

TERMS OF INSTRUMENT - PART 2

THIS LEASE dated for reference the 1st day of January, 2009.

**UNDER THE *LAND TRANSFER FORM ACT*, PART 2
AND THE *COMMUNITY CHARTER*.**

BETWEEN:

DISTRICT OF HOPE

325 Wallace Street

Hope, B.C.

VOX 1L0

**(the "Landlord")
OF THE FIRST PART**

AND:

FRASER VALLEY REGIONAL DISTRICT

1 – 45950 Cheam Avenue

Chilliwack, B.C.

V2P 1N6

**(the "Tenant")
OF THE SECOND PART**

- A. **WHEREAS** the Landlord is a district municipality incorporated under the laws of the Province of British Columbia and the owner of the lands and "DSAC" legally described as *Parcel A (DD KL40456) Section 10 Township 5 Range 26 West of the 6th Meridian Yale Division Yale District Plan 6938* (the "**Lands**"), upon which is situated a community recreational and cultural facility commonly referred to as the Dan Sharrers Aquatics Centre (the "**DSAC**"), and a public library (together, the "**Building**");

- B. **AND WHEREAS** the “DSAC” is comprised of a public aquatics, fitness and recreation facility and associated common and public areas as identified on the Schedule “A” attached hereto and forming part of this Agreement;
- C. **AND WHEREAS** the Tenant is a Regional District incorporated under the laws of the Province of British Columbia and is responsible for the delivery, operation, management and administration of recreation and cultural services in the District of Hope and Electoral Areas A and B of the Fraser Valley Regional District (the “**Service Area**”);
- D. **AND WHEREAS** on January 1, 1997 the parties entered into a lease of the Lands including both the DSAC and the public library, which lease was due to expire on on December 31, 2006;
- E. **AND WHEREAS** the lease has been held over since January 1, 2007 and has been administered on a month to month basis on the same terms and conditions pending the renewal of the lease;
- F. **AND WHEREAS** the parties have agreed that the library will not be leased, leased back to the Landlord, or in any way managed, operated or administered by the Tenant;
- G. **AND WHEREAS** the Landlord and the Tenant now wish to enter into a new lease of the DSAC for the purpose of delivering recreation and cultural services within the Service Area pursuant to *Fraser Valley Regional District Hope and Electoral Area “B” Arena and Swimming Pool Local Service Area Conversion Bylaw No. 0103, 1997* and Supplemental Letters Patent issued to the Fraser Valley Regional District for the provision of recreational programming services;
- H. **AND WHEREAS** the Landlord acknowledges that the “Building” is its tangible capital asset as defined by the *Public Sector Accounting Board* and that as such the Landlord agrees that it has a duty to maintain and repair the Building and all appurtenances thereto;
- I. **NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the payment of rents by the Tenant, the mutual promises exchanged below and other good and valuable consideration, the Tenant and Landlord covenant and agree as follows:

1. **“DSAC”**

- (a) The Landlord leases to the Tenant that portion of the Building which comprises the DSAC, including but not limited to the “server room” located in the ceiling area of the DSAC, and which is more particularly shown and described on the sketch plan contained in Schedule "A" attached to and forming part of this Lease;
- (b) During the currency of this Lease, the Landlord grants to the Tenant and to its officials, employees and permittees, including all persons attending the “DSAC” and using the DSAC, a non-exclusive licence to access and use the common areas of the Building, including the lobbies, corridors, concourses, ramps, stairways, elevators, public washrooms, loading, unloading and storage areas, vehicle parking areas, roadways and sidewalks situated on the Lands, in common with the Landlord and other tenants and users of the Building.
- (c) The Landlord further grants to the Tenant, during the currency of this Lease, permission to install, maintain and operate a telecommunications tower on the roof of the DSAC, provided that, the Tenant first obtains the Landlord’s approval of the design and specifications for the telecommunications tower.
- (d) The landlord agrees to pay the Tenant \$10,500 for the first five (5) years of the term as a recovery for utility and janitorial services for the Library area and common areas associated with the Library. These costs will be billed annually and will consist of the prorated costs of the Tenant to provide janitorial services, hydro electric and natural gas to the Library and associated common areas. This amount will be reviewed and renegotiated in Year 6 of the Term.

