

STAFF REPORT

DATE: August 5, 2020

FILE: 0360-20

TO: Chair and Directors,
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: QUADRA ISLAND COMMUNITY HALL SERVICE AND LEASE AGREEMENT

PURPOSE/PROBLEM

To consider a recommendation from the Electoral Areas Services Committee that the Regional District renew the contract with the Quadra Island Recreation Society for its lease of the Quadra Island Community Centre and Blenkin Memorial Park.

EXECUTIVE SUMMARY

The attached report was considered at the July 22, 2020 meeting of the Electoral Areas Services Committee at which time the following resolution was passed:

Anderson/Leigh: EASC 134/20

THAT the Committee recommend that the agreement with the Quadra Island Recreation Society (QIRS) for the operation of services and the lease of real property legally described as Lot 2 of District Lot 205, Sayward District, Plan VIP58301 and known as Blenkin Memorial Park be extended for a period of five years commencing January 1, 2021, including subsequent 5 year renewals as approved through the financial plan, and

THAT the Chair and Corporate Officer be authorized to execute the modification agreement to Schedule 'A' Terms of Instrument (Agreement) of Bylaw 189..

The attached bylaw has been prepared for the Board's consideration and proposes to authorize a further 5-year lease of the premises to the Quadra Island Recreation Society commencing January 1, 2021. The lease would be renewable at the option of both parties.

Since the lease arrangement would grant exclusive use of the premises to a third party it is considered a disposition of public property and the public must be informed of the details of the disposition before the Board may proceed with adoption of the bylaw.

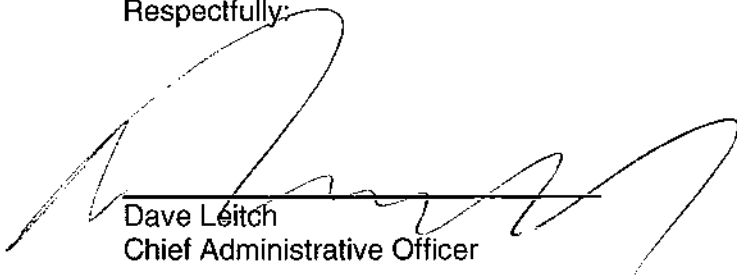
The table below sets out the anticipated schedule for having the new lease arrangement in place.

RECOMMENDATION

1. THAT the report from the Chief Administrative Officer be received.
2. THAT Bylaw No. 401, being a bylaw to authorize entering into an agreement to lease real property for recreation and community use, be now introduced and read a first time.
3. THAT the rules be suspended and Bylaw No. 401 be given second and third readings.

4. THAT Bylaw No. 401 be returned for further consideration by the Board following the public notification process.

Respectfully:



Dave Léitch
Chief Administrative Officer

Schedule	Action
August 19, 2020	Regional Board gives first 3 readings to Bylaw No. 401, being Blenkin Memorial Park Property Lease and Service Agreement Authorization Bylaw 2020.
August 26, 2020	First publication of property disposition notice for Bylaw No. 401.
September 2, 2020	Second publication of property disposition notice for Bylaw No. 401.
October 1, 2020	Deadline for filing responses regarding Bylaw No. 401 with Regional District.
October 7, 2020	If no major issues Regional Board reconsiders and adopts Bylaw No. 401.
October 30, 2020	Lease agreement executed by Quadra Island Recreation Society.
November 4, 2020	Lease agreement executed by Regional District.
January 1, 2021	Lease agreement for Blenkin Memorial Park takes effect.

Prepared by: T. Yates Corporate Services Manager

Attachments: Bylaw No. 401
Copy of July 15, 2020 report to the Electoral Areas Services Committee



BYLAW NO. 401

A BYLAW TO AUTHORIZE ENTERING INTO A LEASE AGREEMENT FOR BLENKIN MEMORIAL PARK ON QUADRA ISLAND

WHEREAS the former Comox-Strathcona Regional District has, by Bylaw No. 1363, established the service of operating funds assistance for the Blenkin Memorial Community Hall within a portion of Electoral Area C (Discovery Islands-Mainland Inlets);

AND WHEREAS a service of the former Comox-Strathcona Regional District that is provided within the area comprising the Strathcona Regional District remains in force as a service of the Strathcona Regional District;

AND WHEREAS the Strathcona Regional District may, pursuant to s.176 of the *Local Government Act*, make agreements respecting the operation of its services and the management of its property;

AND WHEREAS the Strathcona Regional District wishes to lease real property within Blenkin Memorial Park and contract for the operation of services associated therewith;

AND WHEREAS the requirements of the *Local Government Act* with respect to the disposition of Regional District property have been met;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Agreement Authorized

1. The Strathcona Regional District is hereby authorized to enter into an agreement with the Quadra Island Recreation Society for the operation of services and the lease of real property legally described as Lot 2 of District Lot 205, Sayward District, Plan VIP58301 and known as Blenkin Memorial Park.

Form and Substance

2. The agreement referenced in Section 1 shall substantially comply in form and substance with that shown in Schedule 'A', attached to and forming part of this bylaw.

Authority to Execute

- 3. The Chair and Corporate Officer shall have full authority to execute the agreement following the coming into effect of this bylaw.

Repeal

- 4. Bylaw No. 189, being Blenkin Memorial Park Property Lease and Service Agreement Authorization Bylaw 2013 is repealed.

Effective Date

- 5. This bylaw shall take effect on the date of adoption.

Citation

- 6. This bylaw may be cited for all purposes as Bylaw No. 401, being Blenkin Memorial Park Property Lease and Service Agreement Authorization Bylaw 2020.

READ A FIRST TIME ON THE DAY OF , 2020

READ A SECOND TIME ON THE DAY OF , 2020

READ A THIRD TIME ON THE DAY OF , 2020

NOTICE OF DISPOSITION PUBLISHED ON THE AND DAYS OF , 2020

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE DAY OF , 2020

Chair

Corporate Officer



STAFF REPORT

DATE: July 15, 2020

FILE: 0540-04 EASC

TO: Chair and Directors,
Electoral Areas Services Committee

FROM: Dave Leitch
Chief Administrative Officer

RE: **RENEWAL OF SERVICE AGREEMENT AND LEASE FOR BLENKIN MEMORIAL PARK AND QUADRA ISLAND COMMUNITY CENTRE WITH QUADRA ISLAND RECREATION SOCIETY**

PURPOSE

To authorize the renewal of a lease of Regional District property, specifically Blenkin Memorial Park and Quadra Island Community Centre to the Quadra Island Recreation Society (QIRS) for a period of five years commencing January 1, 2021 and including automatic renewals.

POLICY ANALYSIS

Bylaw No. 189, being Blenkin Memorial Park Property Lease and Service Agreement Authorization Bylaw 2013 grants authority to the Regional District to enter into an agreement to lease real property and to provide services on behalf of the Regional District.

EXECUTIVE SUMMARY

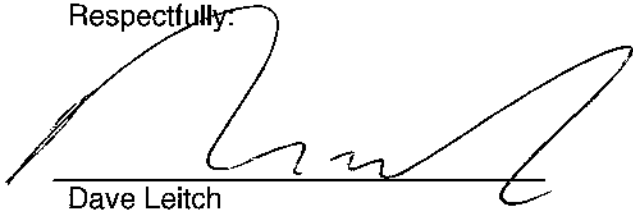
The Regional District has for the past 19+ years has entered into an agreement with the Quadra Island Recreation Society (QIRS) for the provision of community hall and community park services and has leased property known as Blenkin Memorial Park to the Society. Partnering with the QIRS has allowed the Regional District to provide both community hall and park services at a reduced cost with greater local involvement. This partnership has proved valuable, leading to the creation of well used public park lands and a community hall facility that offer a diverse range of programs and activities to Quadra Island residents. The most recent service agreement and lease expired January 23, 2019 and has continued under the automatic renewal clause contained within the agreement. It is recommended that the Board authorize that the lease with QIRS be formally renewed as of January 1, 2021 for a five-year term and include authorization for subsequent automatic renewals as per the SRD's financial plan.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT the Committee recommend that the agreement with the Quadra Island Recreation Society (QIRS) for the operation of services and the lease of real property legally described as Lot 2 of District Lot 205, Sayward District, Plan VIP58301 and known as Blenkin Memorial Park be extended for a period of five years commencing January 1, 2021, including subsequent 5 year renewals as approved through the financial plan, and

THAT the Chair and Corporate Officer be authorized to execute the modification agreement to Schedule 'A' Terms of Instrument (Agreement) of Bylaw 189.

