

**LIGHTHOUSE COMMUNITY CENTRE  
LEASE AGREEMENT**

**THIS LEASE AGREEMENT** is dated for reference the 25th day of January, 2011 and effective the 1<sup>st</sup> day of February 2011.

**BETWEEN:**

**REGIONAL DISTRICT OF NANAIMO**  
6300 Hammond Bay Road  
Nanaimo, B.C.  
V9T 6N2

(hereinafter called the "Regional District")

**OF THE FIRST PART**

**AND:**

**LIGHTHOUSE COMMUNITY CENTRE SOCIETY**  
240 Lions Way  
Qualicum Beach, BC  
V9K 2E2

(hereinafter called the "Society")

**OF THE SECOND PART**

**WHEREAS:**

A. The Regional District is the registered owner in fee simple of lands legally described as:

Lot 1,  
District Lot 32,  
Newcastle District,  
Plan 42674

(the "Lands").

B. At the expense and instance of the Society, the Society has constructed a building on the Lands for use as a community centre and community hall (the "Building") and the Building is, and shall remain during the term of this Lease, the property of the Society, its successors and assigns.

- C. The parties wish to provide for the lease of the Lands to the Society upon the terms and conditions set out herein and also wish to establish their respective positions upon the termination or expiration of the term of the lease.

**NOW THEREFORE THIS INDENTURE WITNESSETH THAT** in consideration of the rents, covenants, agreements and conditions hereinafter reserved and contained on the part of the Society to be respective paid, kept, observed and performed, the Regional District hereby demises and leases unto the Society the Lands, to hold the Lands unto the Society for a term of ten (10) years from and including February 1, 2011 to and including January 31, 2021 (the "Term"), subject to the terms and conditions herein set forth.

**1.00 RENT AND RESPONSIBILITY FOR EXPENSES**

- 1.01 Yielding and paying therefor unto the Regional District upon the execution of this Lease, the rent of One Dollar (\$1.00) for the Term herein granted, the receipt of which is hereby acknowledged.
- 1.02 It is intended by the parties that the Lands be of no cost or expense to the Regional District during the Term and accordingly the Society agrees to pay, whether on its own behalf or on behalf of the Regional District, all costs of every nature and kind relating to the Lands and/or any improvements thereon, and the Society agrees to indemnify the Regional District from and against any such costs and expenses incurred by the Regional District directly.

**2.00 INSURANCE MAINTENANCE, RISK AND INDEMNITY**

- 2.01 The Society agrees to take out and keep in full force and effect throughout the Term and during such other time as the Society occupies the Lands or any part thereof at the expense of the Society:
- (a) all risk building insurance for the full replacement value of the improvements on the Lands;
  - (b) comprehensive general liability insurance, including without limitation non-owned automobile insurance, and tenant fire legal liability insurance, against claims for personal injury, death or property damage or loss upon, in or about the Lands or otherwise howsoever rising out of the operations of the Society or any person conducting business or activities from the Lands, to the limit as may be reasonably required by the Regional District from time to time but, in any case, of not less than Three Million (\$3,000,000.00) Dollars in respect to injury or death to a single person and in respect of any one accident concerning property damage.

The Society and the Regional District shall both be named as insured under such liability policy or policies of insurance.

- 2.02 Any buildings, furniture, equipment, machinery, fixtures and improvements placed on the Lands by the Society shall be entirely at the risk of the Society.

- 2.03 The Society agrees to comply promptly at its expense with all laws, bylaws, regulations, requirements and recommendations, which may be applicable to the manner of use of the Lands, made by any and all federal, provincial, local government and other authorities or association of insurance underwriters or agents and all notices in pursuance of same, provided however that the Society shall have no liability to make any improvements, alterations or additions to the Lands which may be required by authorities or associations unless due to the use made of the Lands by the Society.
- 2.04 The Society agrees to maintain the Lands and the improvements thereon in good repair and in a neat and tidy condition, and to not do or permit any act or neglect which may in any manner directly or indirectly be or become a nuisance or interfere with the comfort of any person occupying land in the vicinity of the Lands.
- 2.05 The Society agrees to indemnify and save harmless the Regional District, its elected and appointed officers and employees, from any and all claims, suits, actions, costs, fees and expenses of any kind whatsoever brought against or incurred by the Regional District or its elected and appointed officers and employees in any way relating to the Society's use of the Lands during the Term of this Lease. Such indemnity shall extend to legal expenses incurred by the Regional District in defending against such liability or alleged liability or in enforcing this right of indemnity.
- 2.06 The Society shall not construct or place on the Lands any improvements without first obtaining the prior written consent of the Regional District and obtaining all required building or development permits.