Term

The term of this Lease shall be for a period of TEN (10) YEARS commencing on the 1st day of January, 2009 and ending on the 31st day of December, 2019 (the "**Term**"), with an option to renew the Lease on the same terms and conditions for a further ten (10) year term exercisable at the Tenant and Landlords discretion of the Tenant (the "**Renewal Term**").

3. **Use**

The Tenant shall be entitled to use the “DSAC” for the purposes of a public aquatics, fitness and recreation facility and for all usual activities, uses and operations normally associated with or ancillary to the operation of such a facility, including the parking of vehicles by those persons using the “DSAC”.

4. **Rent**

- (a) The Tenant shall pay to the Landlord:

- i) annual rent of SIXTY-FIVE THOUSAND DOLLARS (\$65,000.00), payable annually on or before August 1, for the first 5 years of the term only, subject to renegotiation in year 6 of the term at the discretion of both parties;
 - ii) in accordance with Article 6 [c] and [d] herein, additional rent equal to sixty (60%) per cent of the annual, actual costs of the Landlord in maintaining and repairing the parking area, sidewalks and landscaping areas identified on the sketch plan contained in Schedule "A" of this Agreement, including snow and ice removal from the parking area and sidewalks (the "**Outdoor Maintenance Services**"), said payment to be supported by an invoice detailing the services delivered and associated detailed cost breakdown.
- (b) The Landlord will invoice the Tenant no later than January 31st of each year of the Term for Outdoor Maintenance Services delivered by the Landlord in the previous year.
- (c) The Landlord shall provide to the Tenant, along with the invoice referred to in paragraph 4(b), a full and detailed accounting of the actual costs incurred by the Landlord in providing the Outdoor Maintenance Services.

5. Tenant's Covenants

THE TENANT COVENANTS WITH THE LANDLORD:

Rent

- (a) to pay all rents reserved under this Lease;

Taxes

- (b) to pay all taxes, rates, duties and assessments whatsoever, whether municipal, provincial, federal or otherwise, including GST, charged upon the Tenant or the Landlord as a result of the Tenant's occupation of or use of the "DSAC" unless exempted by municipal bylaw or otherwise;

Utilities

- (c) to pay as they become due all charges for water, sewer, garbage, gas, oil, telephone and electric light and power used at the "DSAC", said utilities to be

separately invoiced to the Tenant by the utility service provider, subject to Article I(d) herein.

Construction

- (d) that it will not carry out any interior renovations of the “DSAC” unless, prior to carrying out the interior renovations, it has obtained:
 - (i) the consent of the Landlord;
 - (ii) a building permit, where required, authorizing the construction or renovations of the structures set out in the permit and the plans and specifications attached to it; and
 - (iii) the required inspections;

and, unless otherwise agreed to by the parties, all work shall be carried out at the cost of the Tenant.

Notice of Defects

- (e) to give immediate notice to the Landlord of any defect in water, gas or other pipes, fixtures, mechanical, electrical or other systems or assemblies or appurtenances, or with respect to any known or suspected structural defects on or to the “DSAC”;

Inspection

- (f) that the Landlord may enter and view the state of repair and the Tenant will repair within thirty (30) days of receiving written notice of any defect or deficiency in the condition of the “DSAC”, excepting reasonable wear and tear and damage by any peril the risk of which has been insured against under the terms of this Lease, and subject to the respective maintenance and repair obligations of the parties established in paragraphs 6 and 7 herein;
- (g) The Tenant shall provide an annual inspection of the equipment, air and pumping systems and building on or before September 1 of each year to the Landlord provided by a firm possessing the skills and certification to provide that report.

Good Repair

- (h) that upon the expiry or earlier termination of this Lease, it will leave the “DSAC” in good repair, reasonable wear and tear excepted;
- (i) “reasonable wear and tear” is defined as the natural and normal deterioration or

depreciation in value by ordinary and reasonable use under the circumstances and given the use intended of the DSAC;

- (j) in the event that the DSAC has excessive use over the reasonable wear and tear definition that the Tenant will either bring the facility to a reasonable wear and tear standard or allow the Landlord to upgrade the facility to that standard at the Tenant's cost.