Respectfully,



Dave Leitch
Chief Administrative Officer

BACKGROUND

The SRD has over the last 19+ years (over three 5-year terms and one 3-year term) entered into an agreement with the QIRS for the provision of community hall and park services and has leased property known as Blenkin Memorial Park to the Society. The most recent agreement and lease, authorised by Bylaw No. 189 expired on January 23, 2019. The desire is to renew the service agreement wherein QIRS will operate and maintain the hall and lands with administrative and financial assistance being provided by the Regional District.

FINANCIAL IMPLICATIONS

The Regional District provides financial assistance to QIRS for the provision of community park and hall services. The Regional District provides funding for each calendar year to the Society on the basis of an approved budget of the Society and subject to the approved financial plan of the SRD.

LEGAL IMPLICATIONS

In order to address risk management considerations, there are specific conditions contained within the proposed agreement which require the QIRS to inspect the lands on a bi-weekly basis and to keep and maintain the lands in a safe, clean and sanitary condition. In relation to insurance matters, the regional district names the QIRS as an additional named insured and maintains the property insurance for the lands (including buildings, machinery, etc.) The regional district maintains comprehensive general liability insurance coverage through the Municipal Insurance Association of British Columbia (MIABC).

In addition to the insurance provided through MIABC, the QIRS is required to maintain its own general public liability insurance against claims arising both within and outside the scope of activities and services listed in the agreement, naming the regional district as an insured party. Further, the QIRS is to indemnify and save harmless the regional district from, or in connection with, any use of the lands beyond those activities listed within the agreement.

The term of the agreement and lease is limited to a five-year period, the maximum period permitted for leasing an entire parcel of land, given any lease exceeding five years is deemed to be a subdivision pursuant to Section 73(1) of the *Land Title Act*.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS

The agreement and lease with the QIRS has facilitated the provision of well used public park lands and community hall facility, offering a diverse range of programs and activities at a reduced cost to Quadra Island residents for 19+ years.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

The modification agreement has been drafted by parks staff and reviewed by corporate services. The administration of the agreement and lease will require the involvement of parks, legislative and financial services staff.

Submitted by:

A handwritten signature in black ink that reads "A. Nelson". The signature is written in a cursive style with a long, sweeping tail on the letter "n".

Aniko Nelson
Senior Manager, Community Services

Attachments:

Modification Agreement to Schedule 'A' Terms of Instrument (Agreement) of Bylaw 189
Bylaw No. 189 being Blenkin Memorial Park Property Lease and Service Agreement Bylaw 2013

COPY

SCHEDULE "A"

TERMS OF INSTRUMENT

THIS LEASE made the first day of January, 2021.

**UNDER THE *LAND TRANSFER FORM ACT, PART 2* AND THE
*LOCAL GOVERNMENT ACT***

BETWEEN:

STRATHCONA REGIONAL DISTRICT
301-990 Cedar Street
Campbell River, B.C.
V9W 7Z8

(hereinafter called the 'Regional District')

OF THE FIRST PART

AND:

QUADRA ISLAND RECREATION SOCIETY
(Inc. No. S21919)
970 West Main Road
P.O. Box 10
Quathiaski Cove, B.C.
V0P 1N0

(hereinafter called the 'Society')

OF THE SECOND PART

IN consideration of the rents, covenants, obligation, conditions and agreements hereinafter reserved and contained the parties covenant and agree as follows:

GRANT OF LEASE

1. The Regional District, on the terms and conditions set forth herein, hereby demises and leases those lands and premises located on Quadra Island and legally described as Lot 2 of District Lot 205, Sayward Land District, Plan VIP58301 (the "Lands") to the Society, as shown in Appendix 2.

TERM

2. For and during a term of five (5) years commencing on the first day of, January 2021 (hereinafter called "the term" and "the commencement date" respectively).
3. Provided that this Agreement has not been previously cancelled or terminated by either party as in this Agreement provided, by operation of law or otherwise, and further provided that then

the Regional District shall at its sole discretion have the option to extend the term of this Agreement for an additional five years (the "extended term") commencing at the expiration of the term of this Agreement, upon the same terms, covenants and provisions herein set forth. The option to extend the term shall be exercised by the Regional District by providing the Contractor with not less than ninety (90) days written notice of its intention to extend the term prior to the expiration of the term of the Agreement.

RENT

4. Yielding and paying unto the Regional District rent for the term in the amount of ten dollars (\$10.00) receipt of which is hereby acknowledged by the Regional District.

USE

5. The Society shall use the "Lands" only for the purposes of a community centre and community park and the parties agree that, for the purposes of this agreement, the authority provided in this paragraph shall specifically include those activities and services included in Appendix 1. The listing of activities as contained within Part B of Appendix 1 may be amended from time to time, without further reference to the respective boards of both parties, provided that the Chief Administrative Officer for the Regional District and the Chair of the Society agree in writing to add, remove, alter, or amend the list of typical activities

COVENANTS OF THE SOCIETY

6. The Society covenants with the Regional District:
 - a) to make the "Lands" available for community use and to offer the community activities and services such as those listed in Appendix "1";
 - b) to inspect the "Lands" for hazards on a regular basis and to keep a record of these inspections;
 - c) to observe and comply with all applicable laws, regulations, bylaws, orders and directions of those authorities having jurisdiction, in relation to the "Lands";
 - d) to pay as they become due all charges for all utilities, including gas, oil, telephone and electric used on the "Lands";
 - e) to allow Regional District officials and employees access to the "Lands" at all reasonable times to view the state of repair of the "Lands" and review the operations of the Society in relation to this Agreement;
 - f) to keep and maintain the "Lands" in a safe, clean and sanitary condition, and in good repair and condition; and to repair any part upon written notice by the Regional District;
 - g) not to commit waste, cutting of standing timber or suffer any willful or voluntary waste, spoil or destruction on the "Lands";
 - h) not to carry on or do or allow to be carried on or done on the "Lands" anything that
 - i. may be or become a nuisance to the Regional District or the public,
 - ii. increase the hazard of fire or liability of any kind,
 - iii. increase the premium rate of insurance against loss by fire or liability upon the "Lands",
 - iv. invalidates any policy of insurance for the "Lands", or
 - v. directly or indirectly causes damage to the "Lands".
 - i) to use and occupy the "Lands" in accordance with the provisions of this lease;

- j) to pay all accounts and expenses incurred in relation to its use and occupation of the "Lands", including, without restricting the generality of the foregoing, accounts for the supply of labour, materials, or subtrades that might give rise to liability on the part of the Regional District under the *Builders Lien Act* in relation to any construction upon or improvement on the "Lands" and will indemnify and save harmless the Regional District from and against any and all claims of lien arising in relation thereto:
- k) on the expiration or earlier cancellation of this Lease:
 - i. to peaceably quit and deliver vacant possession of the "Lands" and its improvement to the Regional District in a safe and sanitary condition,
 - ii. to remove any improvements that the Regional District may, in writing, direct or permit to be removed.
- l) to neither remove nor permit removal of any buildings, structures or other improvements on the "Lands" except as expressly permitted or required by this Lease;
- m) not to construct anything upon, nor alter any land or buildings on the "Lands", without first obtaining the written consent of the Regional District, which consent shall not be unreasonably withheld, and if said consent is obtained, to ensure that all construction, additions or renovations comply with the British Columbia Building Code.
- n) to provide the Regional District with 30 days notice of new activities and special events it proposes to conduct on the site;
- o) to take sole responsibility for all servants, employees, agents, contractors and subcontractors the Society may engage and ensure all activities and operations of such persons are conducted in compliance with the terms and conditions of this Agreement;
- p) to develop and continue and enforce reasonable rules and regulations regarding the management, maintenance, improvement, operation, control and use of the "Lands";
- q) to set and charge fees for admission to the "Lands" or activities organized by the Society; and
- r) to submit to the Regional District by the first day of January, April, July and October a copy of inspection records and any decisions of the Society's Board of Directors regarding the development and maintenance of the "Lands" from the previous three months.

