be paid by the Boys and Girls Clubs to the Town plus applicable provincial or federal taxes, within thirty days of the Commencement Date during the first year of the Term, then on the anniversary of the commencement date during the remaining years of the Term.
- 1.01.2 "**Commencement Date**" August 1, 2016.
- 1.01.3 "**Consortium**" is the four participating organizations: Ladysmith Seniors Centre Society, Ladysmith Resources Centre Association, The Boys and Girls Clubs of Central Vancouver Island and The Town of Ladysmith. The Consortium will cooperate to oversee the events and issues that impact one or more of the Consortium members, establish an annual budget and maintain open communication (as further elaborated in a Memorandum of Understanding.)
- 1.01.4 "**Expiry Date**" is, subject to section 3.01, five (5) years from the Commencement Date.
- 1.01.5 "**Term**" is the period of time set out in section 3.01.

1.02 Definitions

In this Lease, the words, phrases and expressions set forth in Schedule B are used with the meanings defined therein.

1.03 Schedules

The following schedules are attached to and are incorporated as part of this Lease:

Schedule "A" - "Floor Plan of Leased Premises"

Schedule "B" - "Definitions"

Schedule "C" - "Capital Contingency and Replacement Plan"

2. DEMISE OF LEASED PREMISES / USE OF COMMON AREAS

2.01 In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of the Boys and Girls Clubs to be paid, observed, and performed, the Town hereby demises and leases to the Boys and Girls Clubs, and the Boys and Girls Clubs leases from the Town, the Leased Premises.

3. TERM

3.01 The Term of this Lease shall be for the period of five (5) years beginning on the Commencement Date, provided that the Boys and Girls Clubs may renew this Lease for an additional six (6) five (5) year terms by delivering written notice of renewal to the Town at least three (3) months prior to the end of the initial five (5) year term and each of the four (4) subsequent terms, and for certainty a reference in this Lease to "Term" includes a reference to the initial five (5) year period, a renewal, or both.

4. RENT

4.01 The Boys and Girls Clubs shall yield and pay for the Leased Premises unto the Town, at the office of the Town or at such other place as the Town may direct in writing, during the Term in lawful money of Canada without any setoff, abatement, compensation, or deduction whatsoever on the days and at the times hereinafter specified, Rent which shall include the aggregate of the sums specified in sub-sections (a) and (b) below:

(a) Annual Base Rent in the amount per annum set out in sub-section 1.01.1; and

(b) Additional Rent

The aggregate of the following:

- (i) the Boys and Girls Clubs' Share of Operating Costs; and
- (ii) the Boys and Girls Clubs' Share of the Capital Contingency and Replacement Plan as set out on Schedule "C" hereof; and

such other amounts, charges, costs, and expenses agreed to by at least three members of the Consortium and budgeted and reconciled annually as are required to be paid by the Boys and Girls Clubs to the Town pursuant to this Lease in addition to Annual Base Rent.

4.02 The Boys and Girls Clubs shall pay the Rent under this Section 4 to the Town as follows:

(a) Annual Base Rent

The Annual Base Rent will be paid in accordance with section 1.01.1.

(b) Additional Rent Payments

The amount of any or all of the items of Additional Rent under sub-section 4.01(b) which the Boys and Girls Clubs is to pay for such fiscal period or portion thereof is determined under sub-section 4.01(b).

The Boys and Girls Clubs agrees to pay to the Town the amount of Additional Rent in equal monthly installments in advance in amounts and during the period specified by the Consortium on the first day of each month of the Term. As soon as reasonably possible after the end of the fiscal period for which such estimated payments have been made, the Consortium will make a final determination of the Boys and Girls Clubs' Share of Operating Costs and the Boys and Girls Clubs' Share of the Capital Contingency and Replacement Plan for such fiscal period and notify the Boys and Girls Clubs of the actual amount required to be paid as Additional Rent under sub-section 4.01(b). If necessary an adjustment shall be made between the parties and any money owing by or to one party shall be paid or credited within 30 days of such notice.

4.03 Net Lease

The Boys and Girls Clubs acknowledges and agrees that it is intended that this Lease shall be a completely net lease for the Town except as shall be otherwise provided in the specific provisions contained in this Lease, and that the Town shall not be responsible during the Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Leased Premises, and the Boys and Girls Clubs, except as shall be otherwise provided in the specific provisions contained in this Lease, shall pay all charges and costs of every nature and kind relating to the Leased Premises or the use or occupancy thereof, or the contents thereof, or the business carried on therein, provided that the Boys and Girls Clubs shall not be responsible during the Term for any costs related to the exterior of the Building, the roof or the grounds on the Land surrounding the Building.

4.04 In the spirit of cooperation of all parties and as an incentive to make timely payments, if the Boys and Girls Clubs shall fail to pay, when the same is due, any

Additional Rent, such unpaid amount shall bear interest from the due date thereof to date of payment at a rate of three percent (3%) per annum in excess of the Prime Rate. For clarity, if for example the Prime Rate is three percent (3%), the interest charged to the Boys and Girls Clubs will be three percent (3%) plus three percent (3%) equals six percent (6%).

4.05 Place of Payment

All payments required to be made by the Boys and Girls Clubs directly to the Town under or in respect of this Lease shall be made to the Town at the Town's office at 410 Esplanade, Ladysmith, British Columbia V9G 1A2 or to such agent or agents of the Town or at such other place as the Town shall hereinafter from time to time direct in writing to the Boys and Girls Clubs.

5. BOYS AND GIRLS CLUBS' PROPERTY TAX OBLIGATIONS

5.01 The Boys and Girls Clubs shall pay all Capitalized Taxes due and owing; provided that the parties acknowledge and agree that the Building and Leased Premises are currently subject to a permissive property value tax exemption that is expected to expire in the year 2020.

6. UTILITIES

6.01 The Boys and Girls Clubs shall be solely responsible for and shall promptly pay all taxes and charges for water, gas, electricity, telephone and other public and private utilities and services used or consumed in or in respect of the Leased Premises, and for all fittings, machines, apparatus or other things leased or purchased in respect thereof, and for all work or services performed by any corporation or commission in connection with such utilities or services. In no event shall the Town be liable for, nor shall the Town have any obligation with respect to, any interruption or cessation of, or a failure in the supply of, any such utilities, services or systems (including, without limitation, the water and sewage systems) to the Building or to the Leased Premises, whether or not supplied by the Town or others.

6.02 Despite Section 6.01, the Boys and Girls Clubs shall be compensated for utility costs not related to the purposes of the Boys and Girls Clubs but directly caused by the Town in relation to municipal services outside the operation of the leased premises, such as electrical cost during Festival of Lights and lighting and water supply to public space including the public washrooms.

7. INSURANCE

7.01 Boys and Girls Clubs Insurance

During the Term the Boys and Girls Clubs shall maintain in force:

7.01.1 Insurance upon all glass and plate glass in or forming demising walls of the Leased Premises (whether provided by the Town or the Boys and Girls Clubs);

7.01.2 Fire insurance with extended coverage endorsement including earthquake, flood or collapse.

Covering:

(i) all leasehold improvements made or installed by or on behalf of the Boys and Girls Clubs in an amount equal to the full replacement value thereof;

(ii) all the contents of the Leased Premises whether owned by the Boys and Girls Clubs or for which the Boys and Girls Clubs is responsible in an amount at least equal to the actual cash value thereof;

7.01.3 Public liability insurance in an amount to be determined by the Town and in any event to be not less than FIVE MILLION (\$5,000,000.00) DOLLARS inclusive limit per occurrence; and

7.01.4 Any other form or forms of insurance as the Boys and Girls Clubs or the Town or the Town's mortgagees may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent Boys and Girls Clubs and business proprietor would protect itself.

Each such policy shall provide that the insurer shall not have any right of subrogation against the Town on account of any loss or damage covered by such insurance or on account of payments made to discharge claims against or liabilities of the Town or Boys and Girls Clubs covered by such insurance. The cost for each and every such policy shall be paid by the Boys and Girls Clubs. The Boys and Girls Clubs shall obtain from the insurers under such policies, undertakings to notify the Town in writing at least ten (10) days prior to any cancellation or termination thereof. The Boys and Girls Clubs agrees upon written request to provide the Town with certificates of insurance evidencing the policies in effect from time to time.

7.01.5 If the Town places a mortgage on the property the Town will be responsible for any increase in insurance costs including any increase in insurance costs for the Boys and Girls Clubs as they arise due to the Mortgage.

7.02 Insurance Risks

Each party agrees not to do, omit to do, or permit to be done or omitted to be done upon the Leased Premises anything which would cause the other party's cost of insurance to be increased (and, without waiving the foregoing prohibition, a party may demand, and the other party shall pay to the party upon demand, the amount of any such increase of cost caused by anything so done or omitted to be done) or which shall cause policy of insurance to be subject to cancellation.