Assign or Sublet

- (k) that it will not assign nor sublet without leave of the Landlord's Council, such consent not to be unreasonably withheld;
- (l) that the Landlord's consent to assignment or subletting shall not release or relieve the Tenant from its obligations to perform all the terms, covenants and conditions that this Lease requires the Tenant to perform, and the Tenant shall pay the Landlord's reasonable costs incurred in connection with the Tenant's request for consent;

Nuisance

- (m) that it will not carry on or do or allow to be carried on or done on the "DSAC" anything that:
 - (i) may be or become a nuisance to the Landlord or the public,
 - (ii) increases the hazard of fire or liability of any kind,
 - (iii) increases the premium rate of insurance against loss by fire or liability upon the "DSAC";
 - (iv) invalidates any policy of insurance for the "DSAC"; or
 - (v) directly or indirectly causes damage to the "DSAC";

Regulations

- (n) that it will:
 - (i) comply promptly at its own expense with the legal requirements of all authorities, including an association of fire insurance underwriters or agents, and all notices issued under them that are served upon the Landlord or the Tenant, and
 - (ii) indemnify the Landlord from all lawsuits, damages, losses,

costs or expenses that the Landlord may incur by reason of non-compliance by the Tenant with legal requirements or by reason of any defects in the "DSAC" caused by the Tenant or any injury to any person or to any personal property contained on the "DSAC" UNLESS THE DEFECTS, DAMAGES, LOSSES, COSTS, EXPENSES OR INJURIES ARE THE RESULT OF THE NEGLIGENCE OR WILLFUL ACTIONS OF THE LANDLORD OR THOSE FOR WHOM THE LANDLORD IS, IN LAW, RESPONSIBLE;

Insurance

- (o) that it will take out and maintain during the Term and the Renewal Term, a policy of general public liability insurance against claims for bodily injury, death or property damage arising out of the use and occupancy of the "DSAC" by the Tenant in the amount of not less than Seven Million (\$7,000,000.00) Dollars per single occurrence or such greater amount as the Landlord may from time to time designate, naming the Landlord as an insured party thereto and shall provide the Landlord with a certificate of insurance, a certified copy of such policy or policies or other evidence of insurance coverage acceptable to the Landlord;
- (p) that it will take out and maintain during the Term and the Renewal Term a policy of insurance insuring the furniture, fixtures and all other contents of the "DSAC" to the full insurable replacement value thereof against risk of loss or damage caused by or resulting from fire, lightning, tempest, or earthquake or any additional peril against which the Landlord normally insures, and provide the Landlord with a certificate of insurance, a certified copy of such policy or other evidence of insurance coverage acceptable to the Landlord;
- (n) that all policies of insurance shall contain a cross liability clause and a waiver of subrogation clause in favour of the Landlord and shall also contain a clause requiring the insurer not to cancel or change the insurance without first giving the Landlord 30 days prior written notice;
- (o) that if the Tenant does not provide or maintain in force the insurance required by this Lease, the Landlord may take out the necessary insurance and pay the premium for periods of one year at a time, and the Tenant shall pay to the Landlord as additional rent the amount of the premium immediately on demand;

Indemnification

- (p) THAT, EXCEPT TO THE PROPORTIONATE EXTENT OF ANY CONTRIBUTING NEGLIGENT OR WRONGFUL ACT OR OMISSION OF THE LANDLORD OR ANY PERSON FOR WHOM THE

LANDLORD IS, IN LAW, RESPONSIBLE, the Tenant will indemnify the Landlord from and against all lawsuits, damages, losses, costs or expenses which the Landlord may incur by reason of the use of the "DSAC" by the Tenant or the carrying on upon the "DSAC" of any activity in relation to the Tenant's use of the "DSAC" and in respect of any loss, damage or injury sustained by the Tenant, or by any person while on the "DSAC" for the purpose of doing business with the Tenant or otherwise dealing with the Tenant, including all costs and legal costs, taxed on a solicitor and client basis, and disbursements, and this indemnity shall survive the expiry or sooner determination of this Lease;

Builder's Liens

- (q) that it will indemnify the Landlord from and against all claims for liens for wages or materials or for damage to persons or property caused during the making of or in connection with any excavation, construction, repairs, alterations, installations and additions which the Tenant may make or cause to be made on, in or to the "DSAC", and will allow the Landlord to post and will keep posted on the "DSAC" any notice that the Landlord may desire to post under the provisions of the *Builders' Lien Act*;
- (s) that it will at the expiration or sooner determination of this Lease peaceably surrender and give up possession of the "DSAC" without notice from the Landlord, any right to notice to quit or vacate being hereby expressly waived by the Tenant, despite any law or custom to the contrary;