INSURANCE

7. The Regional District shall cause the Society to be declared as an additional named insured in its contract of comprehensive general liability insurance with the Municipal Insurance Association of British Columbia for those responsibilities delegated to the Society by this Agreement and for those services and activities listed in Appendix "1", and shall maintain property insurance for the "Lands", (to include building, auxiliary structures, other improvements, machinery, and contents of every description) for the term of this agreement unless MIABC determines that it can no longer extend full coverage to the Society at which point it will become the responsibility of the Society to acquire the required coverage through another provider. As to the insurance the parties agree:
 - a) In the event of any injury to person/s on the premises and/or involved in Appendix "1" services and activities or loss of or damage to the "Lands" the Society shall forthwith notify the Regional District of such event and thereafter co-operate fully and in all respects with the Regional District, its insurers, adjusters, solicitors, and any other persons involved in the adjustment and resolution of such claims as may arise from any such event;

- b) The Society shall record all known incidents, accidents and injuries that occur on the "Lands", in "the Facility" or during a Society event listed in Appendix 1. Anything requiring medical attention involving hospitalization, out-patient clinic, emergency personnel and/or attendance of a physician must be reported to the Regional District immediately. Failure to notify the Regional District within one week of knowledge of an injury or loss may result in the Society assuming any potential liability;
- c) As property insurance is for "replacement value", the Society shall advise the Regional District of appropriate valuations for the "Lands", and for any changes in value due to improvements or disimprovements, and the Regional District shall forthwith copy to the Society certificates of coverage attesting to changes in insured values;
- d) The Regional District recognizes the need for expeditious recovery from loss, and shall encourage adjusters to deal directly with the Society and to use Quadra contractors when possible in the replacement of damaged property, both parties recognizing that insurance and Board policies shall prevail;
- e) The Society shall take out and maintain during the Term, a policy of general public liability insurance against claims for bodily injury, death or property damage arising outside the scope of activities and services listed in Appendix "1" in the amount of not less than Three Million (\$3,000,000.00) Dollars per single occurrence or such greater amount as the Regional District may from time to time designate, naming the Regional District as an insured party thereto and shall provide the Regional District with a certified copy of such policy or policies;

INDEMNITY

8. The Society agrees to indemnify and save harmless the Regional District from and against any and all manner of actions, causes of action, losses, liabilities, costs, demands and expenses arising from or in connection with the use of the "Lands" beyond those outlined in Appendix "1" by the Society or the carrying on upon the "Lands" of any activity in relation to the Society's use of the "Lands" and this indemnity shall survive the expiry or sooner determination of this Lease.
9. In the event that additional agencies or associations use the "Lands" then a requirement of their use shall be that they hold liability insurance of not less than Two Million (\$2,000,000) Dollars per occurrence and which includes the Regional District and the Society as additional named insured per 7 above.

ASSIGNMENT

10. The Society shall not assign, mortgage, sublet or transfer this lease without the prior consent of the Regional District.

COVENANTS OF THE REGIONAL DISTRICT

11. The Regional District covenants with the Society:
 - a) for quiet enjoyment;
 - b) not to assign this Lease without the advance consent of the Society in writing first being obtained, which consent shall not be unreasonably withheld; and
 - c) to provide the Society with an annual audit of the playground equipment for compliance with the Canadian Standards Association Standard CAN/CSA-Z614-03.

CONTINUITY

12. The Regional District and the Society acknowledge that in the event that the Society shall desire to cease its obligations under the Agreement, and the parties agree to the termination of this Lease, both parties desire that the "Lands" will continue to be a centre for coordination, operation and administration of a community centre and community park function for Quadra Island.

BUDGET AND FINANCIAL STATEMENTS

13. The Society shall maintain at all times, accurate books of account, in which all income and expenses from managing the "Lands" shall be recorded in accordance with generally accepted bookkeeping and accounting principles, as appropriate which records shall be open for Regional District to inspect and to make copies thereof upon reasonable notice to the Society.

14. a) The Society shall prepare and forward to the Regional District on or before September 15th of each year during the Term, a draft budget reflecting its anticipated income and expenses for its next fiscal year;

b) The budget must be approved by the members of the Society at a meeting of the Society to which the public shall be invited, and a final budget forwarded to the Regional District on or before March 1st of the year to which it applies;

c) The budget must contain details as to the funds anticipated to be required by the Society for the annual operation of the services, both of a capital and operating nature, together with its anticipated gross revenues from its operations and shall clearly differentiate between capital and operating expenses and between "community centre" and "community park" functions.

15. The Society shall provide the Regional District, no later than March 1st in each year of this Lease, a copy of its review engagement report of its operations prepared by a chartered or certified accountant independent of Society. In the event that the Regional District shall require a special or additional audit of such statements, the Society shall authorize such audited statements to be prepared to the Regional District at the sole expense of the Regional District.

FUNDING

16. The parties acknowledge that the funding to be provided by the Regional District is an important and essential factor in the ability of the Society to provide the services. The Regional District will provide funding for each calendar year to the Society on the basis of an approved budget of the Society and subject to the approved Final Budget of the Regional District. In particular the parties agree:

a) Amounts included in the annual requisition and retained by the Regional District are as follows:

i. capital moneys agreed to be expended directly by the Regional District for the Community Park (and exclusive of the Community Centre);

ii. funds estimated to be payable for liability insurance coverage provided by the Regional District through its regular liability insurance program;

iii. funds estimated to be payable for property insurance coverage provided by the Regional District through its regular property insurance program;

iv. the fee for the lease of the "Lands"; and

v. an administration charge for the Regional District.

- b) Except as noted in 15 a) the Society shall be responsible for the payment of all costs of provision of the services, and of operation, upkeep, maintenance and repair of the “Lands”, as budgeted, and of provision of all staff, contractors, or volunteers for all such purposes;
- c) In the event the Society fails to regularly pay such accounts, or expenses for the “Lands”, the Regional District may make payment of those, if, after 15 days notice in writing to the Society such account/s remain unpaid, and deduct the amount paid from the next requisition of funds by the Society;
- d) The Regional District will pay operating funds to the Society on a quarterly basis as follows:
 - i. in January, 1/4 of the amount approved in the Provisional Budget for the current year,
 - ii. in April, 1/4 of the amount approved in the Budget for the current year subject to a pro-rata adjustment for January through March for differences in the budget amounts approved for the Provisional and Final Budgets, and provided that the Society has complied with its obligations as to financial statements, budgeting, and annual reports as herein required,
 - iii. in July, 1/4 of the amount approved in the Budget for the current year, and
 - iv. in October, 1/4 of the amount approved in the Budget for the current year.
- e) The Regional District may pay capital moneys, agreed to be expended by the Society, for the community park, on the following basis:
 - i. 80% of the total project funds required at the start of the project; and
 - ii. the final 20% of the amount after final inspection by the Regional District.

MANAGEMENT COMMITTEE

17. The Board of Directors of the Society shall appoint a Management Committee of two to four people including at least one a member of the Society Board. The Management Committee shall:

- a) act in general as liaison between the Society and the Regional District on all matters arising from or under this Agreement; and
- b) meet with staff or Board Members of the Regional District on an agreed basis, to review this Agreement and the provision of the services by the Society.

The Society shall provide the Regional District with the names and contact information for all members of the Management Committee.

PROVISOS

18. Provided always and it is further understood and agreed between the parties that:

- a) if the Regional District permits the Society to hold over after the expiration of the term hereinbefore reserved, or any termination by notice, the Society shall be a tenant from month to month only, and not for years, upon those terms and conditions herein contained, except as to duration of those lease unless otherwise agreed to by the parties in writing;
- b) the Society’s access to the “Lands” is exercised pursuant to a Highway Access Permit granted to the Society by Her Majesty in Right of British Columbia, which access is essential to the services to be provided by the Society pursuant to the Agreement; each party agrees to do all acts necessary to continue such access, and, if such access cannot be continued, to locate and facilitate alternative access to the “Lands”;
- c) the Regional District reserves the right to grant further rights by way of easement or right of way to use parts of the “Lands” with the prior consent of the Society, which consent

shall not be unreasonably withheld. In such event, the Society agrees to subordinate its interests hereunder to such rights to the extent required to give effect thereto;

- d) the consent of the Society shall be deemed to be reasonably withheld under any provision herein if the grant of rights sought by the Regional District would materially affect the exercise of the Society's rights and obligations under this Lease or Agreement;
- e) all disputes between the Regional District and the Society concerning the terms of this Lease, or the rights, duties, and obligations of the parties hereunder shall be resolved by arbitration by a single arbitrator agreed to between the parties, or failing agreement, appointed by a judge of the Supreme Court of British Columbia; such arbitration shall be an arbitration pursuant to the *Commercial Arbitration Act* (B.C.), and governed by the provisions of that Act and its regulations;
- f) the Society agrees that no claim shall be made by it for compensation in any form in respect of any grant of rights by the Regional District under paragraph 18 c) herein where such grant does not materially affect the exercise by the Society of its rights hereunder, and that such rights shall not be deemed to be a breach of the Regional District's covenant for quiet enjoyment;
- g) all Appendices annexed to this Lease form an integral part of this Lease;

EVENTS OF DEFAULT

19. Provided also that this Lease and the terms granted shall determine and be at an end in the event that:

- a) the Society shall fail to perform any of its obligations hereunder and such failure shall continue beyond 60 days from delivery by the Regional District to the Society of written notice specifying the failure, and requiring remedy thereof;
- b) the Society shall fail to duly and properly perform its obligations under the Agreement, and such failure shall continue beyond 60 days from delivery by the Regional District to the Society of written notice specifying the failure, and requiring remedy thereof;
- c) the term herein should be taken in execution or attachment by any person or the Society makes an assignment in bankruptcy, or is declared bankrupt;
- d) the Society ceases, for any reason to be current in its obligations under the *Society Act* (B.C.) and fails to remedy the reason therefore within 60 days of delivery to it by the Regional District of notice in that regard;

and in any such case, it shall be lawful for the Regional District to enter upon the "Lands" and this Agreement and all of the Society's rights with respect to the "Lands" shall be at an end.