7.03 Town's Insurance

The Town shall be deemed to have insured (for which purpose it shall be a co-insurer, if and to the extent that it shall not have insured) the Building and all improvements and installations made by the Town in the Leased Premises, except to the extent hereinafter specified, in respect of perils and to amounts and on terms and conditions which from time to time are insurable at a reasonable premium and which are normally insured by reasonably prudent owners of properties similar to the Building, as from time to time determined at reasonable intervals (but which need not be determined more often than annually) by insurance advisors selected by the Town, and whose written opinion shall be conclusive. Upon the request of the Boys and Girls Clubs from time to time the Town will furnish a statement as to the perils in respect of which and the amounts to which it has insured the Building. The Town may maintain such other insurance in such amounts and upon such terms as would normally be carried by a prudent owner. The Boys & Girls Club is responsible for the cost of the Town insurance.

8. OPERATING COSTS

[This section intentionally deleted.]

9. REPAIRS

9.01 Subject to Section 14, the Boys and Girls Clubs shall, at its sole cost maintain the whole of the Leased Premises and every part thereof in a good and reasonable state of repair, with the exception of reasonable wear and tear, except Structural Elements of the Leased Premises, defects in construction performed or installations which the Town may make in its discretion in relation to Insured Damage.

9.02 Subject to Sections 4.01 and 14, the Town may keep in a good and reasonable state of repair, the Building (other than the Leased Premises) including the Structural Elements, roof, exterior walls including glass portions thereof, and entrances provided for use by the Boys and Girls Clubs. For certainty, the Boys and Girls Clubs shall not have responsibility for the cost of any capital item referred to in this section 9.02. Only Town employees or Town contractors shall the perform repair work for the Structural Elements, roof, and exterior walls.

9.03 Without limiting section 10.07, the Town or its agent(s) may at all reasonable times during the Term enter the Leased Premises to inspect the condition thereof and that the Boys and Girls Clubs will carry out their duty to repair according to notice in writing, and that the Boys and Girls Clubs will leave the Leased Premises in a good and reasonable state of repair, subject always to the exceptions referred to in sub-section 9.01. The Boys and Girls Clubs shall give the Town prompt written notice of any defect to the plumbing, climate control apparatus, electrical equipment and wires and any other defect in the Leased Premises and anything connected therewith, forthwith upon the same becoming known to the Boys and Girls Clubs.

9.04 There shall not be any repairs, alterations, replacements, decorations or improvements to any part of the Leased Premises that are beyond the reasonable daily operation without prior joint consultation between Boys and Girls Clubs and the Town.

9.05 All Leasehold Improvements in or upon the Leased Premises shall immediately upon affixation be and become the Town's property without compensation to the Boys and Girls Clubs. Except to the extent otherwise expressly agreed by the Town in writing, no Leasehold Improvements, trade fixtures, furniture, or equipment shall be removed by the Boys and Girls Clubs from the Leased Premises either during or at the expiration or sooner termination of the Term, except that:

- (a) the Boys and Girls Clubs may at the end of the Term remove its trade fixtures;
- (b) the Boys and Girls Clubs shall at the end of the Term remove such of the Leasehold Improvements and trade fixtures as the Town shall require to be removed; and
- (c) the Boys and Girls Clubs shall remove its furniture and equipment at the end of the Term, and also during the Term in the usual and normal course of its business where such furniture or equipment has become excess for the Boys and Girls Clubs' purposes or the Boys and Girls Clubs is substituting therefore new furniture and equipment, and

The Boys and Girls Clubs shall, in the case of every removal either during or at the end of the Term, immediately make good any damage caused to the Leased Premises by the installation and removal.

9.06 The Boys and Girls Clubs shall not create or grant any mortgage, conditional sale agreement, security under the *Bank Act* of Canada or under the *Personal Property Security Act* of British Columbia or any other encumbrance (individually an "**Encumbrance**") in respect of its improvements, trade fixtures, goods or merchandise or permit any such Encumbrance to attach to the Leased Premises without the prior written consent of the Town such consent not be unreasonably withheld. The Boys and Girls Clubs shall promptly pay all its contractors and suppliers and shall do any and all things necessary in order to prevent any

construction or other liens (individually, a "Lien") or orders for the payment of money to be registered against the Leased Premises, the Building or the Land. If any Lien or Encumbrance is granted or filed, the Boys and Girls Clubs shall discharge the same forthwith, after notice thereof is given to The Town, at the Boys and Girls Clubs' expense. If the Boys and Girls Clubs shall fail to cause any such Lien or Encumbrance to be discharged, as aforesaid, then, in addition to any other right or remedy of the Town, the Town may, but shall not be so obligated, discharge same by paying the amount claimed to be due into Court or directly to any such Lien claimant or Encumbrance holder and the amount so paid by the Town and all costs and expenses, including solicitor's fees, on a solicitor own client basis, incurred for the discharge of such Lien or Encumbrance shall be due and payable by the Boys and Girls Clubs to the Town as Additional Rent on demand. The Town will not discharge the same without first providing thirty (30) days advanced written notification to the Boys and Girls Clubs.

9.07 All repairs, servicing and replacements required to be made to any electrical, plumbing, heating, and ventilating or air conditioning systems contained in the Leased Premises and connected to the Building systems or to any locks shall be made by joint agreement with the Town and Boys and Girls Clubs. The costs and expenses of all such repairs and replacements that are not identified in Capital Contingency Replacement Plan (Schedule 'C') shall be paid by the Boys and Girls Clubs to the Town, as Additional Rent, on demand or within the budgeted monthly expenses. If the Structural Elements of the Building or the Leased Premises or any part or parts thereof shall require repair or shall become damaged or destroyed through negligence, carelessness or misuse of the Boys and Girls Clubs or those for whom the Boys and Girls Clubs is in law responsible, the expenses of all repairs and replacements thereto shall be paid by the Boys and Girls Clubs to the Town, as Additional Rent, forthwith upon demand.

9.08 During the Term the Boys and Girls Clubs shall, at its cost, replace all electric light bulbs, fluorescent tubes and ballasts in the Leased Premises when required to ensure the proper operation of the lighting system within the Leased Premises. Such work shall be completed by Town employees or approved Town contractors.

10. USE OF THE LEASED PREMISES

10.01 The Boys and Girls Clubs shall occupy and use the Leased Premises solely for the purpose of the Permitted Use, including all activities required by the Boys and Girls Clubs to carry out its mandate and mission, and no other purpose, unless permitted by the Town in writing.

10.02 Cleanliness

The Boys and Girls Clubs agrees not to permit the Leased Premises to become untidy, unsightly, or hazardous, or permit unreasonable quantities of waste or refuse to accumulate therein, and throughout the Term the Boys and Girls Clubs shall, at its cost, provide all janitorial service in the Leased Premises, including

interior window cleaning and garbage disposal. The Boys and Girls Clubs agree to use environmentally friendly cleaning products in the provisions of janitorial service.

10.03 Compliance with Laws

The Boys and Girls Clubs agrees to comply at its own expense with all municipal, provincial, and federal sanitary, fire, and safety laws, bylaws, regulations, and requirements pertaining to the operation and use of the Leased Premises, the condition of the Leasehold Improvements, trade fixtures, furniture, and equipment installed therein, and the making by the Boys and Girls Clubs of any repairs, changes or improvements therein.

10.04 Installations

The Boys and Girls Clubs agrees to permit the Town during the Term to install any equipment in or make alterations to the Leased Premises necessary to comply with the requirements of any statute, law, bylaw, ordinance, order, or regulation referred to in sub-section 10.03 and imposed after completion of the Town's original construction of the Building, and to permit ingress and egress to and from the Leased Premises by the Town or by its respective employees, servants, workmen, and invitees with prior notification and consent which will not be unreasonably withheld.

10.05 Rules and Regulations

The Boys and Girls Clubs agrees to observe, and to cause its employees, invitees, and others over whom the Boys and Girls Clubs can reasonably be expected to exercise control to observe the Rules and Regulations established from time to time by the Consortium, and such further and other reasonable rules and regulations and amendments and changes therein as may hereafter be made by the Consortium, of which notice in writing shall be given to the Boys and Girls Clubs; and all such rules and regulations shall be deemed to be incorporated into and form part of this Lease.

10.06 Signs

In order to respect the mandate and mission of all the Parties, the Boys and Girls Clubs agrees not to display, place, or affix signs or lettering of any kind without joint prior agreement which will not be unreasonably withheld, anywhere outside the Leased Premises (whether on the outside or inside of the Building) or within the Leased Premises so as to be visible from the outside of the Leased Premises.

10.07 Inspection and Access

The Boys and Girls Clubs agrees to permit the Town and its authorized agents, employees, and contractors to enter the Leased Premises for the purpose of

inspection, maintenance, or making repairs, alterations, or improvements to the Leased Premises or the Building. The Town in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Boys and Girls Clubs' use and enjoyment of the Leased Premises with prior notification and consent which will not be unreasonably withheld.

10.08 Showing Leased Premises

The Boys and Girls Clubs agrees to permit the Town and its authorized agents and employees to show the Leased Premises to prospective tenants during the Normal Business Hours of the last three months of the Term.