6. Landlord's Maintenance and Repair its tangible capital assets (Building and Lands)

THE LANDLORD COVENANTS AND AGREES WITH THE TENANT, AT ITS SOLE COST AND EXPENSE:

- (a) to routinely and regularly maintain and keep the Building and Lands in a good and reasonable state of repair consistent with the intended use of the Building and Lands;
 - (i) the Lands and the Building, including the systems provided for bringing utilities to the "DSAC", the foundation, roof, ceilings, exterior and interior walls (including glass portions), elevators, entrances, stairways, corridors, lobbies and washrooms from time to time provided for use in common by the Tenant and other tenants and users of the Building , and
 - (ii) the structural members, elements and components of the "DSAC"; and
- (b) to routinely and regularly maintain, remediate, repair or replace, as the case may be,

any and all mechanical systems, including without limitation, electrical, plumbing heating, ventilation and air conditioning (HVAC) systems, fixtures, machinery, facilities, equipment, and appurtenances comprising the DSAC and the "DSAC" except for Minor Maintenance and Repairs, as defined below, which are the obligation of the Tenant under paragraph 7;

- (c) to provide and maintain in a good and reasonable state of repair and maintenance the parking area, sidewalks and exterior landscaping on the Lands around the Building, as identified on the sketch plan attached to this Lease as Schedule "A";
- (d) to provide for snow and ice removal of the parking area, roadways and sidewalks on the Lands and around the "DSAC", PROVIDED ALWAYS THAT if, at any time, the Landlord is unable or unwilling to provide such snow removal services in a reasonable and timely manner, the Tenant shall have the right, upon reasonable notice to the Landlord, to engage a contractor and provide for snow removal services at the cost of the Landlord, and the Landlord shall reimburse the Tenant for the costs incurred upon receipt of the Tenant's invoice;
- (e) to provide the Tenant with an annual maintenance schedule with respect to the Landlord's duties as set forth in this Section, not later than February 1 of each year of the term of this agreement; and
- (f) to promptly remediate, repair and replace, as the case may be, the Building and Lands in accordance with this Section upon Notice from the Tenant as provided for in this agreement. It is agreed and understood that the Landlord has a duty to act within a reasonable time frame, and that the particular circumstances will dictate what is reasonable. Notwithstanding the above, the Landlord has a further duty to act promptly.

7. **Tenant's Maintenance and Repair of the "DSAC"**

THE TENANT COVENANTS AND AGREES WITH THE LANDLORD, AT ITS SOLE COST AND EXPENSE:

- (a) to promptly maintain the "DSAC" in a reasonable state of maintenance, minor repair and operating condition including carrying out Minor Maintenance and Repairs to the "DSAC" required as a result of the normal operation of the DSAC, including Minor Maintenance and Repairs to machinery, facilities, equipment, and appurtenances installed by the Tenant or by the Landlord as part of the Building and directly servicing the DSAC, or any part thereof, and not comprising part of the common areas of the Building, but excluding, without limitation, all maintenance, repairs and replacements which are the obligation of the Landlord under paragraph 6 herein; and
- (b) in this paragraph, "Minor Repairs and Maintenance" shall mean routine

painting of the pool and interior surfaces, including walls of the "DSAC", deck resurfacing, and general maintenance and minor repairs to light fixtures, pumps, filters and related aquatics equipment. Minor Repairs shall also mean any replacement of pumps, equipment, machinery, flooring, windows, facilities, and appurtenances having a cost of twenty thousand (\$20,000) or less that extends the life of such products.

- (c) to maintain, replace and repair all fitness and other recreational and aquatics programming equipment, as detailed on the attached Schedule "B" hereto and forming part of this Agreement.

8. **Quite Enjoyment**

- (1) The Landlord covenants with the Tenant for the Tenant's quiet enjoyment of the "DSAC".