NOTICE

20. Where delivery of notice is required, or permitted by the terms of this Lease, such notice shall be deemed to have been properly given where:

- a) hand delivered to with an employee at the business premises of the other party, or given to any person shown to be a current director of the other party;
- b) mailed, by registered mail to the other party at their address specified in the heading to this lease, in which event such notice shall be deemed to have been received by the addressee party eight days from mailing;

- c) affixed in a prominent place at the place of business of the other party, in which event, such notice shall be deemed to have been delivered on the fourth day following such posting.

MISCELLANEOUS

- 21. a) No covenant or obligation of either party shall be deemed to have been waived unless such waiver is clearly expressed in writing by the other party; and waiver by one party of any such covenant or obligation shall not be construed as a waiver of any other covenant or obligation by or of the other party;
- b) No remedy conferred upon or reserved to the Lessor is exclusive of any other right or remedy herein, or at law;
- c) All of the covenants, rights, terms and conditions herein contained shall extend to and be for the benefit of and binding upon the parties and their permitted successors and assigns;
- d) Time shall be of the essence in this Agreement.

INTERPRETATION

- 22. a) In this Lease, unless the context requires otherwise, the masculine, singular and personal, include the feminine, plural and corporate form;
- b) The captions and headings contained in this Lease are for convenience only, and are not to be construed as defining or in any way limiting the scope or the intent of the provisions herein;
- c) Where this lease contains the forms of words contained in Column 1 of Schedule 4 of the *Land Transfer Form Act* (B.C.) those words shall have the same effect and be construed as if the appropriate form of words contained in Column 2 of that Schedule were contained herein, unless the context clearly requires some other construction or interpretation of those words;
- d) Where reference is made in the Lease to any enactment of the Province of British Columbia or of Canada, such reference shall be deemed to include, unless the context clearly otherwise requires, successor or replacement legislation, containing similar or parallel provisions;
- e) If any provision, term, or condition herein shall be found to be void or illegal, or unenforceable, that provision shall be deemed to be severable from the balance of this Agreement, which shall remain unaffected by any such finding.

IN WITNESS the parties have signed and sealed this Lease on the day of ,
201_.

THE CORPORATE SEAL of the Regional
District was hereto affixed in the presence
of:

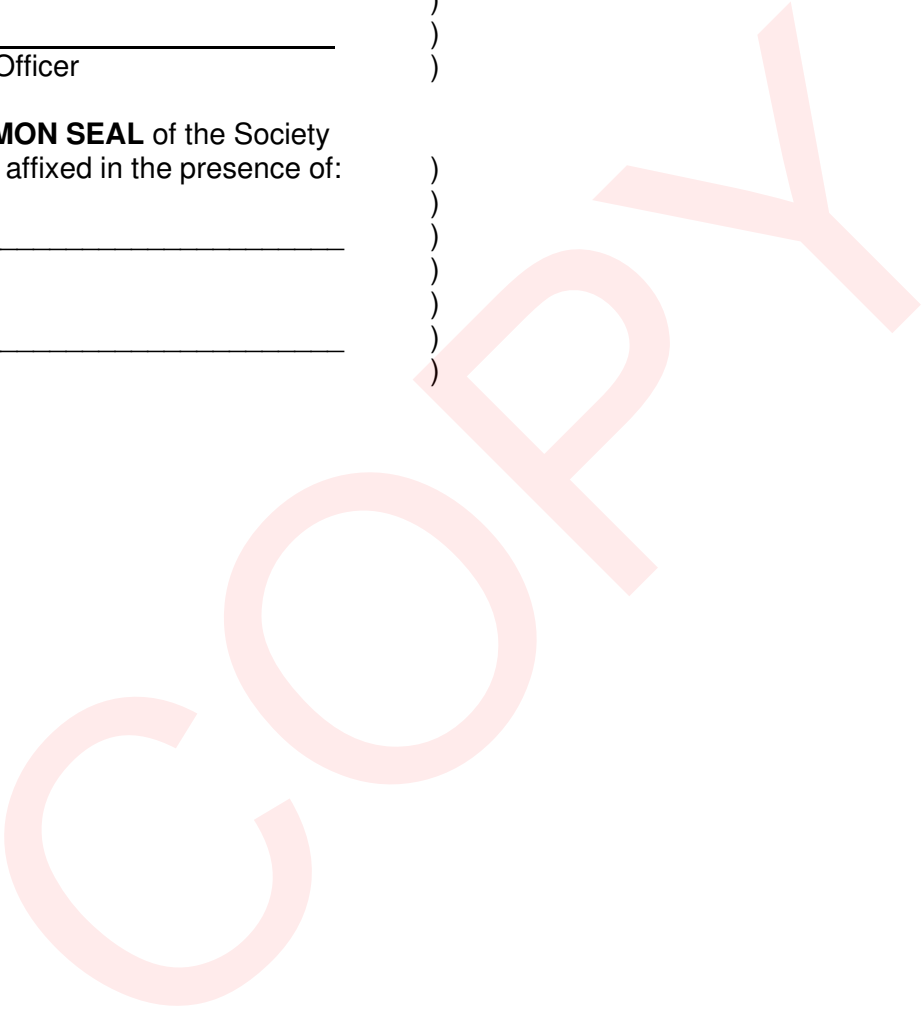
_____)
Chair of the Board)

_____)
Corporate Officer)

THE COMMON SEAL of the Society
was hereto affixed in the presence of:

_____)
Director)

_____)
Director)



APPENDIX 1
to SCHEDULE “A”
Terms and Conditions of Use

A. GENERAL

The primary scope of the service is to manage and operate the “Lands” as a Community Park and to operate a Community Centre of the “Lands” (jointly referred to as “the Facility”) in a manner beneficial to the community of Quadra Island. In so doing, the Society shall, generally, plan, activate, facilitate and promote a broadly based involvement in recreational, social, cultural, educational and philanthropic activities that contribute to the development and enrichment of the Quadra Island community.

The following listing is a general description of the Services to be provided by the Society, based upon its involvement with the community since 1986, in the Facility. It is agreed that as the community develops, activities may be added to this listing, and the listing is intended to be neither inclusive, nor exclusive.

It is further agreed that the services offered are contingent upon funds being available and as approved by the Regional District.

B. TYPICAL ACTIVITIES

1. A central office facility with office services available at cost to community groups in relation to use of the Facility.
2. Within the Community Centre:
 - Auctions/garage sales;
 - Cultural and social meetings and events;
 - Community kitchen;
 - Community meetings, elections, open houses;
 - Concerts, recitals, public speaking;
 - Dances (folk, creative, belly, ballet dancing, teen, adult and family dances);
 - Fairs, Festivals and Shows (e.g. Craft Fair, Home, Health, Connections, Fall Fair, Music and Art Festival);
 - Films, video nights, slide presentations;
 - Food bank;
 - Group meetings and displays (e.g. wooden boat builders)
 - Indoor sports (e.g. gymnastics, aerobics, roller-skating/blading, karate);
 - Meditation, tai chi, ninjutsu, yoga;
 - Recreation programs;
 - Storytelling, juggling;
 - Special Events/celebrations (e.g. Halloween, May Day, International Women’s Day);
 - Teen night, baby clinics, parent and tots;
 - Theatre and singers productions, workshops, practices; and
 - Workshops and displays (e.g. wine making, artists and potters, bike-safety, quilting, weaving, basket-making).
3. Within the Park:
 - Children’s playground;
 - Climbing wall;
 - Dirt Bike Park;

- Equestrian riding (riding ring and trails);
 - Fireworks display;
 - Hiking, bike riding and horse riding on trails;
 - Minor Fastball league activities including concession;
 - Model plane flying;
 - Quadrathon activities as approved by the Regional District;
 - Recreation programs;
 - Recreational mushroom picking;
 - Skateboard park, general use as well as contests;
 - Slow Pitch league activities including concession;
 - Soccer league activities;
 - Stargazing/astronomy workshops;
 - Team field sports such as football, rugby, grasshockey and soccer;
 - Temporary camping in conjunction with approved special events;
 - Tennis games and tournaments; and
 - Trail construction and maintenance.
4. QIRS programing and events occurring offsite may be outside of this agreement and require consultation or additional approvals by the Regional District as well as increased insurance requirements. Including the following:
- Hiking trail maintenance;
 - Garden tours;
 - Mayday activities at Rebecca Spit;
 - Quadrathon;
 - School gym activities, including but not limited to: floor hockey, badminton, volleyball, soccer, ninjutsu, folk dance, women's sport night, gymnastics;
 - Senior's lunch at Bible Church; and
 - Summer program activities, including but not limited to: hiking, camping, sailing, kayaking.