10.09 Quiet Enjoyment

Upon payment by the Boys and Girls Clubs of the Annual Base Rent and Additional Rent herein provided and upon the observance and performance of all covenants, terms and conditions on the Boys and Girls Clubs' part to be observed and performed, the Boys and Girls Clubs shall peaceably and quietly hold and enjoy the Leased Premises for the Term without hindrance or interruption by the Town, subject nevertheless to the terms and conditions of this Lease.

11. LIABILITY AND INDEMNIFICATION OF TOWN AND BOYS AND GIRLS CLUBS

11.01 Subject to the Town's obligation to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Town or those for whom at law it is responsible, the Town shall not be liable or responsible in any way for any death or injury occurring in or upon the Leased Premises, or the Building, or for any damage to property of the Boys and Girls Clubs or others located in or upon the Leased Premises, or the Building, or for any loss of profits or consequential damage suffered by the Boys and Girls Clubs or others or for any other loss, damage or injury of any nature whatsoever arising from or out of any occurrence in, upon or relating to the Leased Premises. Without limiting the generality of the foregoing, the Town shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Leased Premises or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause whatsoever.

The Town shall not be liable for any such damage caused by Boys and Girls Clubs or persons in the Building or by occupants of adjacent property, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of the Boys and Girls Clubs kept or stored on the Leased Premises shall be so kept or stored at the risk of the Boys and Girls Clubs only and the Boys and Girls Clubs shall hold the Town harmless from and against any claims arising out of damages to the same.

11.02 Subject to the Town's obligation to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Town or those for whom at law the Town is responsible, the Boys and Girls Clubs will indemnify the Town and save it harmless from and against any and all loss (including, without limitation, loss of monthly rent payable by the Boys and Girls Clubs pursuant to this Lease) claims, actions, damages, liabilities and expenses in connection with loss of life, personal injury or damage to property arising from or out of any occurrence in, upon or at the Leased Premises (for Boys and Girls Clubs) the occupancy or use by the Boys and Girls Clubs of the Leased Premises or any part thereof, however caused, or occasioned wholly or in part by any act, neglect or negligence of the Boys and Girls Clubs or those for whom at law it is responsible. If the Town shall, without fault on its part, be made a party to any litigation commenced by or against the Boys and Girls Clubs, then the Boys and Girls Clubs shall protect and hold the Town harmless and shall pay all costs, expenses and the Town's solicitor own client legal expenses incurred or paid by the Town in connection with such litigation. The Boys and Girls Clubs shall also pay costs, expenses and the Town's solicitor own client legal expenses that are incurred or paid by the Town in enforcing the covenants and agreements contained in this Lease, unless a Court shall otherwise decide.

11.03 Subject to the Boys and Girls Clubs' obligation to repair, to provide insurance and to comply with laws as referred to herein and except as may be caused by the act, neglect or negligence of the Boys and Girls Clubs or those for whom at law the Boys and Girls Clubs is responsible, the Town shall indemnify and save harmless the Boys and Girls Clubs from and against any and all manner of actions or causes of action, damages, costs, loss or expenses of whatever kind (including without limitation legal fees on a solicitor and client basis) which the Boys and Girls Clubs may sustain, incur, or be put to by reason of or arising out of any act, neglect or negligence of the Town or any persons for whom the Town is at law responsible, from the Town's use and occupation of the Building or the Land, and, without limiting the generality of the foregoing, from the non-observance or non-performance by the Town or any persons for whom the Town is, at law, responsible of any of the obligations imposed under the provisions of any laws, ordinances, regulations, or requirements or any federal, provincial, municipal, or other authority, or any of the covenants, agreements, terms, conditions, and provisos contained in this Lease to be observed and performed by the Town; and such liability to indemnify and save harmless shall survive any termination of this Lease and the expiry of the Term or any renewal hereof, anything in this Lease to the contrary notwithstanding.

12. ASSIGNMENT AND SUBLETTING

12.01 For greater certainty the parties agree that the licensing of the Leased Premises or any portion thereof, by the Boys and Girls Clubs for community events and functions, will not constitute an assignment or sublet under this section 12.01. The Boys and Girls Clubs will not assign this Lease in whole or in part nor sublet, part

with or share possession of all or any part of the Leased Premises, nor mortgage nor encumber this Lease or the Boys and Girls Clubs' interest in the Leased Premises or any part thereof, nor suffer nor permit the occupation of all or any part thereof by others (the "**Transfer**") without the prior written consent of the Town in each instance, which consent may not be unreasonably withheld and which shall in every case be subject to the provisions of sub-section 12.02. The consent by the Town to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. This prohibition against assigning or subletting shall be construed to include a prohibition against any Transfer by operation of law. Notwithstanding any assignment or subletting, the Boys and Girls Clubs shall not be relieved from observing and performing the terms, covenants and conditions contained herein on their part to be observed and performed. Any consent pursuant to this section shall be prepared by the Boys and Girls Clubs or its solicitors in such form as may be acceptable to the Town and its solicitors, acting reasonably, and any and all legal costs incurred by the Town for its solicitors to review such form shall be paid by the Boys and Girls Clubs on a solicitor own client basis.

- 12.02 If the Boys and Girls Clubs desires to effect a Transfer, the Boys and Girls Clubs shall give prior written notice to the Town of such desire, specifying therein the name of the proposed assignee, transferee or sub-tenant and such other information as the Town may require and the Town shall within thirty (30) days thereafter notify the Boys and Girls Clubs in writing that it consents or does not consent as aforesaid to the Transfer.

13. BOYS AND GIRLS CLUBS' DEFAULT, REMEDIES OF TOWN AND SURRENDER

- 13.01 The Boys and Girls Clubs acknowledges and agrees that the Town has the absolute right to terminate this Lease in the event of any of the following occurrences:
- (a) non-payment of Additional Rent that remains outstanding for a period of more than ninety (90) days after the Town has given thirty (30) days' written notice of such breach to the Boys and Girls Clubs and the Boys and Girls Clubs has failed to cure such breach;
 - (b) if without the prior written consent of the Town this Lease is assigned by the Boys and Girls Clubs or if the Leased Premises is sub-leased by the Boys and Girls Clubs or, if the Boys and Girls Clubs is a corporation and if as a result of a transfer or conveyance of shares in the Boys and Girls Clubs there is a change in the control of the Boys and Girls Clubs different from that which exists at the date hereof.
 - (c) if this Lease is taken in execution or attachment by any person or the Boys and Girls Clubs commits an act of bankruptcy, becomes insolvent, is

petitioned into bankruptcy or voluntarily enters into an arrangement with its creditors;

- (d) any of the goods and chattels of the Boys and Girls Clubs on the Leased Premises at any time during the Term are seized or taken in execution or attachment by a creditor of the Boys and Girls Clubs.
- (e) the Boys and Girls Clubs makes an assignment for the benefit of creditors which was consented to or did not require consent.
- (f) a receiver or receiver-manager is appointed in respect of any property of the Boys and Girls Clubs or is appointed to control the conduct of the business on or from the Leased Premises.
- (g) an order is made for the winding-up of the Boys and Girls Clubs.

If the Town wishes to exercise its right to terminate the Lease, it will provide six (6) months' written notice to the Boys and Girls Clubs.

13.02 On expiration of the Term or on termination of the Lease pursuant to sub-section 13.01 the Boys and Girls Clubs will:

- (a) forthwith peaceably quit and deliver possession of the Leased Premises to the Town in a safe, clean and sanitary condition.
- (b) forthwith remove from the Leased Premises all machinery and equipment placed or installed on the Leased Premises by or on behalf of the Boys and Girls Clubs during the Term.

and all right, interest and estate of the Boys and Girls Clubs in the Leased Premises will cease and vest in the Town at that time and, to the extent necessary, this covenant will survive the expiration of the Term or the earlier termination thereof.