9. **Miscellaneous Covenants**

IT IS HEREBY MUTUALLY AGREED BY THE LANDLORD AND TENANT:

Re-Entry

- (a) that if the Tenant shall default in the payment of rent, or the payment of any other sum payable hereunder, or fail to perform any covenant hereunder and if such default shall continue for thirty (30) days after the giving of written notice by the Landlord to the Tenant, then the Landlord may re-enter the "DSAC" and the rights of the Tenant with respect to the "DSAC" shall lapse and be absolutely forfeited;

Forfeiture

- (b) that the Landlord, by waiving or neglecting to enforce the right to forfeiture of this Lease or the right of re-entry upon breach of any covenant, condition or agreement in it, does not waive the Landlord's rights upon any subsequent breach of the same or any other covenant, condition or agreement in this Lease;

Distress

- (c) that if the Landlord is entitled to levy distress against the goods and chattels of the Tenant, the Landlord may use enough force necessary for that purpose and for gaining admittance to the "DSAC" and the Tenant releases the Landlord from liability for any loss or damage sustained by the Tenant as a result;

Destruction

- (d) subject to the Landlord's right of termination contained in paragraph 9(e) and subject to paragraph 9(g), in the event that the "DSAC" or any part thereof shall at any time during the Term be destroyed or damaged as a result of a casualty fully insured against by the Landlord, the Landlord shall rebuild, repair, and make the "DSAC" fit for the purpose of the Tenant. If as a result of such occurrence the "DSAC" are rendered unfit either in whole or in part for the business of the Tenant, then the rents hereby reserved, or a proportionate share thereof according to the nature and extent of the destruction or damage sustained, shall be suspended until the Landlord shall have rebuilt, repaired or made fit the "DSAC" for the purposes of the Tenant;
- (e) in the event of damage to 50% or more of the area of the Building of which the "DSAC" comprise a part, or of the substantial destruction of the "DSAC", the Landlord shall, at its option to be exercised within 60 days after the occurrence of such damages or destruction, by notice in writing to the Tenant, have the right to terminate this Lease, and upon the giving of such notice the Term shall forthwith cease and terminate. If in any of the aforesaid events, the "DSAC" are unfit either in whole or in part for the business of the Tenant, and provided such damage or destruction is as a result of a casualty fully insured against by the Landlord, the rents hereby reserved or a proportionate share thereof according to the extent to which the "DSAC" cannot be used for the business of the Tenant, shall be suspended until the Landlord shall have rebuilt, repaired, or made fit the "DSAC" for the purpose of the Tenant, provided that the Landlord has not exercised its aforesaid right of termination. If the Landlord shall have exercised its right of termination, the Tenant, after receipt of such notice of termination, shall forthwith deliver up possession of the "DSAC" to the Landlord and make payment of the rents in the manner required by paragraphs 9(d) and 9(e), depending on the circumstances of the damage and destruction as provided for therein. Any rents which shall have continued unabated or partially abated, shall be apportioned to the date of such termination;

Termination

- (f) if the Landlord fails to give notice of termination within the 60 days mentioned in paragraph 9(d) and 9(e) and fails to complete the repair or reconstruction within 18 months after the occurrence of such damage to or destruction of the "DSAC", the Tenant shall have the right to give to the Landlord notice of termination of this Lease and thereupon, subject to payment of any rents then due by the Tenant to the Landlord, this Lease shall

forthwith cease and determine, provided that if the Landlord's failure to complete the repair or reconstruction within the 18 months is due to some event, cause or circumstance beyond the reasonable control of the Landlord, then the 18 months shall be extended by the number of days as the Landlord shall be delayed by such event, cause or circumstance;

- (g) nothing contained herein shall obligate the Landlord to rebuild the "DSAC" or any part thereof and if the Landlord elects to rebuild or repair the "DSAC", it may make such changes, alterations, modifications, adaptations, or extensions in, to, or of the original Building or structures forming the "DSAC", including the location of the "DSAC", as it in its unfettered discretion shall see fit;

Fixtures

- (h) that, unless the Tenant, upon notice from the Landlord, removes them, all improvements constructed on the "DSAC" by the Tenant, save and except for moveable business fixtures of the Tenant, shall, at the determination of the Lease, become the sole property of the Landlord at no cost to the Landlord;

Holding Over

- (i) that if the Tenant holds over following the expiration of the Term or Renewal Term and the Landlord accepts rent, this Lease becomes a tenancy from year to year at:
 - (i) an annual rent of \$1.00 due and payable on January 1st of each year; and
 - (ii) additional rent equal to 60% of the Landlord's actual cost of maintaining the parking area, sidewalks and landscaping on the Lands, including snow removal;

and otherwise upon the same terms and conditions in this Lease as the same are applicable to a tenancy from year to year;

Landlord's Payments

- (j) that if the Landlord incurs any damage, loss or expense or makes any payment for which the Tenant is liable under this Lease, then the Landlord may add the cost or amount of the damage, loss, expense or payment to the rent and may recover it as if it were rent in arrears;