### **3.00 QUIET ENJOYMENT**

- 3.01 The Regional District covenants with the Society for quiet enjoyment, for so long as the Society is not in default hereunder.
- 3.02 The Society shall permit the Regional District and its servants and agents at all reasonable times, upon twenty-four (24) hours' notice in writing, specifying the time of inspection, during the Term of this Lease to enter the Lands and every part thereof to examine the condition thereof, and if any want or repair shall be found on such examination and notice thereof is given, the Society will, within ninety (90) days of the giving of that notice, well and truly repair in accordance with that notice.

### **4.00 USE, ASSIGNMENT AND SUBLETTING**

- 4.01 The Society agrees to not use the Lands for any purpose other than as a community centre or a community hall.
- 4.02 The Society agrees that it will not assign, mortgage or encumber this Lease, or sublet, or suffer or permit the Lands or any part thereof to be used by others by licence or otherwise without the prior written consent of the Regional District in each instance which shall not be arbitrarily or unreasonably withheld. Provided however that the provisions of this paragraph shall not restrict the right of the Society to licence the use or occupation of the Lands or Building on a

short term, occasional basis for a use or purpose that is within the ordinary use and for the ordinary purposes of the Society without prior written consent of the Regional District.

- 4.03 In no event shall any assignment, or subletting, or sub-licensing to which the Regional District may have consented release or relieve the Society from its obligations to fully perform all the terms, covenants and conditions of this Lease on its part to be performed.
- 4.04 In the sublease between the Society and an assignee or subtenant under any assignment or sublease consented to by the Regional District, the Society shall require that the subtenant or assignee agree to be bound by all of the Society's obligations under this Lease.
- 4.05 A dispute between the parties about whether a license granted by the Society is a short term occasional use shall be determined in accordance with Article 9.
- 4.06 The Regional District reserves the right to grant other dispositions on the Lands, or any part of it, with the prior consent of the Society, which consent shall not be unreasonably withheld.

#### **5.00 HOLDING OVER**

- 5.01 If the Society continues to occupy the Lands with the consent of the Regional District after the expiration or other termination of the Term without any further written agreement, the Society shall be a monthly lessee subject always to all of the provisions of this Lease insofar as the same are applicable to a month-to-month tenancy and a tenancy from year to year shall not be created by implication of law; provided that nothing herein contained shall preclude the Regional District from taking action for recovery of possession of the Lands.

#### **6.00 APPROVALS**

- 6.01 No provision in this Lease requiring the Regional District's or the Society's consent or approval shall be deemed to have been fulfilled or waived unless the written consent or approval of the Regional District or the Society relating to the particular matter or instance has first been obtained and, without limiting the generality of the foregoing, no prior consent or approval and no condoning, excusing or overlooking by the Regional District on previous occasions when such a consent or approval was required shall be taken to operate as a waiver of the necessity of such consent or approval whenever required under this Lease.

#### **7.00 RELATIONSHIP OF PARTIES**

- 7.01 Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of commutation of rent nor any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties other than the relationship of landlord and tenant.

#### **8.00 SOLE AGREEMENT**

- 8.01 This Lease sets forth all of the warranties, representations, covenants, promises, agreements, conditions and understandings between parties concerning the Lands and there are no warranties, representations, covenants, promises, agreements, conditions or understanding, either oral or written, express or implied, between them other than as set forth in this Lease.

## **9.00 ARBITRATION**

- 9.01 In the event of a bona fide dispute arising between the Society and the Regional District as to any matter, question or determination arising or required to be made under this Lease, such dispute shall immediately be referred to an arbitrator agreed upon by the Society and the Regional District or, in the event that they cannot agree upon such arbitrator, then the question shall be referred to the arbitration of one arbitrator under the *Commercial Arbitration Act* of British Columbia, and amendments thereof, or such other Statute or Statutes of like effect being in force in British Columbia, and such arbitrator, whether agreed upon or appointed under the said Statute shall have access to such records of the parties as may be reasonably necessary and the decision of the arbitrator shall be final and binding upon the parties. Except as otherwise provided for in this Agreement, the costs of the arbitration shall follow the award, unless otherwise determined by the Arbitrator.