14. DAMAGE OR DESTRUCTION

14.01 Abatement and Termination

It is agreed between the Town and the Boys and Girls Clubs that in the event of damage to the Leased Premises or to the Building:

- (a) if the damage is such that the Leased Premises or any substantial part thereof are rendered not reasonably capable of use and occupancy by the Boys and Girls Clubs for the purposes of its business for any period of time in excess of 10 days, then:
 - (i) unless the damage was caused by the fault or negligence of the Boys and Girls Clubs or its employees, invitees, or others under its control, from and

after the date of occurrence of the damage and until the Leased Premises are again reasonably capable of use and occupancy as aforesaid, Rent shall abate from time to time in proportion to the part or parts of the Leased Premises not reasonably capable of use and occupancy, and

(ii) unless this Lease is terminated as hereinafter provided, the Boys and Girls Clubs (according to the nature of the damage and its respective obligations to repair as provided in sub-sections 9.01 and 9.02) shall repair such damage with all reasonable diligence, but to the extent that any part of the Leased Premises is not reasonably capable of such use and occupancy by reason of damage which the Boys and Girls Clubs is obligated to repair hereunder, any abatement of Rent to which the Boys and Girls Clubs is otherwise entitled hereunder shall not extend later than the time by which, in the reasonable opinion of the Town, repairs by the Boys and Girls Clubs ought to have been completed with reasonable diligence; and

(b) if either:

(i) the Leased Premises, or

(ii) premises comprising in the aggregate 50% or more of the Rentable Area of the Building are substantially damaged or destroyed by any cause to the extent such that in the reasonable opinion of the Town they cannot be repaired or rebuilt (based on standard hours of construction work) within 240 days after the occurrence of the damage or destruction, then the Town or The Boys and Girls Clubs may at its option, exercisable by written notice to the other party given within 60 days after the occurrence of such damage or destruction, terminate this Lease, in which event neither the Town nor the Boys and Girls Clubs shall be bound to repair as provided in sub-sections 9.01 and 9.02, and the Boys and Girls Clubs shall instead deliver up possession of the Leased Premises to the Town with reasonable expedition but in any event within 60 days after delivery of such notice of termination, and Rent shall be apportioned and paid to the date upon which possession is so delivered up (but subject to any abatement to which the Boys and Girls Clubs may be entitled under sub-section 14.01(a) by reason of the Leased Premises having been rendered in whole or in part not reasonably capable of use and occupancy), but otherwise the Town or the Boys and Girls Clubs as the case may be (according to the nature of the damage and their respective obligations to repair as provided in sub-sections 9.01 and 9.02) shall repair such damage with reasonable diligence.

14.02 Service Interruptions

The Boys and Girls Clubs acknowledges to the Town that the operation of systems and the availability of facilities may be interrupted from time to time in cases of accident and emergency, in order to carry out maintenance, repairs, alterations, replacements, and upgrading, or for any other reasonable reason required by the

Town. During periods of such interruption, any obligation of the Town to provide access to such systems and facilities or common areas of the Building shall be suspended and sub-section 19.01 shall apply.

14.03 Expropriation

The Town and the Boys and Girls Clubs shall cooperate with respect to any public taking of the Building or the Leased Premises or any part thereof so that each of them may receive compensation to which respectively they are entitled at law. Public taking means, without limitation, any expropriation, condemnation or forced sale by the Town to any government, regulatory authority or utility with the powers of expropriation. Compensation shall include indemnifying the Boys and Girls Clubs in regards to compliance.

15. ASSIGNMENT BY TOWN

15.01 The Town may assign or mortgage its rights under this Lease to a lending institution as collateral security for a loan to the Town and in the event that such an assignment or mortgage is given and executed by the Town and notification thereof is given to the Boys and Girls Clubs by or on behalf of the Town it is expressly agreed between the Town and the Boys and Girls Clubs that this Lease shall not be cancelled or modified for any reason whatsoever, except as provided for, anticipated or permitted by the terms of this Lease or by law, without the consent in writing of such lending institution.

15.02 The Boys and Girls Clubs covenants and agrees with the Town that it will, if and whenever reasonably required by the Town, consent to and become a party to any instrument relating to this Lease which may be required by or on behalf of any purchaser, lessee or Mortgagee from time to time of the Land and Building, provided always that the rights of the Boys and Girls Clubs as hereinbefore set out shall not be altered or varied by the terms of such instrument or document.

15.03 Within ten (10) days after written request therefore by the Town of any sale, assignment, lease or mortgage of the Leased Premises, the Lands or the Building by the Town, the Boys and Girls Clubs agrees to deliver a certificate, in the form supplied by the Town at the Town's own expense, to any proposed Mortgagee, assignee or purchaser or to the Town stating (if such be the case) that:

15.03.1 This Lease is unmodified and in full force and effect (or if there have been any modifications, that this Lease is in full force and effect as modified and identify the modification agreements, if any) or if this Lease is not in full force and effect, the certificate shall so state;

15.03.2 The date to which Annual Base Rent and Additional Rent have been paid under this Lease;

15.03.3 Whether or not there is any existing default by the Boys and Girls Clubs in the payment of any Annual Base Rent or Additional Rent, and whether or not there is any other existing default by either party under this Lease, and if there is any such default, specifying the nature and extent thereof;

15.04 Subordination and Attornment

If required by any mortgagee or the holder of any trust deed or trust indenture, this Lease and all rights of the Boys and Girls Clubs hereunder shall be subject and subordinate to all mortgages, trust deeds, or trust indentures now or hereafter existing which may now or hereafter affect the Building and to all renewals, modifications, consolidations, replacements, and extensions thereof; provided that the Boys and Girls Clubs, whenever required by any mortgagee (including any trustee under a trust deed or trust indenture), shall attorn to such mortgagee as the Boys and Girls Clubs upon all of the terms of this Lease. The Boys and Girls Clubs agrees to execute and deliver promptly whenever requested by the Town or by such mortgagee an instrument of subordination or attornment, at the Town's expense, as the case may be, as may be required of it, and if the Boys and Girls Clubs fails to do so within seven days after receiving the instrument, the Boys and Girls Clubs hereby irrevocably and conclusively authorizes the Town to complete, execute, and deliver the instrument for, on behalf of, in the name of, and as agent of, the Boys and Girls Clubs.

15.05 Registration

The Boys and Girls Clubs agrees that the Town shall not be obliged to deliver this Lease in form registrable under the *Land Title Act*, R.S.B.C. 1996, c. 250 and covenants and agrees with the Town not to register this Lease.

16. ENVIRONMENTAL MATTERS

16.01 Definitions

For the purposes of this Section:

- (a) "**Contaminants**" means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, lead, asbestos, asbestos-containing materials, hazardous, corrosive, or toxic substances, special waste, waste polychlorinated biphenyls ("PCBs"), PCB-containing equipment or materials, pesticides, defoliants or any other solid, liquid, gas, vapour, odour, heat, sound, vibration, radiation, or combination of any of them, which is now or hereafter prohibited, controlled, or regulated under Environmental Laws; and
- (b) "**Environmental Laws**" means any statutes, laws, regulations, orders, bylaws, standards, guidelines, protocols, permits, and other lawful

requirements of any governmental authority having jurisdiction over the Leased Premises now or hereafter in force relating in any way to the environment, environmental assessment, health, occupational health and safety, or transportation of dangerous goods, including the principles of common law and equity.

16.02 Boys and Girls Clubs' Covenants and Indemnity

The Boys and Girls Clubs covenants and agrees as follows:

- (a) not to use or permit to be used all or any part of the Leased Premises for the sale, storage, manufacture, disposal, use, or any other dealing with any Contaminants, without the prior written consent of the Town, which may not be unreasonably withheld;
- (b) at its own cost, to strictly comply, and cause any person for whom it is at law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Leased Premises;
- (c) to promptly notify the Town in writing of any release of a Contaminant or any other occurrence or condition at the Leased Premises or any adjacent property which could contaminate the Leased Premises or subject the Town or the Boys and Girls Clubs to any fines, penalties, orders, investigations, or proceedings under Environmental Laws;

16.03 The Town covenants and agrees:

- (a) not to use or permit to be used all or any portion of the Land or Building for the sale, storage, manufacture, disposal, handling, treatment, or any other dealing with any Contaminants, except in compliance with Environmental Laws;
- (b) at its own cost, strictly comply with, and cause those for whom it is responsible at law to comply with all Environmental Laws in its maintenance, use, and occupancy of the Land and Building;

17. CONSTRUCTION OF BUILDING AND LEASED PREMISES

17.01 The parties acknowledge that the Town constructed and/or renovated the Building and Leased Premises in accordance with plans prepared by D'Ambrosio Architecture and Urbanism dated January 25, 2010.

17.02 The obligations of the Town and the Boys and Girls Clubs hereunder to perform at specified times shall always be subject to force majeure which shall include strikes, lockouts or other industrial disturbances, explosion, breakage or accident to machinery, inability to obtain labour, materials or equipment, inability to obtain approvals from any municipality, government authority or public or private

regulated authority, governmental restriction or judicial action, act of God, or any other matter beyond the non-financial control of the Town or the Boys and Girls Clubs. In such event, the specific time shall be extended for periods equal to the lengths of the delays and neither party shall be liable to the other party as a result of such delays.

- 17.03 If there is a dispute arising out of this Section 17 the dispute shall be referred to in writing to the Town's architect whose decision shall be final and binding upon the parties; provided, that if the Town's architect is not available to settle the dispute the same shall be referred to an experienced architect agreed to by the Town and the Boys and Girls Clubs. If the Town and the Boys and Girls Clubs cannot agree on that architect the dispute shall be settled by arbitration pursuant to the provisions of the *Commercial Arbitration Act* of British Columbia.

18. PAYMENT OF BOYS AND GIRLS CLUBS' FUNDING

- 18.01 The parties acknowledge and agree that the Boys and Girls Clubs' financial contributions as set out in Recital B of this Lease were paid to the Town in consideration of the capital cost of the Building and Leased Premises by depositing the contributions in the Town's financial institution in an account, which was accessed by the Town during the initial term of the Prior Lease in accordance with Section 18.01 of the Prior Lease.