Landlord's Repairs

(k) that

- (i) if the Tenant fails to repair or maintain the "DSAC" in accordance with this Lease, the Landlord, its agents, employees or contractors may, upon ninety-six (96) hours notice, enter the "DSAC" and make the required repairs or do the required maintenance and recover the cost from the Tenant, and
- (ii) in making the repairs or doing the maintenance the Landlord may bring and leave upon the "DSAC" all necessary materials, tools and equipment, and
- (iii) the Landlord will not be liable to the Tenant for any inconvenience, annoyance, loss of business or injury suffered by the Tenant by reason of the Landlord effecting the repairs or maintenance;

Insolvency

(l) that if

- (i) the Term or any of the goods or chattels on the "DSAC" are at any time seized or taken in execution or attachment by any creditor of the Tenant or under bill of sale or chattel mortgage, or
- (ii) if a writ of execution issues against the goods or chattels of the Tenant, or
- (iii) if the Tenant makes any assignment for the benefit of creditors, or
- (iv) if the Tenant becomes insolvent or bankrupt, or
- (v) if the "DSAC" or any part of them becomes vacant and unoccupied for a period of thirty (30) days or is used by any other person or persons for any purpose other than permitted in this Lease without the written consent of the Landlord,

the Term shall, at the option of the Landlord, immediately become forfeited and the then current year's rent if not yet paid shall immediately become due and payable as liquidated damages to the Landlord, and the Landlord may re-enter and repossess the "DSAC" despite any other provision of this Lease;

Removal of Goods

- (m) if the Tenant removes its goods and chattels from the “DSAC”, the Landlord may follow them for 30 days;

Renewal

- (n) that upon the expiration of the Term and the Renewal Term the parties may mutually agree to enter into a new lease of the “DSAC” containing agreed terms and conditions;

Arbitration

- (o) the Tenant and the Landlord acknowledge and agree that all disputes between the parties based partly or entirely on allegations of what was done or not done by either party (or by persons for whose acts or omissions one of the parties is alleged to be responsible) in connection with the negotiation, formation, performance, or termination of this Lease shall be resolved:
 - (i) firstly, by the Landlord, as represented by its Chief Administrative Officer and the Mayor, and the Tenant, as represented by its Chairperson and Chief Administrative Officer, meeting within 2 weeks of the dispute arising, to discuss and attempt to resolve the dispute; and
 - (ii) if the parties cannot resolve the dispute in the manner specified in (i), then it shall be resolved by commercial arbitration under the *Commercial Arbitration Act* before a single arbitrator;

Time

- (p) that time shall be of the essence of this Lease;

Termination

- (q) that either party may terminate this Lease by giving one year (1 year) written notice of termination and the termination shall be effective at the expiration of the one year (1 year) period;

Notices

- (r) that any notice required to be given under this Lease shall be deemed to be sufficiently given;

- (i) if delivered, at the time of delivery, and
- (ii) if mailed from any government post office in the Province of British Columbia by prepaid, registered mail addressed as follows:

If to the Landlord:

Chief Administrative Officer
District of Hope
325 Wallace
Street Hope, B.C.
VOX 1L0

If to the Tenant:

Chief Administrative Officer
Fraser Valley Regional District
1-45950 Cheam Avenue
Chilliwack, B.C.
V2P 1N6

or at the address a party may from time to time designate, then the notice shall be deemed to have been received forty-eight (48) hours after the time and date of mailing. If, at the time of the mailing the notice, the delivery of mail in the Province of British Columbia has been interrupted in whole or in part by reason of a strike, slow-down, lock-out or other labour dispute then the notice may only be given by actual delivery of it;

Fitness of "DSAC"

- (s) with the exception of the "DSAC" roof and building envelope and the utility metering with respect to the Library portion of the Building, the Landlord has made no representation or warranties as to the condition, fitness or nature of the "DSAC" and by executing this Lease, the Tenant releases the Landlord from any and all claims which the Tenant now has or may in the future have in that respect;
- (t) that the Tenant admits that it has inspected the "DSAC" in their present state and that they are suitable for the Tenant's purposes;

- (u) that as to the “DSAC” roof and building envelope, the Tenant has put the Landlord on formal notice of defect and repair and that the Tenant does not release the Landlord from any and all claims which the Tenant now has or may in the future have in this respect;