## **10.00 BUILDERS LIENS**

- 10.01 The Society shall promptly pay as and when the same falls due any and all accounts for work done or material supplied in respect of improvements made to the Lands where such improvements are made at the request of and on the credit of, or on behalf, or with the privity or consent of, or for the direct benefit of, the Society. The Society will not cause, suffer or permit any encumbrance (including personal property security agreements of any type, liens or charges), lien or charge to arise or exist or be claimed upon the Lands or in respect thereof, provided that should any such claim of lien arise or exist, the Society shall immediately post with the Regional District sufficient security in the form of cash or a bank draft to discharge the same and shall further immediately proceed to a court of competent jurisdiction to cause the validity of such claim of lien to be determined and shall upon such determination cause the registration of such claim of lien against the title to the Lands to be terminated, and in that regard, shall satisfy the lien if it is found valid. Should the Society, at any time after the granting of security, fail, upon the request of the Regional District, to provide the Regional District with proof of its diligent pursuit of a determination of the validity of the claim, lien or the discharge thereof, the Regional District may utilize the security provided by the Society to discharge the claim of lien or liens upon five (5) days' notice in writing of its intention. Should the Society fail to immediately post with the Regional District sufficient security in the form of cash or bank draft to discharge the claim of lien, or should the Society fail to immediately discharge any lien, the Regional District in addition to any right or remedy may, but shall not be obligated to, discharge the claim of lien or liens by paying the amount claimed to be due or the amount due, together with a reasonable amount for costs and the amount paid by the Regional District shall be paid by the Society to the Regional District forthwith upon demand. In no case shall the Regional District be required to investigate the validity of the claim of lien or liens prior to discharging the same in accordance with this clause. The Regional District shall be entitled at all times during the Term to place notices on the Lands

pursuant to section 13 of the *Builders Lien Act*, R.S.B.C. 1979, or successor or similar legislation.

#### **11.00 REMOVAL OF IMPROVEMENTS**

- 11.01 All improvements and all articles of personal property constructed, owned or installed by the Society at the expense of the Society on the Lands shall remain the property of the Society and may be removed by the Society at any time until the end of the Term or earlier termination of this Lease. The Society agrees that it will, at its expense, repair any damage to the Lands caused by the construction, installation, existence, use or removal thereof (the "Restoration"). Before removing such property the Society shall notify the Regional District of its intention to do so and shall, if required by the Regional District, post a bond in an amount and form satisfactory to the Regional District as security for performance of the Society's obligations for the Restoration.
- 11.02 If the Society does not remove the property which is removable by the Society pursuant to clause 11.01 prior to the end of the Term or the sooner termination of this Lease, such property shall, if the Regional District elects, be deemed to become the Regional District's property and the Regional District may remove the same at the expense of the Society, and the cost of such removal will be paid by the Society forthwith to the Regional District on demand.

#### **12.00 EXPROPRIATION**

- 12.01 If the whole of the Lands shall be acquired or expropriated by an authority having the power of such acquisition or expropriation, the Term of this Lease shall cease from the date of entry by such authority. If only a portion of the Lands shall be so acquired or expropriated, this Lease shall cease and terminate at the Regional District's option, or at the Society's option. In either event, however, and whether all or only a portion of the Lands shall be so acquired or expropriated, nothing herein contained shall prevent the Regional District or the Society or both from recovering damages from such authority for the value of their respective interest or for such other damages and expenses allowed by law, but in such event neither party shall have an action against the other in respect of any breach of this Lease caused directly or indirectly by such event.

#### **13.00 DEFAULT AND EARLY TERMINATION**

- 13.01 The Society further covenants with the Regional District that if the Society shall violate or neglect any covenant, agreement or stipulation herein contained on its part to be kept, performed or observed and any such default on the part of the Society shall continue for thirty (30) days after written notice thereof to the Society by the Regional District, or in case the Lands shall be vacated or become vacated or remain unoccupied or unused for ninety (90) days, then by law may at its option forthwith re-enter and take possession of the Lands immediately and by reasonable force if necessary without any previous notice of intention to re-enter and may remove any persons and property therefrom and may use such force and assistance in making such removal as the Regional District may deem advisable to recover at once full and exclusive possession of the Lands.

- 13.02 If the Term hereof or any renewal therefor or any of the goods or chattel of the Society shall at any time be seized or taken in execution or attachment by any creditor of the Society or if the Society shall make any assignment for the benefit of creditors or commit any other act of bankruptcy or shall become bankrupt or insolvent or shall take the benefit of any bankruptcy or insolvency legislation or if a receiver of any part of the business or property of the Society be appointed by a court or any person or in the case that the Lands are used by any other person or for any other purpose than is herein provided without the written consent of the Regional District or if any other shall be made for the winding up or dissolution of the Society or it should otherwise cease to exist or if the purposes of the Society are altered without the prior written consent of the Regional District, then the Term hereof or any renewal thereof shall become forfeit and void, and it shall be lawful for the Regional District any time thereafter to re-enter into or upon the Lands or any part thereof in the name of the whole and the same to have again, repossess and enjoy as of its former estate, notwithstanding anything herein contained to the contrary and neither this Lease nor any interest therein nor any estate hereby created shall pass to or enure to the benefit of any trustee in bankruptcy or any receiver or any assignee for the benefit of creditors or otherwise by operation of law.
- 13.03 Either party to this Agreement may terminate the Agreement at any time upon sixty (60) days notice in writing to the other party. If the Regional District exercises this right of termination then it may recover possession of the Lands in accordance with paragraph 13.01.