19. GENERAL LEASE PROVISIONS

- 19.01 Unavoidable Delay

Except as herein otherwise expressly provided, if and whenever and to the extent that either the Town or the Boys and Girls Clubs shall be prevented, delayed, or restricted in the fulfillment of any obligations hereunder in respect of the supply or provision of any service or utility, the making of any repair, the doing of any work or any other thing (other than the payment of Rent) by reason of civil commotion, war-like operation, invasion, rebellion, hostilities, sabotage, strike, or work stoppage, or being unable to obtain any material, service, utility, or labour required to fulfill such obligation or by reason of any statute, law, or regulation of or inability to obtain any permission from any governmental authority having lawful jurisdiction preventing, delaying, or restricting such fulfillment, or by reason of other unavoidable occurrence other than lack of funds, the time for fulfillment of such obligation shall be extended during the period in which such circumstance operates to prevent, delay, or restrict the fulfillment thereof, and the other party to this Lease shall not be entitled to compensation for any inconvenience, nuisance, or discomfort thereby occasioned, nor shall rent abate; but nevertheless the Town will use reasonable efforts to maintain services essential to the use and enjoyment of the Leased Premises.

19.02 No Admission

The acceptance of any rent from or the performance of any obligation hereunder by a person other than the Boys and Girls Clubs shall not be construed as an admission by the Town of any right, title, or interest of such person as a sub-tenant assignee, transferee, or otherwise in the place and stead of the Boys and Girls Clubs.

19.03 Part Payment

The acceptance by the Town of a part payment of any sums required to be paid hereunder shall not constitute waiver or release of the right of the Town to payment in full of such sums.

19.04 Notices

Any notice required or contemplated by any provision of this Lease shall be given in writing, and if to the Town, either delivered to an executive officer of the Town or delivered or mailed (by prepaid registered mail) to the Town at:

410 Esplanade, PO Box 220, Ladysmith British Columbia V9G 1A2

and if to the Boys and Girls Clubs, either delivered to the Boys and Girls Clubs personally (or to a partner or officer of the Boys and Girls Clubs if the Boys and Girls Clubs is a firm or corporation) or delivered or mailed (by prepaid registered mail) to the Boys and Girls Clubs at:

20 Fifth Street, Nanaimo, British Columbia V9R 1M7.

Any notice, direction or instrument aforesaid shall:

- (a) if delivered, be deemed to have been given or made at the time of delivery;
- (b) if mailed by registered mail in Canada and properly addressed be deemed to have been given or made on the third day following the day on which it was so mailed; provided that if mailed, should there be, at the time of mailing or between the time of mailing and the actual receipt of the notice, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice by the mails, then such notice shall be only effective if actually delivered; and
- (c) if sent by telex, telecommunication device or other similar form of communication, be deemed to have been given or made on the day following the day on which it was sent.

Any party may give written notice of change of address in the same manner, in which event such notice shall thereafter be given to it as above provided at such changed address.

19.05 Extraneous Agreements

The Boys and Girls Clubs acknowledges that there are no covenants, representations, warranties, agreements, or conditions expressed or implied relating to this Lease or the Leased Premises save as expressly set out in this Lease and in any agreement to lease in writing between the Town and the Boys and Girls Clubs pursuant to which this Lease has been executed. In the event of any conflict between the terms of this Lease and such agreement to lease, the terms of this Lease shall prevail. This Lease may not be modified except by an agreement in writing executed by the Town and the Boys and Girls Clubs.

19.06 Time of Essence

Time shall be of the essence of this Lease.

19.07 Area Determination

The Rentable Area of any premises (including the Leased Premises) or the Building shall be determined by the Town's architect or surveyor from time to time appointed for the purpose. Such determination shall be conclusive.

19.08 Successors and Assigns

This Lease and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns of the Town and its heirs, executors, and administrators and the permitted successors and permitted assigns of the Boys and Girls Clubs. References to the Boys and Girls Clubs shall be read with such changes in gender as may be appropriate, depending upon whether the Boys and Girls Clubs is a male or female person or a firm or corporation. If the Boys and Girls Clubs is comprised of more than one person or entity, then each such person and entity is jointly and severally bound by the representations, warranties, agreements, and covenants of the Boys and Girls Clubs herein and any notice given or deemed to have been given at any time to any such person or entity shall be deemed to have been given at the same time to each other such person and entity.

19.09 Frustration

Notwithstanding the occurrence or existence of any event or circumstance or the non-occurrence of any event or circumstance, and so often and for so long as the same may occur or continue which, but for this sub-section 19.09, would frustrate or void this Lease, and notwithstanding any statutory provision to the contrary, the obligations and liabilities of the Town and Boys and Girls Clubs hereunder shall

continue in full force and effect as if such event or circumstance had not occurred or existed

19.10 Waiver

No condoning, excusing, or overlooking by the Town or Boys and Girls Clubs of any default, breach, or non-observance by the Boys and Girls Clubs or the Town at any time or times in respect of any covenant, proviso, or condition herein contained shall operate as a waiver of the Town's or the Boys and Girls Clubs' rights hereunder in respect of any continuing or subsequent default, breach, or non-observance or so as to defeat or affect in any way the rights of the Town or the Boys and Girls Clubs herein in respect of any such continuing or subsequent default or breach, no acceptance of rent by the Town subsequent to a default by the Boys and Girls Clubs (whether or not the Town knows of the default) shall operate as a waiver by the Town, and no waiver shall be inferred from or implied by anything done or omitted by the Town or the Boys and Girls Clubs save only express waiver in writing.

19.11 Governing Law and Severability

This Lease shall be governed by and construed in accordance with the laws in force in the province of British Columbia. The Town and the Boys and Girls Clubs agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section hereof. Should any provision or provisions of this Lease be illegal or not enforceable, it or they shall be considered separate and severable from the Lease and its remaining provisions shall remain in force and be binding upon the parties as though the said provision or provisions had never been included.

19.12 Captions

The captions appearing in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit, or enlarge the scope or meaning of this Lease or of any provision thereof.

19.13 General Arbitration

The Town and Boys and Girls Clubs agree to try to resolve disputes in the spirit of cooperation as set out in Recital D of this Lease, first by their respective staff, failing that, by the Town Manager of Ladysmith and Executive Director of the Boys and Girls Clubs, and failing that, by resolutions of the Town Council of Ladysmith and Board of Directors of the Boys and Girls Clubs.

Any dispute between the Town and the Boys and Girls Clubs which cannot be resolved by resolutions of the Town Council of Ladysmith and the Board of Directors of the Boys and Girls Clubs within 30 days shall be determined by one (1) or three (3) arbitrators pursuant to the provisions of the *Commercial Arbitration Act* of British Columbia (or its successor legislation).

20. Capital Liability

20.01 Nothing in this Lease obligates the Town to incur a capital liability.

IN WITNESS WHEREOF the parties have executed this Lease.