APPENDIX 3 to SCHEDULE "A" of the Lease

Crown Grant of Lease Area



Province of
British Columbia

Ministry of
Environment,
Lands and Parks

Crown Land Registry Services
and Office of the Surveyor General

By address:
Parliament Buildings
Victoria, B.C. V8V 1X4
Office location:
3400 Davidson Avenue
Victoria, B.C.
Telephone: (604) 387-4461
FAX: (604) 387-1830

FILE COPY

WITHIN THE AGRICULTURAL LAND RESERVE

Our File: 1408249

Regional District of Comox-Strathcona
Post Office Box 3370
4795 Headquarters Road
Courtenay BC V9N 5N5

RECEIVED

APR 18 1996

REGIONAL DISTRICT OF
COMOX-STRATHCONA
FILE NO. PA-BK-100

Dear Sir or Madam:

As of the date identified above, the Crown Grant described below has been forwarded to the Registrar, Land Title Office, Ministry of Attorney General, 850 Burdett Avenue, Victoria, British Columbia, V8V 1X4 for registration.

By producing a copy of this letter, by mail or in person, the Land Title Office noted above will be authorized to furnish you with a State of Title Certificate supplied free of charge. Where the grantee requires a duplicate Certificate of Title, consult the reverse of this letter for a statement of the appropriate terms and conditions.

Crown Grant No.: 4596/1316 Crown Grant Date: April 11, 1996

Grantee(s): REGIONAL DISTRICT OF COMOX-STRATHCONA

Description: Lot 2 of District Lot 205, Sayward District, VIP 58301

Purchase Price: \$ 1.00 (Does not include GST or PPT)

Location: Quadra Island Containing 21.8200 hectares

Assessment District: Courtenay PIN: 035873051

N.T.S.: 092K03B B.C.G.S.: R092K004

B. Morton

for Greg Roberts
Director

WT:pd
bcgeu

cc: British Columbia Assessment Authority, Courtenay
Max Nock, Regional Director, Vancouver Island Region
Land Title Office, Victoria
Timber Marks, Timber Harvesting Branch, Ministry of Forests
Crown Land Registry Audit, Crown Land Registry Services



BYLAW NO. 189

A BYLAW TO AUTHORIZE ENTERING INTO AN AGREEMENT TO LEASE REAL PROPERTY AND TO PROVIDE SERVICES ON BEHALF OF THE REGIONAL DISTRICT

WHEREAS the former Comox-Strathcona Regional District has, by Bylaw No. 1363, established the service of operating funds assistance for the Blenkin Memorial Community Hall within a portion of Electoral Area C (Discovery Islands-Mainland Inlets);

AND WHEREAS a service of the former Comox-Strathcona Regional District that is provided within the area comprising the Strathcona Regional District remains in force as a service of the Strathcona Regional District;

AND WHEREAS the Strathcona Regional District may, pursuant to s.176 of the *Local Government Act*, make agreements respecting the operation of its services and the management of its property;

AND WHEREAS the Strathcona Regional District wishes to lease real property within Blenkin Memorial Park and contract for the operation of services associated therewith;

AND WHEREAS the requirements of the *Local Government Act* with respect to the disposition of Regional District property have been met;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Agreement Authorized

1. The Strathcona Regional District is hereby authorized to enter into an agreement with the Quadra Island Recreation Society for the operation of services and the lease of real property legally described as Lot 2 of District Lot 205, Sayward District, Plan VIP58301 and known as Blenkin Memorial Park.

Form and Substance

2. The agreement referenced in Section 1 shall substantially comply with that shown in Schedule 'A', attached to and forming part of this bylaw.

Authority to Execute

3. The Chair and Corporate Officer shall have full authority to execute the agreement following adoption of this bylaw.

Repeal

4. Blenkin Memorial Park Property Lease and Service Agreement Authorization Bylaw No. 70, 2010 is repealed.

Effective Date

5. This bylaw shall take effect on the date of adoption.

Citation

6. This bylaw may be cited for all purposes as Bylaw No. 189, being Blenkin Memorial Park Property Lease and Service Agreement Authorization Bylaw 2013.

READ A FIRST TIME ON THE 12TH DAY OF DECEMBER, 2013

READ A SECOND TIME ON THE 12TH DAY OF DECEMBER, 2013

READ A THIRD TIME ON THE 12TH DAY OF DECEMBER, 2013

NOTICE OF DISPOSITION PUBLISHED ON THE 10TH and 15TH DAYS OF JANUARY, 2014

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE 23RD DAY OF JANUARY, 2014



Chair

Corporate Officer

SCHEDULE "A"

TERMS OF INSTRUMENT

THIS LEASE made the day of , 201_.

**UNDER THE *LAND TRANSFER FORM ACT, PART 2* AND THE
*LOCAL GOVERNMENT ACT***

BETWEEN:

STRATHCONA REGIONAL DISTRICT

301-990 Cedar Street
Campbell River, B.C.
V9W 7Z8

(hereinafter called the 'Regional District')

OF THE FIRST PART

AND:

QUADRA ISLAND RECREATION SOCIETY

(Inc. No. S21919)
970 West Main Road
P.O. Box 10
Quathiaski Cove, B.C.
V0P 1N0

(hereinafter called the 'Society')

OF THE SECOND PART

IN consideration of the rents, covenants, obligation, conditions and agreements hereinafter reserved and contained the parties covenant and agree as follows:

GRANT OF LEASE

1. The Regional District, on the terms and conditions set forth herein, hereby demises and leases those lands and premises located on Quadra Island and legally described as Lot 2 of District Lot 205, Sayward Land District, Plan VIP58301 (the "Lands") to the Society, as shown in Appendix 2.

TERM

2. For and during a term of five (5) years commencing on the ____ day of, _____ 201_ (hereinafter called "the term" and "the commencement date" respectively).

RENT

3. Yielding and paying unto the Regional District rent for the term in the amount of ten dollars (\$10.00) receipt of which is hereby acknowledged by the Regional District.

USE

4. The Society shall use the "Lands" only for the purposes of a community centre and community park and the parties agree that, for the purposes of this agreement, the authority provided in this paragraph shall specifically include those activities and services included in Appendix 1. The listing of activities as contained within Part B of Appendix 1 may be amended from time to time, without further reference to the respective boards of both parties, provided that the Chief Administrative Officer for the Regional District and the Chair of the Society agree in writing to add, remove, alter, or amend the list of typical activities

COVENANTS OF THE SOCIETY

5. The Society covenants with the Regional District:
 - a) to make the "Lands" available for community use and to offer the community activities and services such as those listed in Appendix "1";
 - b) to inspect the "Lands" for hazards on a regular basis and to keep a record of these inspections;
 - c) to observe and comply with all applicable laws, regulations, bylaws, orders and directions of those authorities having jurisdiction, in relation to the "Lands";
 - d) to pay as they become due all charges for all utilities, including gas, oil, telephone and electric used on the "Lands";
 - e) to allow Regional District officials and employees access to the "Lands" at all reasonable times to view the state of repair of the "Lands" and review the operations of the Society in relation to this Agreement;
 - f) to keep and maintain the "Lands" in a safe, clean and sanitary condition, and in good repair and condition; and to repair any part upon written notice by the Regional District;
 - g) not to commit waste, cutting of standing timber or suffer any willful or voluntary waste, spoil or destruction on the "Lands";
 - h) not to carry on or do or allow to be carried on or done on the "Lands" anything that
 - i. may be or become a nuisance to the Regional District or the public,
 - ii. increase the hazard of fire or liability of any kind,
 - iii. increase the premium rate of insurance against loss by fire or liability upon the "Lands",
 - iv. invalidates any policy of insurance for the "Lands", or
 - v. directly or indirectly causes damage to the "Lands".
 - i) to use and occupy the "Lands" in accordance with the provisions of this lease;
 - j) to pay all accounts and expenses incurred in relation to its use and occupation of the "Lands", including, without restricting the generality of the foregoing, accounts for the supply of labour, materials, or subtrades that might give rise to liability on the part of the Regional District under the *Builders Lien Act* in relation to any construction upon or improvement on the "Lands" and will indemnify and save harmless the Regional District from and against any and all claims of lien arising in relation thereto:

- k) on the expiration or earlier cancellation of this Lease:
 - i. to peaceably quit and deliver vacant possession of the "Lands" and its improvement to the Regional District in a safe and sanitary condition,
 - ii. to remove any improvements that the Regional District may, in writing, direct or permit to be removed.
- l) to neither remove nor permit removal of any buildings, structures or other improvements on the "Lands" except as expressly permitted or required by this Lease;
- m) not to construct anything upon, nor alter any land or buildings on the "Lands", without first obtaining the written consent of the Regional District, which consent shall not be unreasonably withheld, and if said consent is obtained, to ensure that all construction, additions or renovations comply with the British Columbia Building Code.
- n) to provide the Regional District with 30 days notice of new activities and special events it proposes to conduct on the site;
- o) to take sole responsibility for all servants, employees, agents, contractors and subcontractors the Society may engage and ensure all activities and operations of such persons are conducted in compliance with the terms and conditions of this Agreement;
- p) to develop and continue and enforce reasonable rules and regulations regarding the management, maintenance, improvement, operation, control and use of the "Lands";
- q) to set and charge fees for admission to the "Lands" or activities organized by the Society; and
- r) to submit to the Regional District by the first day of January, April, July and October a copy of inspection records and any decisions of the Society's Board of Directors regarding the development and maintenance of the "Lands" from the previous three months.

INSURANCE

- 6. The Regional District shall cause the Society to be declared as an additional named insured in its contract of comprehensive general liability insurance with the Municipal Insurance Association of British Columbia for those responsibilities delegated to the Society by this Agreement and for those services and activities listed in Appendix "1", and shall maintain property insurance for the "Lands", (to include building, auxiliary structures, other improvements, machinery, and contents of every description) for the term of this agreement unless MIABC determines that it can no longer extend full coverage to the Society at which point it will become the responsibility of the Society to acquire the required coverage through another provider. As to the insurance the parties agree:
 - a) In the event of any injury to person/s on the premises and/or involved in Appendix "1" services and activities or loss of or damage to the "Lands" the Society shall forthwith notify the Regional District of such event and thereafter co-operate fully and in all respects with the Regional District, its insurers, adjusters, solicitors, and any other persons involved in the adjustment and resolution of such claims as may arise from any such event;
 - b) The Society shall record all known incidents, accidents and injuries that occur on the "Lands", in "the Facility" or during a Society event listed in Appendix 1. Anything requiring medical attention involving hospitalization, out-patient clinic, emergency personnel and/or attendance of a physician must be reported to the Regional District

immediately. Failure to notify the Regional District within one week of knowledge of an injury or loss may result in the Society assuming any potential liability;

- c) As property insurance is for "replacement value", the Society shall advise the Regional District of appropriate valuations for the "Lands", and for any changes in value due to improvements or disimprovements, and the Regional District shall forthwith copy to the Society certificates of coverage attesting to changes in insured values;
- d) The Regional District recognizes the need for expeditious recovery from loss, and shall encourage adjusters to deal directly with the Society and to use Quadra contractors when possible in the replacement of damaged property, both parties recognizing that insurance and Board policies shall prevail;
- e) The Society shall take out and maintain during the Term, a policy of general public liability insurance against claims for bodily injury, death or property damage arising outside the scope of activities and services listed in Appendix "1" in the amount of not less than Three Million (\$3,000,000.00) Dollars per single occurrence or such greater amount as the Regional District may from time to time designate, naming the Regional District as an insured party thereto and shall provide the Regional District with a certified copy of such policy or policies;

INDEMNITY

- 7. The Society agrees to indemnify and save harmless the Regional District from and against any and all manner of actions, causes of action, losses, liabilities, costs, demands and expenses arising from or in connection with the use of the "Lands" beyond those outlined in Appendix "1" by the Society or the carrying on upon the "Lands" of any activity in relation to the Society's use of the "Lands" and this indemnity shall survive the expiry or sooner determination of this Lease.
- 8. In the event that additional agencies or associations use the "Lands" then a requirement of their use shall be that they hold liability insurance of not less than Two Million (\$2,000,000) Dollars per occurrence and which includes the Regional District and the Society as additional named insured per 7 above.

ASSIGNMENT

- 9. The Society shall not assign, mortgage, sublet or transfer this lease without the prior consent of the Regional District.

COVENANTS OF THE REGIONAL DISTRICT

- 10. The Regional District covenants with the Society:
 - a) for quiet enjoyment;
 - b) not to assign this Lease without the advance consent of the Society in writing first being obtained, which consent shall not be unreasonably withheld; and
 - c) to provide the Society with an annual audit of the playground equipment for compliance with the Canadian Standards Association Standard CAN/CSA-Z614-03.

CONTINUITY

- 11. The Regional District and the Society acknowledge that in the event that the Society shall desire to cease its obligations under the Agreement, and the parties agree to the termination of this Lease, both parties desire that the "Lands" will continue to be a centre for

coordination, operation and administration of a community centre and community park function for Quadra Island.

BUDGET AND FINANCIAL STATEMENTS

12. The Society shall maintain at all times, accurate books of account, in which all income and expenses from managing the "Lands" shall be recorded in accordance with generally accepted bookkeeping and accounting principles, as appropriate which records shall be open for Regional District to inspect and to make copies thereof upon reasonable notice to the Society.
13. a) The Society shall prepare and forward to the Regional District on or before September 15th of each year during the Term, a draft budget reflecting its anticipated income and expenses for its next fiscal year;
b) The budget must be approved by the members of the Society at a meeting of the Society to which the public shall be invited, and a final budget forwarded to the Regional District on or before March 1st of the year to which it applies;
c) The budget must contain details as to the funds anticipated to be required by the Society for the annual operation of the services, both of a capital and operating nature, together with its anticipated gross revenues from its operations and shall clearly differentiate between capital and operating expenses and between "community centre" and "community park" functions.
14. The Society shall provide the Regional District, no later than March 1st in each year of this Lease, a copy of its review engagement report of its operations prepared by a chartered or certified accountant independent of Society. In the event that the Regional District shall require a special or additional audit of such statements, the Society shall authorize such audited statements to be prepared to the Regional District at the sole expense of the Regional District.

FUNDING

15. The parties acknowledge that the funding to be provided by the Regional District is an important and essential factor in the ability of the Society to provide the services. The Regional District will provide funding for each calendar year to the Society on the basis of an approved budget of the Society and subject to the approved Final Budget of the Regional District. In particular the parties agree:
 - a) Amounts included in the annual requisition and retained by the Regional District are as follows:
 - i. capital moneys agreed to be expended directly by the Regional District for the Community Park (and exclusive of the Community Centre);
 - ii. funds estimated to be payable for liability insurance coverage provided by the Regional District through its regular liability insurance program;
 - iii. funds estimated to be payable for property insurance coverage provided by the Regional District through its regular property insurance program;
 - iv. the fee for the lease of the "Lands"; and
 - v. an administration charge for the Regional District.
 - b) Except as noted in 15 a) the Society shall be responsible for the payment of all costs of provision of the services, and of operation, upkeep, maintenance and repair of the "Lands", as budgeted, and of provision of all staff, contractors, or volunteers for all such purposes;

- c) In the event the Society fails to regularly pay such accounts, or expenses for the "Lands", the Regional District may make payment of those, if, after 15 days notice in writing to the Society such account/s remain unpaid, and deduct the amount paid from the next requisition of funds by the Society;
- d) The Regional District will pay operating funds to the Society on a quarterly basis as follows:
 - i. in January, 1/4 of the amount approved in the Provisional Budget for the current year,
 - ii. in April, 1/4 of the amount approved in the Budget for the current year subject to a pro-rata adjustment for January through March for differences in the budget amounts approved for the Provisional and Final Budgets, and provided that the Society has complied with its obligations as to financial statements, budgeting, and annual reports as herein required,
 - iii. in July, 1/4 of the amount approved in the Budget for the current year, and
 - iv. in October, 1/4 of the amount approved in the Budget for the current year.
- e) The Regional District may pay capital moneys, agreed to be expended by the Society, for the community park, on the following basis:
 - i. 80% of the total project funds required at the start of the project; and
 - ii. the final 20% of the amount after final inspection by the Regional District.