#### **14.00 REGISTRATION**

- 14.01 If the Society shall cause this Lease or any provision hereof to be registered pursuant to the *Land Title Act*, to pay all expenses incurred for that purpose including registration fees, procurement of any sketch or plan or other description which may be required, and to indemnify the Regional District for all expenses incurred in cancelling that registration upon the termination or expiration of the Term of this Lease.

#### **15.00 APPLICABLE LAW, COURT LANGUAGE**

- 15.01 This Lease shall be governed and construed by the laws of the Province of British Columbia.
- 15.02 The venue of any proceedings taken in respect of this Lease shall be at Nanaimo, British Columbia, so long as such venue is permitted by law, and the Society shall consent to any applications by the Regional District to change the venue of any proceedings taken elsewhere to Nanaimo, British Columbia.

#### **16.00 CONSTRUED COVENANT, SEVERABILITY**

- 16.01 All of the provisions of this Lease are to be construed as covenants and agreements. Should any provision of this Lease be or become illegal, invalid or not enforceable, it shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto and be enforceable to the fullest extent of the law.

**17.00 TIME**

17.01 Time shall be of the essence hereof.

**18.00 NOTICE**

18.01 All payment from the Society to the Regional District shall be sent to the Regional District at the following address:

Regional District of Nanaimo  
6300 Hammond Bay Road  
Nanaimo, B.C.  
V9T 6N2

and all payments from the Regional District to the Society shall be sent to the Society at the following address:

Lighthouse Community Centre Society  
240 Lions Way  
Qualicum Beach, BC  
V9K 2E2

or such other places as the Regional District and the Society may designate from time to time in writing to each other.

18.02 Any notice to be given hereunder shall be in writing and may be either delivered personally or sent by prepaid, registered or certified mail and, if so mailed, shall be deemed to have been given three (3) days following the date upon which it was mailed.

18.03 Any notice or service required to be given or effected under any statutory provision or rules of court from time to time in effect in the Province of British Columbia shall be sufficiently given or served if mailed or delivered at the addresses as aforesaid.

18.04 Any party hereto may at any time give notice in writing to any other of any change of address of the party giving such notice and from and after the second day after the giving of such notice, the address herein specified shall be deemed to be the address of such party for the giving of notices hereunder.

**19.00 WAIVER**

19.01 The failure of either party to insist upon strict performance of any covenant or condition contained in this Lease or to exercise any right or option hereunder shall not be construed as a waiver or relinquishment for the future of any such covenant, condition, right or option.

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

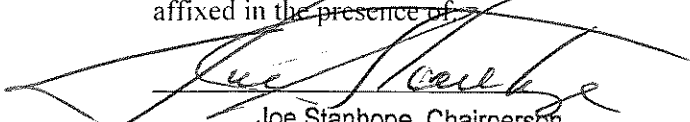



**20.00 SUCCESSORS BOND**



20.01 All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties. No rights, however, shall enure to the benefit of any assignee of the Society unless the assignment to such assignee has been first approved by the Regional District in accordance with Article 4.

**IN WITNESS WHEREOF** the parties hereto have executed this Lease on the day and year first above written.

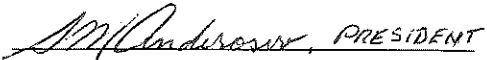
The Corporate Seal of the **REGIONAL DISTRICT OF NANAIMO** was hereunto affixed in the presence of )  
)  
)


  
Joe Stanhope, Chairperson

  
Maureen Pearce, Sr. Mgr. Corporate Adm. )  
)  
)

	Initial	Date
Content (Mgr)	WAM	Feb 9/11
Approved (M)		Feb 11/11
Legal Form (SMCA)	MP	15/02
Authority (C/L)		Feb 15/11

The Corporate Seal of **LIGHTHOUSE COMMUNITY CENTRE SOCIETY** was hereunto affixed in the presence of: )  
)  
)  
)

  
M. Anderson, PRESIDENT

  
Lois Nelson )  
)  
)

(c/s)