**THE CORPORATION OF THE TOWN OF
LADYSMITH**

Per: _____
Mayor

Per: _____
Corporate Officer

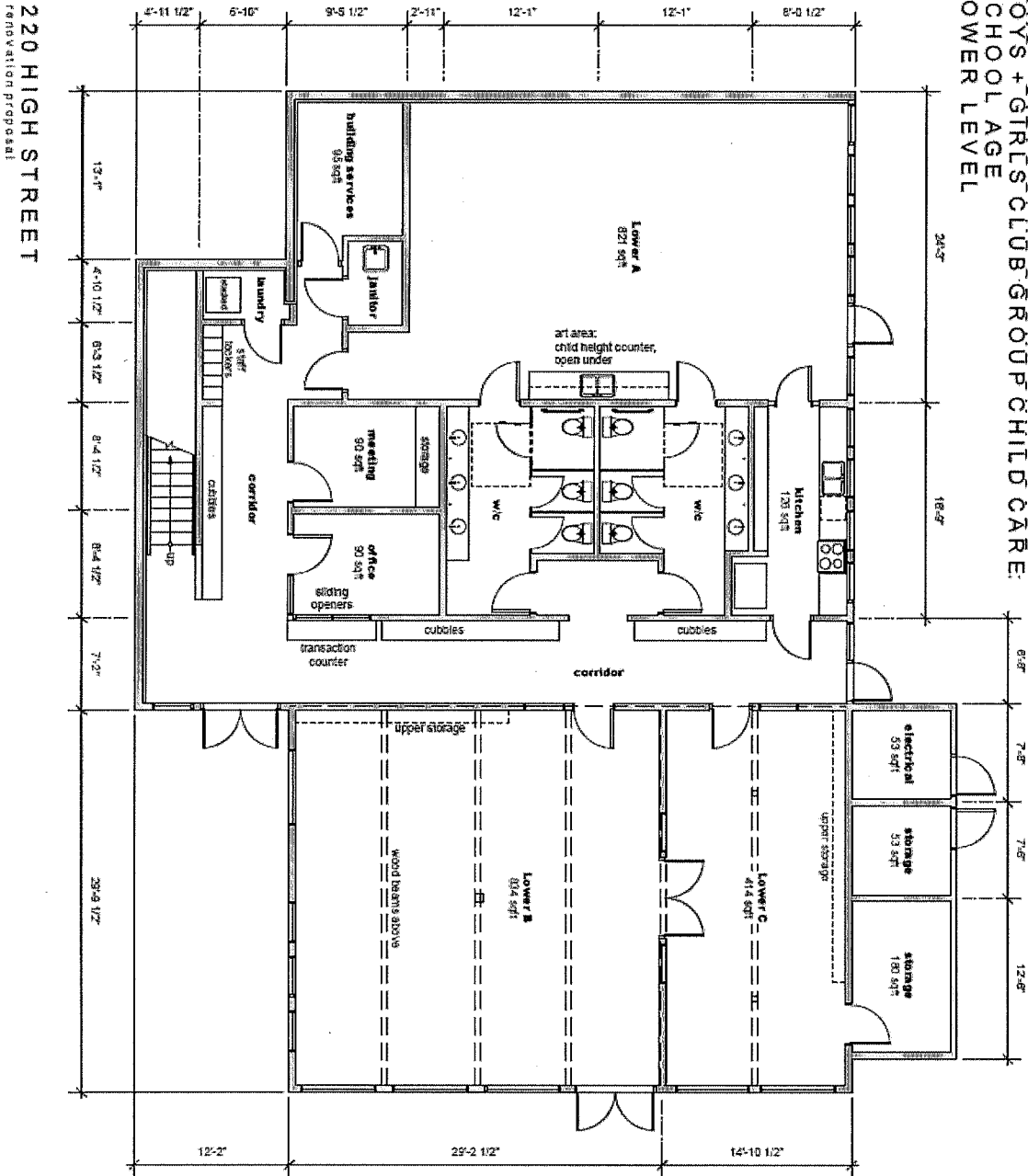
**BOYS AND GIRLS CLUBS OF CENTRAL
VANCOUVER ISLAND**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory


SCHEDULE A FLOOR PLAN(S) OF THE LEASED PREMISES

BOYS + GIRLS CLUB GROUP CHILD CARE:
SCHOOL AGE
LOWER LEVEL



Notes:
Design subject to review for compliance with building code provisions regarding fire protection, occupant safety, and accessibility.
Areas and dimensions shown are subject to refinement.

Areas Required for Licensing		Children Area Req'd. Area Provided	
Group child care Under 36 months	12	478	500 + 80
Group child care 30 months to school age	24	956	939 + 90
Group child care School age	10	398	414
School age	20	796	821
School age	20	796	834


 SCALE: 1/8" = 1'-0"
 0 5 10
D'AMBROSIO
 architecture + urbanism
 JAN 20 2008

SCHEDULE B DEFINITIONS

In this Lease the following expressions shall have the following meanings:

"Additional Rent" means all sums of money to be paid by the Boys and Girls Clubs, whether to the Town or otherwise under this Lease, except for Annual Base Rent and goods and services tax payable by the Boys and Girls Clubs;

"Agency Operating Costs" means costs associated with the use and occupancy of the building only within the Leased Premises and/or directly related to program specific activities/uses. This would include security, supervision, traffic control, janitorial, window cleaning, waste collection, disposal and recycling services, and the costs of machinery, supplies, tools, equipment, and materials used in connection with the operation, administration, or management of Leased Premises. It would also include costs of providing electric light and power, fuel, water, telephone, gas, sewage disposal, and other utilities, and costs of replacing building standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs, and controls. These costs will be the responsibility of the Tenant.

"Annual Base Rent" means the annual rent set out in sub-section 1.01.1 and payable by the Boys and Girls Clubs as set forth in sub-section 4.02(a);

"Boys and Girls Clubs' Share" means one hundred percent (100%);

"Building" means that certain building at 220 High Street and those certain areas and improvements to be constructed on the Land and all additions and replacements thereto;

"Capital Cost Contingency Reserve Fund" means major building elements such as mechanical, HVAC and electrical building systems equipment and fixtures (but not system distribution) and flooring, and exterior building envelope (such as doors, windows, siding or roofing). The fund is created through contributions by both the Tenant(s) (for interior building systems equipment and flooring) and the Owner (for exterior building envelope items). The fund will be held by the Owner in Trust, and the required contribution amount will be reviewed by the parties to the Lease, in conjunction with the end of each lease term (every 5 years).

"Capitalized Taxes" means and includes any and all goods and services taxes, harmonized taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Town or the Boys and Girls Clubs from time to time in respect of the Rent payable by the Boys and Girls Clubs to the Town under this Lease or the rental of the Leased Premises or the provision of any goods, services, or utilities whatsoever by the Town to the Boys and Girls Clubs under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, harmonized sales tax, business transfer tax, or otherwise;

"Commencement Date" means the date the Term commences as set forth in or determined under sub-section 1.01.2 (June 1, 2016);

"Essential Terms" means those terms set out in sub-section 1.01, some of which are more particularly defined in this Schedule B;

"Insured Damage" means that part of any damage occurring to any portion of the Leased Premises for which the Town is responsible, of which the entire cost of repair is actually recoverable by the Town under a policy of insurance in respect of fire and other perils from time to time effected by the Town, or, if and to the extent that the Town has not insured and is deemed to be a co-insurer or self-insurer under sub-section 7.03, would have been recoverable had the Town effected insurance in respect of perils, to amounts and on terms for which it is deemed to be insured;

"Land" means that parcel of land, in Ladysmith, British Columbia, more particularly described as: Lot A, VIP 68919, DL 56, Oyster Land District;

"Lease Year" means, in the case of the first Lease Year, the period beginning on the Commencement Date and terminating 12 months from the last day of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall terminate on the day prior to the first anniversary of the Commencement Date) and, in the case of each subsequent Lease Year, means each 12-month period after the first Lease Year;

"Leased Premises" means the Building located at 220 High Street, Ladysmith, British Columbia, on the Land containing the aggregate number of square metres, more or less, of 630.1 square metres and having the appropriate location and configuration shown outlined in heavy dark line on the plan(s) attached as Schedule A. The exterior face of the Building and any space or vertical penetration in the Leased Premises used for stacks, shafts, pipes, conduits, ducts, or other building facilities, heating, electrical, plumbing, air conditioning, and other Building systems supplied by the Town are expressly excluded from the Leased Premises;

"Leasehold Improvements" means all fixtures, improvements, installations, alterations, and additions now or from time to time hereafter made, erected, or installed, whether by the Boys and Girls Clubs, the Town or anyone else, in the Leased Premises or in other premises in the Building with the exception of trade fixtures and furniture and equipment not of the nature of fixtures, but includes all partitions however fixed (including movable partitions) and includes all wall-to-wall carpeting with the exception of such carpeting where laid over vinyl tile or other finished floor and affixed so as to be readily removable without damage;

"Normal Business Hours" means the hours from 6:00 a.m. to 10:00 p.m. Monday to Sunday, inclusive, of each week;

"Operating Cost" means, subject to the exclusions and deductions set out below, the total, without duplication, of the costs, expenses, fees, rentals, disbursements, and outlays (in this definition referred to collectively as "costs") of every kind paid, payable, or incurred by or on behalf of the Town on an accrual basis consistent with generally accepted accounting principles and fully chargeable in the year in which they were incurred (except as expressly set out below) in accordance with generally accepted accounting principles in the

maintenance, repair, operation, administration, and management of the Land and Building. Without limiting the generality of the foregoing, Operating Cost shall include (other than those costs for which the Boys and Girls Clubs is liable directly):

- (1) costs of providing (from the Boys and Girls Clubs) security, supervision, traffic control, janitorial, window cleaning, waste collection, disposal and recycling services, and the costs of machinery, supplies, tools, equipment, and materials used in connection with the operation, administration, or management of the Land and Building or any rentals thereof;
- (2) costs of providing electric light and power, fuel, water, telephone, steam, gas, sewage disposal, and other utilities, and costs of replacing building-standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs, and controls;
- (3) costs of all insurance, which the Town is obligated or permitted to obtain under this Lease;
- (4) sales, goods and services, harmonized sales tax, and excise or other taxes on goods and services provided by or on behalf of the Town in connection with the maintenance, repair, operation, administration, or management of the Building net of input tax credits, refunds, or rebates (to the extent the Town receives and utilizes same);
- (5) costs of repairs, servicing and alterations to the Building (including those required to comply with applicable laws or the requirements of the Town's insurers, which become effective or are imposed after substantial completion of the original construction of the relevant structure) to the extent reasonably allocated by the Town to any fiscal period;
- (6) the cost of all auditing, accounting, bookkeeping, legal (on a solicitor own client basis), architectural, appraisal, inspection, surveying and any other professional and consulting services and expenses incurred by or on behalf of the Town and at the Town's expense with respect to or which relate to the Leased Premises or any part thereof.
- (7) the net cost to install and monitor the Fire Alarm panel and the Security Alarm panel shall be split 50/50 between the Town and the Boys and Girls Club.