MANAGEMENT COMMITTEE

16. The Board of Directors of the Society shall appoint a Management Committee of two to four people including at least one a member of the Society Board. The Management Committee shall:
- a) act in general as liaison between the Society and the Regional District on all matters arising from or under this Agreement; and
 - b) meet with staff or Board Members of the Regional District on an agreed basis, to review this Agreement and the provision of the services by the Society.

The Society shall provide the Regional District with the names and contact information for all members of the Management Committee.

PROVISOS

17. Provided always and it is further understood and agreed between the parties that:
- a) if the Regional District permits the Society to hold over after the expiration of the term hereinbefore reserved, or any termination by notice, the Society shall be a tenant from month to month only, and not for years, upon those terms and conditions herein contained, except as to duration of those lease unless otherwise agreed to by the parties in writing;
 - b) the Society's access to the "Lands" is exercised pursuant to a Highway Access Permit granted to the Society by Her Majesty in Right of British Columbia, which access is essential to the services to be provided by the Society pursuant to the Agreement; each party agrees to do all acts necessary to continue such access, and, if such access cannot be continued, to locate and facilitate alternative access to the "Lands";
 - c) the Regional District reserves the right to grant further rights by way of easement or right of way to use parts of the "Lands" with the prior consent of the Society, which consent

shall not be unreasonably withheld. In such event, the Society agrees to subordinate its interests hereunder to such rights to the extent required to give effect thereto;

- d) the consent of the Society shall be deemed to be reasonably withheld under any provision herein if the grant of rights sought by the Regional District would materially affect the exercise of the Society's rights and obligations under this Lease or Agreement;
- e) all disputes between the Regional District and the Society concerning the terms of this Lease, or the rights, duties, and obligations of the parties hereunder shall be resolved by arbitration by a single arbitrator agreed to between the parties, or failing agreement, appointed by a judge of the Supreme Court of British Columbia; such arbitration shall be an arbitration pursuant to the *Commercial Arbitration Act* (B.C.), and governed by the provisions of that Act and its regulations;
- f) the Society agrees that no claim shall be made by it for compensation in any form in respect of any grant of rights by the Regional District under paragraph 18 c) herein where such grant does not materially affect the exercise by the Society of its rights hereunder, and that such rights shall not be deemed to be a breach of the Regional District's covenant for quiet enjoyment;
- g) all Appendices annexed to this Lease form an integral part of this Lease;

EVENTS OF DEFAULT

18. Provided also that this Lease and the terms granted shall determine and be at an end in the event that:

- a) the Society shall fail to perform any of its obligations hereunder and such failure shall continue beyond 60 days from delivery by the Regional District to the Society of written notice specifying the failure, and requiring remedy thereof;
- b) the Society shall fail to duly and properly perform its obligations under the Agreement, and such failure shall continue beyond 60 days from delivery by the Regional District to the Society of written notice specifying the failure, and requiring remedy thereof;
- c) the term herein should be taken in execution or attachment by any person or the Society makes an assignment in bankruptcy, or is declared bankrupt;
- d) the Society ceases, for any reason to be current in its obligations under the *Society Act* (B.C.) and fails to remedy the reason therefore within 60 days of delivery to it by the Regional District of notice in that regard;

and in any such case, it shall be lawful for the Regional District to enter upon the "Lands" and this Agreement and all of the Society's rights with respect to the "Lands" shall be at an end.

NOTICE

19. Where delivery of notice is required, or permitted by the terms of this Lease, such notice shall be deemed to have been properly given where:

- a) hand delivered to with an employee at the business premises of the other party, or given to any person shown to be a current director of the other party;
- b) mailed, by registered mail to the other party at their address specified in the heading to this lease, in which event such notice shall be deemed to have been received by the addressee party eight days from mailing;

- c) affixed in a prominent place at the place of business of the other party, in which event, such notice shall be deemed to have been delivered on the fourth day following such posting.

MISCELLANEOUS

- 20. a) No covenant or obligation of either party shall be deemed to have been waived unless such waiver is clearly expressed in writing by the other party; and waiver by one party of any such covenant or obligation shall not be construed as a waiver of any other covenant or obligation by or of the other party;
- b) No remedy conferred upon or reserved to the Lessor is exclusive of any other right or remedy herein, or at law;
- c) All of the covenants, rights, terms and conditions herein contained shall extend to and be for the benefit of and binding upon the parties and their permitted successors and assigns;
- d) Time shall be of the essence in this Agreement.

INTERPRETATION

- 21. a) In this Lease, unless the context requires otherwise, the masculine, singular and personal, include the feminine, plural and corporate form;
- b) The captions and headings contained in this Lease are for convenience only, and are not to be construed as defining or in any way limiting the scope or the intent of the provisions herein;
- c) Where this lease contains the forms of words contained in Column 1 of Schedule 4 of the *Land Transfer Form Act* (B.C.) those words shall have the same effect and be construed as if the appropriate form of words contained in Column 2 of that Schedule were contained herein, unless the context clearly requires some other construction or interpretation of those words;
- d) Where reference is made in the Lease to any enactment of the Province of British Columbia or of Canada, such reference shall be deemed to include, unless the context clearly otherwise requires, successor or replacement legislation, containing similar or parallel provisions;
- e) If any provision, term, or condition herein shall be found to be void or illegal, or unenforceable, that provision shall be deemed to be severable from the balance of this Agreement, which shall remain unaffected by any such finding.

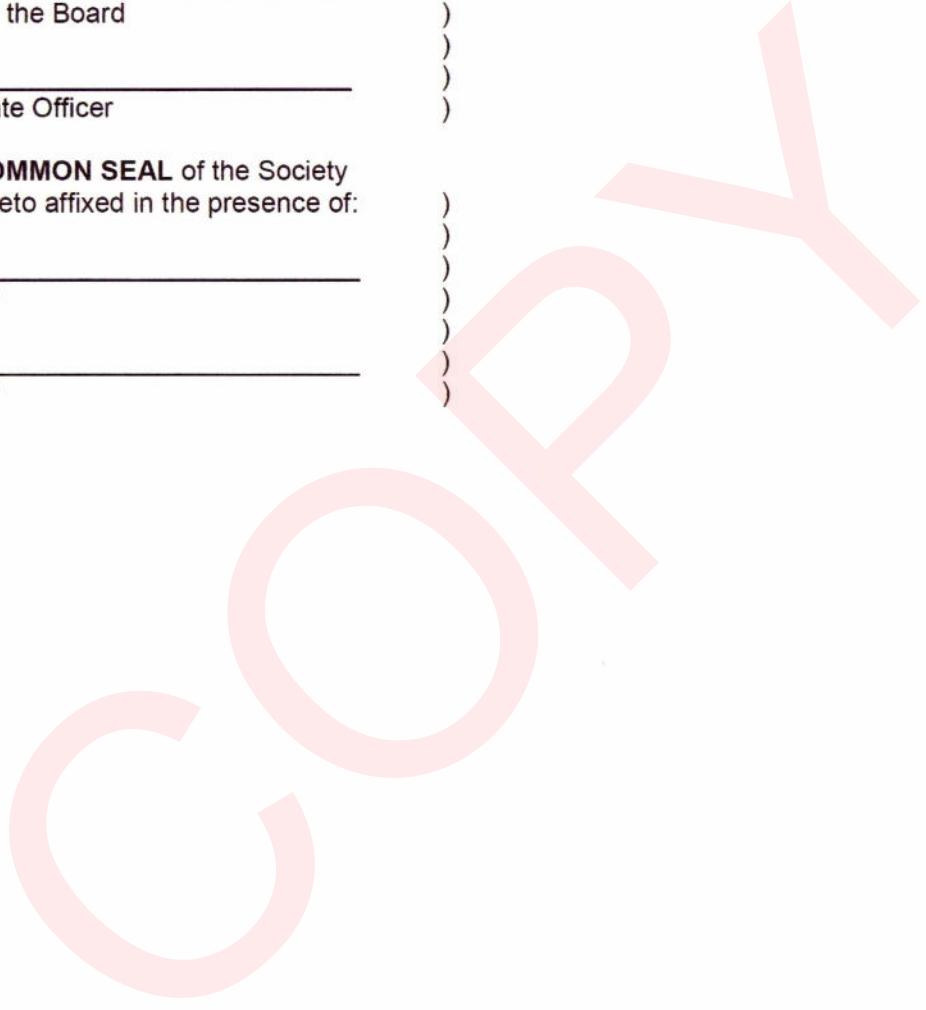
IN WITNESS the parties have signed and sealed this Lease on the _____ day of _____, 201_.