excluding therefrom the following (except as specifically included above):

- (7) corporation capital tax or any replacements;
- (8) debt service of the Town and income tax of the Town;
- (9) the net insurance proceeds received by the Town to the extent that such proceeds reimburse the Town for the cost to repair and recoveries by the Town in respect of warranties and guarantees or damage and destruction;

- (10) landscaping maintenance of the lawns and flower beds and snow removal on the Land, which the Town will provide at its expense;
- (11) except as set out in the Capital Contingency and Replacement Plan attached as Schedule "C", repairs to the Structural Elements or repairs to remedy construction or design defects identified by the Town's architect within the first year after substantial completion of the Building;

And without limitation includes Property Management and Building Operating Costs and Agency Operating Costs;

"Permitted Use" means use by participants in the Boys and Girls Clubs programs events and activities as well as rentals that support the mission of the Boys and Girls Clubs of Central Vancouver Island and the Social Programs definition with this Lease;

"Prime Rate" means that rate of interest declared from time to time by the main branch in Ladysmith, British Columbia, of the financial institution to the Town as the annual rate of interest used by such bank as its reference rate in setting interest rates for commercial loans of Canadian dollars in Canada and commonly referred to by such bank as its "prime rate";

"Property Management and Building Operating Costs" means estimated costs (other than costs identified as Level 1 or Level 3 costs or otherwise specifically stated in the Lease) for building maintenance and repairs and preventative maintenance outside the designated Leased Premises as indicated in the Lease. It also includes:

- (1) costs of all insurance, which the Town is obligated or permitted to obtain under this Lease;
- (2) sales, goods and services, harmonized sales tax, and excise or other taxes on goods and services provided by on or behalf of the Town in connection with the maintenance, repair, operation, administration, or management of the Building net of input tax credits, refunds, or rebates (to the extent the Town receives and utilizes same);
- (3) costs of repairs and alterations to the Building (including those required to comply with applicable laws or the requirements of the Town's insurers, which become effective or are imposed after substantial completion of the original construction of the relevant structure) to the extent reasonably allocated by the Town to any fiscal period;
- (4) the cost of all auditing, accounting, bookkeeping, legal (on a solicitor own client basis), architectural, appraisal, inspection, surveying and any other professional and consulting services and expenses incurred by or on behalf of the Town with respect to or which relate to the Land and Building or any part thereof.

excluding the following (except as specifically included above):

- (1) corporation capital tax or any replacements;
- (2) debt service of the Town;
- (3) the net insurance proceeds received by the Town to the extent that such proceeds reimburse the Town for the cost to repair and recoveries by the Town in respect of warranties and guarantees or damage and destruction;
- (4) landscaping maintenance of the lawns and flower beds and snow removal on the Land, which the Town will provide at its expense;
- (5) except as set out in the Capital Cost Contingency Reserve Fund, attached as Schedule "C", repairs to the Structural Elements or repairs to remedy construction or design defects identified by the Town's architect within the first year after substantial completion of the Building.

This fund is created through contributions by both the Tenant(s) and the Owner, as determined by the Consortium on an annual basis. The fund will be held by a member of the Consortium, as agreed to by the Consortium.

"Rent" means the Annual Base Rent, Additional Rent, and all other sums payable by the Boys and Girls Clubs to the Town under this Lease except for goods and services tax payable by the Boys and Girls Clubs;

"Rentable Area", whether in the case of a whole floor of the Building or in the case of premises comprising part of a floor of the Building, shall be determined by the Town's architect or land surveyor;

"Social Programming" Means organized activities and services to improve the conditions of disadvantaged people within society and to protect citizens from economic risk, insecurities of life, ensuring social justice and human rights for individuals, families, groups, organizations and communities, within the mandate of the Boys and Girls Clubs.

"Structural Elements" means specifically the foundations, structural sub-floor, slab, bearing walls, structural columns and beams and the structural components of the roof.

"Term" means the term of this Lease set forth in sub-section 1.01.5, including any renewal or extension thereof and any period of permitted overholding; and

"Total Rentable Area" means the total Rentable Area of the Building, whether rented or not, calculated as nearly as possible as if the Building were entirely occupied by Boys and Girls Clubs renting whole floors. The calculation of the Total Rentable Area, whether rented or not, shall be adjusted from time to time to give effect to any structural change in the Building.

"Town" means the person executing this Lease and includes its successors and assigns; and in the definition of "Operating Cost" references to "Town" include the owner of the Land and Building as registered in the applicable land title office and any and all beneficial owners of the Land and Building;

**SCHEDULE C
CAPITAL COST CONTINGENCY RESERVE FUND**

Following is a schedule of replacement costs for the following list of Building components included in the Capital Cost Contingency Reserve Fund, (see definitions) as well as the projected life span for each component:

CAPITAL CONTINGENCY ITEMS	LOCATION	QUANTITY	YEAR INSTALLED	CYCLE FACTOR	ACTION YEAR	VALUE	ATTRIBUTES	MONTHLY INSTALLMENT
Heat Pump	Roof Top	2	2010	15	2025	\$ 14,800	Air Flow 1200 CFM	\$ 82
Heat Pump	Roof Top	1	2010	15	2025	\$ 7,400	Air Flow 960 CFM	\$ 41
Heat Pump	Roof Top	2	2010	15	2025	\$ 14,000	Air Flow 1600 CFM	\$ 78
Heat Recovery Ventilator	Roof Top	1	2010	20	2030	\$ 8,000	Air Flow 1000 CFM	\$ 33
Recirculating Pump	Mechanical Room	2	2010	20	2030	\$ 800	Flow 5gpm Pump Head 10ft	\$ 3
Floor	Rooms, Corridors	1	2010	30	2040	\$ 52,000	Marmoleum	\$ 144

Average	19.17	Total	\$ 97,000
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Total cost \$97,000 ÷ average cycle factor ÷ 12 months = \$422 per month

The Town will amortize each component's cost or estimated value as the case may be over the projected life span for each component and produce an aggregate annual Capital Contingency and Replacement Plan amount.

The Boys and Girls Clubs agrees to pay during the Term the Boys and Girls Clubs' Share of the annual Capital Contingency and Replacement Plan amount in equal amounts monthly on the first day of each month, in advance, with the Boys and Girls Clubs' Share of Operating Costs.

The Town agrees to hold in trust the Capital Contingency and Replacement Plan amount in a separate account. The Town also agrees to allocate the funds and any interest accrued from the fund solely to the repairs and replacements identified in Schedule C.

TOWN OF LADYSMITH

BYLAW NO. 1905

A bylaw to provide for the appointment of Officers for the Town of Ladysmith and to prescribe the powers, duties and responsibilities of such officers including the delegation of authority.

WHEREAS Council must, by bylaw, establish officers' positions having responsibility under the *Community Charter*, SBC 2006 c. 26;

AND WHEREAS Council may, by bylaw, delegate certain powers, duties and functions to its officers and employees;

NOW, THEREFORE, in open meeting assembled, the Council of the Town of Ladysmith enacts as follows:

Citation

1. This bylaw may be cited for all purposes as the "Ladysmith Officers and Delegation of Authority Bylaw 2016, No. 1905".

Definitions

2. In this bylaw:

"Approving Officer"	Has the same meaning as "Approving Officer" in the Town of Ladysmith Subdivision and Development Servicing Bylaw 2013, No. 1834;
"Bylaw"	Means this Ladysmith Officers and Delegation of Authority Bylaw 2016, No. 1905;
"Department Director"	As defined in Schedule 'A', attached to and forming part of this bylaw;
"Department Manager"	As defined in Schedule 'A', attached to and forming part of this bylaw;
"Emergency"	Means a situation which may endanger the health and/or safety of any Town employee, member of the public or Town asset, as declared by Council;
"Employee"	Means a person employed by the Town of Ladysmith other than a Statutory Officer;
"Financial Plan"	Has the same meaning as "financial plan" as defined in the <i>Community Charter</i> ;
"Panhandle Parcel"	Has the same meaning as "Panhandle Parcel" in the Town of Ladysmith Subdivision and Development Bylaw 2013, No. 1834;
"Special Event"	Means any organized event or gathering taking place on Town-owned property for a limited or fixed duration;
"Special Occasion License"	Means a special occasion license issued pursuant to the <i>Liquor Control and Licensing Act</i> ;
"Statutory Officer"	Means a person appointed under Section 146 of the <i>Community Charter</i> ;
"Town"	Means the Town of Ladysmith;
"Zoning Bylaw"	Means the "Town of Ladysmith Zoning Bylaw 2014, No. 1860".

Establishment of Statutory Officer Positions

3. The person holding the position of Chief Administrative Officer is established as a Statutory Officer of the Town.
4. The person holding the position of Director of Corporate Services is established as a Statutory Officer of the Town.
5. The person holding the position of Director of Financial Services is established as a Statutory Officer of the Town.
6. Nothing in this Bylaw shall prevent the appointment of the same person to two or more offices or positions.
7. The selection and appointment of the Chief Administrative Officer shall be made by Council.
8. The selection and appointment of all Department Directors is delegated to the Chief Administrative Officer.
9. The selection and appointment of the acting Chief Administrative Officer for a consecutive period of less than one month is delegated to the Chief Administrative Officer.
10. The selection and appointment of the acting Chief Administrative Officer for a consecutive period of greater than one month shall be made by Council.

Power and Duties of the Chief Administrative Officer

11. The Chief Administrative Officer has the following duties, powers and functions:
 - a. fulfilling the powers, duties and functions applicable to the Chief Administrative Officer described in Section 147 of the *Community Charter*;
 - b. selecting and appointing the Statutory Officers and other Department Directors of the Town;
 - c. determining the compensation of non-union employees in accordance with the corporate policies and budgets established by Council;
 - d. appointing, promoting, disciplining, and suspending any employee of the Town, and terminating any employee of the Town other than Statutory Officers, subject to any contract of employment or collective agreement in force;
 - e. subject to Council approval, negotiating all collective agreements;
 - f. implementing all Council approved policies and directives;
 - g. preparing and submitting such reports and recommendations as may be required by Council;
 - h. retaining legal counsel on behalf of the Town;
 - i. assigning additional responsibilities to a Statutory Officer, including acting on behalf of another Statutory Officer in his or her absence; and
 - j. designating an acting Chief Administrative Officer to act in his or her absence, pursuant to section 9 hereof.

Powers and Duties of the Director of Corporate Services

12. The Director of Corporate Services has the powers, duties and functions described in Section 148 of the *Community Charter* and other provisions applicable to the Corporate Officer in the *Community Charter* or any other enactments.
13. Council hereby delegates to the Director of Corporate Services the following powers, duties and functions:
 - a. approving applications for temporary private uses of municipal streets, including, but not limited to, parades, walk-a-thons, fundraisers and races;
 - b. entering into leases of two years or less and the ability to set rental rates and conditions associated with these leases;
 - c. approving the location and use of fireworks in accordance with Cowichan Valley Regional District Bylaw No. 39 – Fireworks Sale and Discharge Regulation Bylaw, 1970 and in consultation with the Fire Chief;

- d. the power to accept a restrictive covenant or amendment to a restrictive covenant under section 56 of the *Community Charter* or section 219 of the *Land Title Act*;
- e. the power to execute on behalf of the Town a discharge of a restrictive covenant referred to in subsection (d) which is no longer required or is to be replaced;
- f. the power to acquire a statutory right of way or easement or amendment to a statutory right of way or easement on behalf of the Town in connection with the operation of a sewer, water or drainage works, or for other purposes, such as trails or pedestrian or vehicular access;
- g. the power to execute a discharge of a statutory right of way or easement referred to in subsection (f) which is no longer required by the Town or is to be replaced;
- h. the power to enter into a lease or license of real property or a renewal or amendment of a lease or license of real property necessary or convenient for the operation and maintenance of the works or activities of the Town;
- i. despite subsection (h), the delegation of authority under subsection (h) does not include a lease or license of real property having a term, including all extensions or rights of renewal, greater than 2 years.

Powers and Duties of the Director of Financial Services

14. The Director of Financial Services has powers, duties and function applicable to the Financial Officer in accordance with Section 149 of the *Community Charter* and other provisions applicable to the Financial Officer in the *Community Charter* or any other enactments.
15. The Director of Financial Services is authorized to administer any system of discount, interest, penalty, payment and refund of fees established by bylaw.

Powers and Duties of the Director of Parks, Recreation and Culture

16. Council hereby delegates to the Director of Parks, Recreation and Culture the following powers, duties and functions:
 - a. approving Special Events on land reserved, dedicated, or held for park purposes, where such use is consistent with the Zoning Bylaw and any restrictions on title;
 - b. approving Special Occasion Licences pertaining to the aforementioned Special Events obtained in accordance with the *Liquor Control and Licensing Act*.
17. The Director of Parks, Recreation and Culture is hereby authorized to administer any system of discount, interest, penalty, payment, and refund of fees associated with any parks or recreation facility or program, pursuant to the Town of Ladysmith Community Centre and Facilities Fees and Charges Bylaw 2015, No. 1884 in accordance with applicable policies established from time to time by Council.

Powers and Duties of the Director of Infrastructure Services

18. Council hereby delegates to the Director of Infrastructure Services the powers, duties and functions with respect to approving the location, designation and control of on-street parking and loading areas, in accordance with the conditions specified in Streets and Traffic Bylaw No. 1309.

Powers and Duties of the Director of Development Services

19. Council hereby delegates to the Director of Development Services the powers, duties and functions to issue development permits for signage and façade improvements, and issue amendments to development permits.

Powers and Duties of Approving Officer

20. Council hereby delegates to the Approving Officer the powers, duties, and functions under section 512(2) of the *Local Government Act* to approve the subdivision of land into parcels, including Panhandle Parcels, that do not have a minimum highway frontage greater than:
 - a. 10% of the perimeter of the parcel that fronts the highway; and
 - b. the minimum highway frontage required by the Town of Ladysmith Subdivision and Development Servicing Bylaw 13, No. 1834.

Delegation of Purchasing Authority

21. Council hereby delegates all of the powers, duties and functions of Council to authorize the execution of contracts and purchases of goods and services on behalf of the Town to the Department Director for the department for which the goods and services are to be provided, as approved in the Financial Plan, and subject to the monetary limits set out in Schedule 'B', and the Town's Purchasing Policy as adopted by Council and amended from time to time, and any applicable enactments or the New West Partnership Trade Agreement.

Delegation to Persons Holding Position

22. Where this Bylaw delegates a power, duty or function to a Statutory Officer or other Department Director, the delegation of the power, duty or function is to the person who holds the position and to any person who is the deputy of that person, or other person appointed to act in the place of that person.

No Delegation by a Delegate

23. For clarity, a person to whom a power, duty or function has been delegated under this bylaw has no authority to further delegate to another person any power, duty or function that has been delegated by this bylaw.

Reconsideration by Council

24. A decision of a delegate may be reconsidered by Council on submission of a written request for reconsideration to the Director of Corporate Services, within thirty days after the decision is delivered to or made available to the applicant.
25. The request for reconsideration must include the following:
 - a. the applicant's address for receiving correspondence related to the request for reconsideration;
 - b. a copy of the written decision;
 - c. reasons why the applicant wishes the decision to be reconsidered by Council;
 - d. the decision which the applicant requests be made by Council;
 - e. reasons in support of the decision requested from Council; and
 - f. a copy of any documents which support the applicant's request for reconsideration by Council.
26. At the reconsideration of a decision, the applicant is entitled to be heard by Council in person or by a representative.
27. The Council may, following completion of its reconsideration, do one or more of the following:
 - a. confirm all or part of the delegate's decision;
 - b. set aside all or part of the delegate's decision;
 - c. amend the delegate's decision or make a new decision.
28. The Council may adjourn a reconsideration under this section.

Notice of Reconsideration

29. The Director of Corporate Services must, upon receiving an application for reconsideration:
 - a. place the request for reconsideration on the agenda for a regular meeting of Council to be held at least two weeks after the date on which the request for reconsideration is delivered to the Director of Corporate Services;
 - b. notify the applicant of the date for reconsideration by regular mail sent to the applicant's address provided under Section 25.

Repeal

30. Delegation Bylaw 2007, No. 1614 and any and all amendments are hereby repealed.

READ A FIRST TIME on the	16 th day of	May, 2016
READ A SECOND TIME on the	16 th day of	May, 2016
READ A THIRD TIME on the	day of	May, 2016
ADOPTED on the	day of	, 2016

Mayor (A. Stone)

Corporate Officer (S. Bowden)

TOWN OF LADYSMITH

OFFICERS AND DELEGATION OF AUTHORITY BYLAW 2016, No. 1905

Schedule 'A'

In this Bylaw:

“Department Director”

Includes the following positions:

- Director of Corporate Services
- Director of Financial Services
- Director of Development Services
- Director of Infrastructure Services
- Director of Parks, Recreation and Culture

“Department Manager”

Includes the following positions:

- Manager of Administration
- Manager of Public Works
- Manager of Accounting Services
- Manager of Human Resources

TOWN OF LADYSMITH**OFFICERS AND DELEGATION OF AUTHORITY BYLAW 2016, No. 1905****Schedule 'B'**

This schedule refers to the approvals required for various procurement levels. Other than in emergencies, budget approval is required before procurement begins.

Value of Purchase or Contract	Commitment Authority
Less than \$2,999.99	Employees designated by Department Directors.
\$3,000.00 to \$9,999.99	Department Managers. *
\$10,000.00 to \$24,999.99	Department Directors.
\$25,000.00 to \$249,999.99	Approval of the Chief Administrative Officer together with the Approval of the Director of Financial Services.
Greater than \$250,000.00	Recommendation to award to be approved by Town Council.