THE CORPORATE SEAL of the Regional District was hereto affixed in the presence of:

_____)
Chair of the Board)
_____)
Corporate Officer)

THE COMMON SEAL of the Society was hereto affixed in the presence of:

_____)
Director)
_____)
Director)



APPENDIX 1
to SCHEDULE "A"

Terms and Conditions of Use

A. GENERAL

The primary scope of the service is to manage and operate the "Lands" as a Community Park and to operate a Community Centre of the "Lands" (jointly referred to as "the Facility") in a manner beneficial to the community of Quadra Island. In so doing, the Society shall, generally, plan, activate, facilitate and promote a broadly based involvement in recreational, social, cultural, educational and philanthropic activities that contribute to the development and enrichment of the Quadra Island community.

The following listing is a general description of the Services to be provided by the Society, based upon its involvement with the community since 1986, in the Facility. It is agreed that as the community develops, activities may be added to this listing, and the listing is intended to be neither inclusive, nor exclusive.

It is further agreed that the services offered are contingent upon funds being available.

B. TYPICAL ACTIVITIES

1. A central office facility with photocopy, fax and reproduction capacity, available at cost to community groups in relation to use of the Facility.
2. Within the Community Centre:
 - Auctions/garage sales;
 - Cultural and social meetings and events;
 - Community kitchen;
 - Community meetings, elections, open houses;
 - Concerts, recitals, public speaking;
 - Dances (folk, creative, belly, ballet dancing, teen, adult and family dances);
 - Fairs, Festivals and Shows (e.g. Craft Fair, Home, Health, Connections, Fall Fair, Music and Art Festival);
 - Films, video nights, slide presentations;
 - Food bank;
 - Group meetings and displays (e.g. wooden boat builders)
 - Indoor sports (e.g. gymnastics, aerobics, roller-skating/blading, karate);
 - Meditation, tai chi, ninjutsu, yoga;
 - Recreation programs;
 - Storytelling, juggling;
 - Special Events/celebrations (e.g. Halloween, May Day, International Women's Day);
 - Teen night, baby clinics, parent and tots;
 - Theatre and singers productions, workshops, practices; and
 - Workshops and displays (e.g. wine making, artists and potters, bike-safety, quilting, weaving, basket-making).
3. Within the Park:
 - Children's playground;
 - Climbing wall;
 - Dirt Bike Park;
 - Equestrian riding (riding ring and trails);

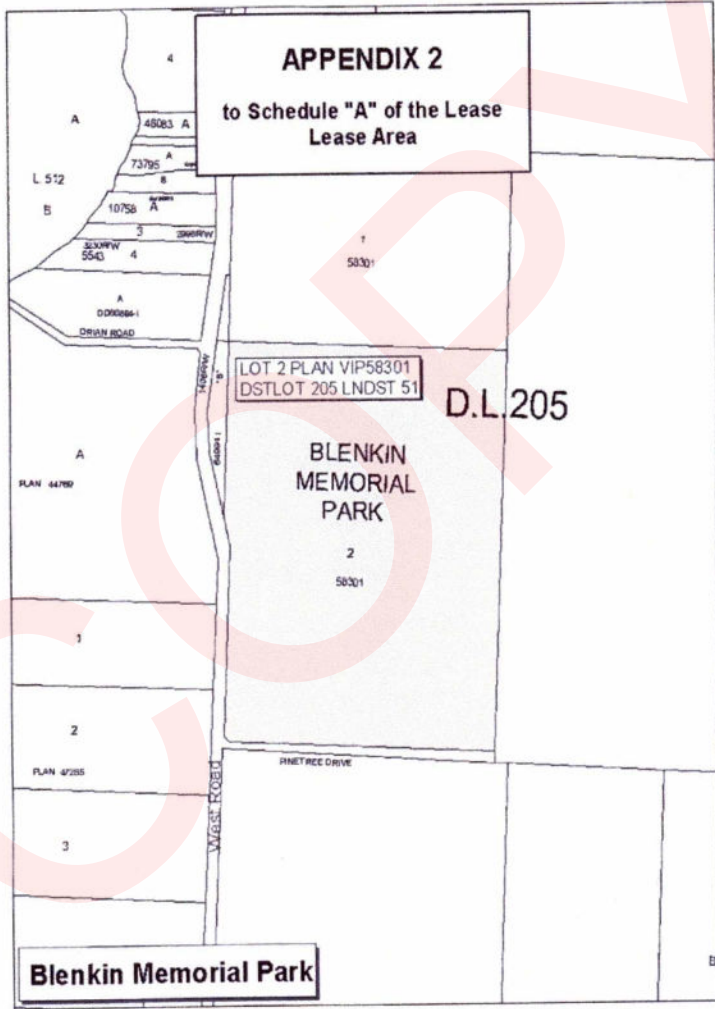
- Fireworks display;
- Hiking, bike riding and horse riding on trails;
- Minor Fastball league activities including concession;
- Model plane flying;
- Quadrathon;
- Recreation programs;
- Recreational mushroom picking;
- Skateboard park, general use as well as contests;
- Slow Pitch league activities including concession;
- Soccer league activities;
- Stargazing/astronomy workshops;
- Team field sports such as football, rugby, grasshockey and soccer;
- Temporary camping;
- Tennis games and tournaments; and
- Trail construction and maintenance.

4. Outside the Park:

- Hiking trail maintenance;
- Garden tours;
- Mayday activities at Rebecca Spit;
- Quadrathon;
- School gym activities, including but not limited to: floor hockey, badminton, volleyball, soccer, ninjutsu, folk dance, women's sport night, gymnastics;
- Senior's lunch at Bible Church; and
- Summer program activities, including but not limited to: hiking, camping, sailing, kayaking.

APPENDIX 2

to Schedule "A" of the Lease
Lease Area



LOT 2 PLAN VIP58301
DSTLOT 205 LNDST 51

D.L. 205

BLENKIN
MEMORIAL
PARK

Blenkin Memorial Park

APPENDIX 3 to SCHEDULE "A" of the Lease
Crown Grant of Lease Area



Province of
British Columbia

Ministry of
Environment,
Lands and Parks
Crown Land Registry Services
and Office of the Surveyor General

Mailing address:
Parliament Buildings
Victoria, B.C. V8V 1X4
Office location:
3400 Davidson Avenue
Victoria, B.C.
Telephone: (804) 387-4461
FAX: (804) 387-1830

FILE COPY

WITHIN THE AGRICULTURAL LAND RESERVE

Our File: 1408249

Regional District of Comox-Strathcona
Post Office Box 3370
4795 Headquarters Road
Courtenay BC V9N 5N5

RECEIVED

APR 18 1996

REGIONAL DISTRICT OF
COMOX-STRATHCONA
FILE NO. 14-249

Dear Sir or Madam:

As of the date identified above, the Crown Grant described below has been forwarded to the Registrar, Land Title Office, Ministry of Attorney General, 850 Burdett Avenue, Victoria, British Columbia, V8V 1X4 for registration.

By producing a copy of this letter, by mail or in person, the Land Title Office noted above will be authorized to furnish you with a State of Title Certificate supplied free of charge. Where the grantee requires a duplicate Certificate of Title, consult the reverse of this letter for a statement of the appropriate terms and conditions.

Crown Grant No.: 4596/1316

Crown Grant Date: April 11, 1996

Grantee(s): REGIONAL DISTRICT OF COMOX-STRATHCONA

Description: Lot 2 of District Lot 205, Sayward District, VIP 58301

Purchase Price: \$ 1.00 (Does not include GST or PPT)

Location: Quadra Island

Containing 21.8200 hectares

Assessment District: Courtenay

PIN: 035873051

N.T.S.: 092K03B

B.C.G.S.: R092K004

B. Morton

for Greg Roberts
Director

WT:pd
bcgeu

cc: British Columbia Assessment Authority, Courtenay
Max Nock, Regional Director, Vancouver Island Region
Land Title Office, Victoria
Timber Marks, Timber Harvesting Branch, Ministry of Forests
Crown Land Registry Audit, Crown Land Registry Services