Net Lease

- (v) that this Lease shall be a complete carefree net lease to the Landlord as applicable to the “DSAC” and the Landlord shall not be responsible during the Term for any cost, charges, expenses or outlays of any nature whatsoever in respect of the “DSAC” or its contents except those mentioned in this Lease;

Binding Effect

- (w) that this Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, administrators and permitted assignees;

Amendment

- (x) that the parties hereto may by agreement amend the terms of this Lease, such amendment to be evidenced in writing and executed by both parties;

Law Applicable

- (y) that this Lease shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia;

Interpretation

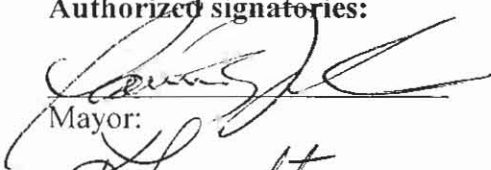
- (y) that when the singular or neuter are used in this Lease they include the plural or the feminine or the masculine or the body politic or corporate where the context or the parties require;
- (z) all provisions of this Lease are to be construed as covenants and agreements as though the words importing covenants and agreements were used in each separate paragraph;
- (a) all obligations of the parties which by their nature require all or part of their performance or fulfillment after the expiry or termination of the Lease shall (whether specifically provided for in this Lease or not) survive the expiry or termination of the Lease;

- (b) that the headings to the clauses in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease or provision of it;

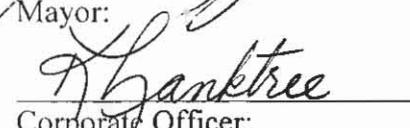
IN WITNESS the parties have signed and sealed this Lease on the 1 day of January, 2009.

**District of Hope by its
Authorized signatories:**

C/S



Mayor:



Corporate Officer:

**Fraser Valley Regional District
By its authorized signatories:**

C/S



Chair/Vice Chair

PATRICIA ROSS, CHAIR

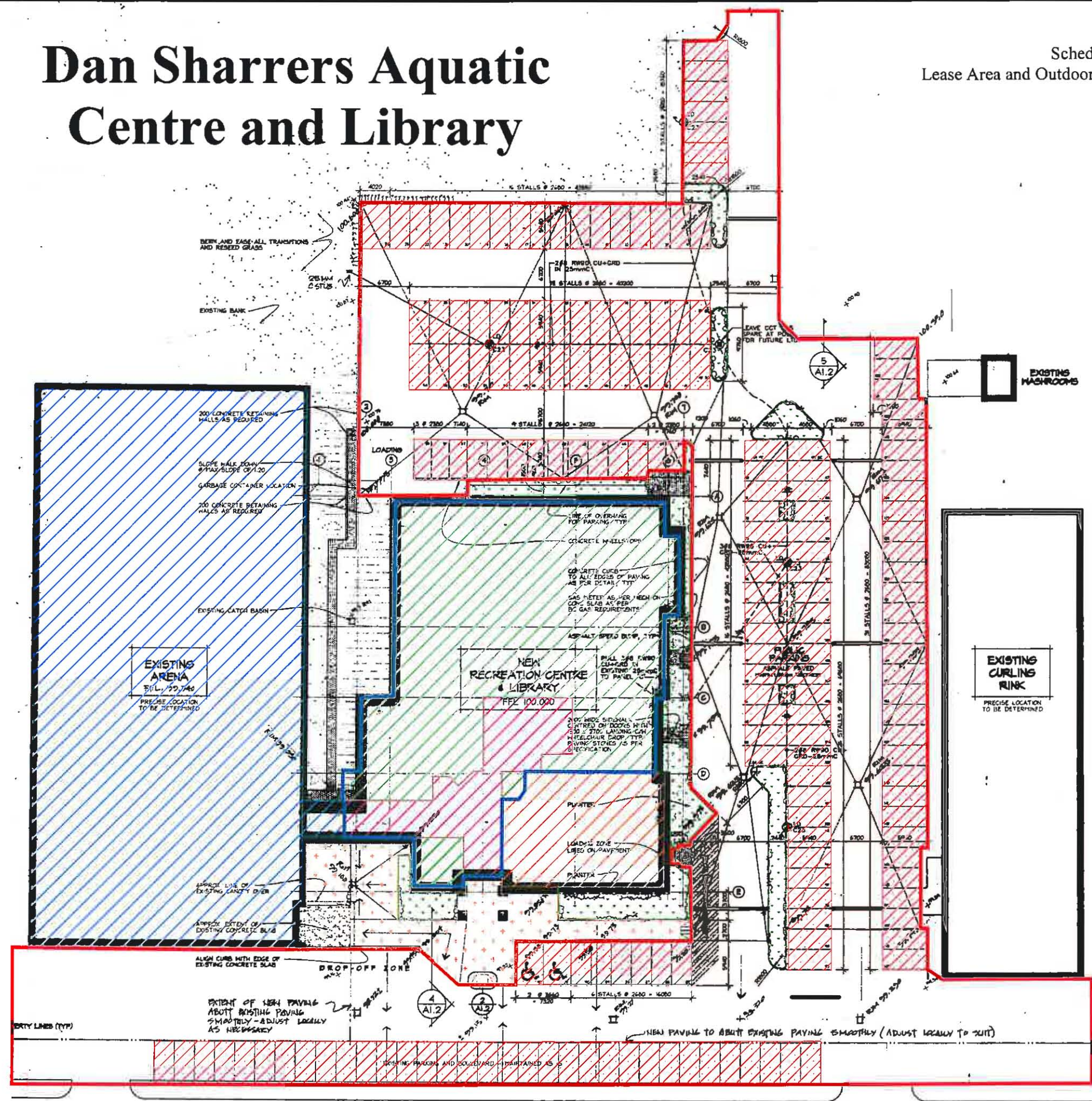


Corporate Officer

Zanne M. Gresham
Deputy Officer
Responsible For
Corporate Administration

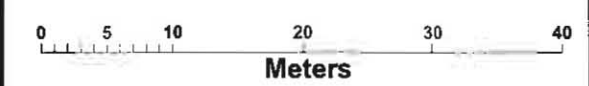
Dan Sharrers Aquatic Centre and Library

Schedule "A"
Lease Area and Outdoor Maintenance Sketch Plan



LEGEND

Lease Area	
Common Area	
Library	
Aquatic/Fitness Center	
Arena	
Parking Lot (approx)	
Parking Stalls	
Landscaping / Planter	
Sidewalk	



Note:
This document has been compiled from several different archived plans for the Hope Recreation Centre. As such, boundaries, measurements and scale are approximate and intended for illustrative purposes only.

--- SIXTH AVENUE ---

SCHEDULE "B"**Fitness and Recreation/Aquatic Programming Equipment Owned by the Tenant****May 2009****No. Cardio Equipment:**

2	Elliptical Machine
2	Treadmill
2	Recumbent
2	Upright
1	Rowing Machine
1	Upper Body Bike
1	TV
2	Video Monitors

No. Gym Equipment:

1	Inner/Outer Thigh Machine
1	Multi-hip Machine
1	Assisted Chin-up Machine
1	Shoulder Press Machine
1	Vertical Butterfly Machine
2	Lateral Pull/ Lateral Row Machine
4	Body Balls
1	Total Leg Machine
2	Leg Press Machine
1	Leg Extension Machine
1	Leg Curl Machine
1	Abs Curl Machine
1	Smith Machine
1	Cable Cross Over Machine
1	Back Extension Bench
1	Preacler Curl Bench
1	Calf Raise Bench
1	Decline Bench
1	Bench Press
2	Incline Bench
1	Flat Bench
1	TV
2	Monitor
5-100lbs	Weights
2	Bosu
1	Chest Press
?	Free Weights

No. First Aid Supplies

3	Spine Boards
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3	Oxygen Bags
	Blankets
	Misc. supplies
4	Kits

No. Pool Supplies:

20	Life Jackets
26	Pool Noodles (Blue/Green)
20	Pool Noodles (White)
3	Logs (Multi-colour)
1	Tot Ring (Yellow/Green) (Basketball) 110.00
20	Waist belts – long blue
5	Waist belts – thick blue
16	Waist Belts – Red
10	Flippers
2	Aquatic Mats 162.50
22	Flutter Boards
1	Tarzan Swing
30 sets	Pull Boys 4x6 8.35 each
40	misc. balls/toys etc.
10 sets	Hand Paddles
6	Dive Brick 62.50 each
	Hand Bar Exercisers Yellow 4/5/3
	Hand Bar Exercisers Blue 2/2/6
2	Wheelchairs
	Skim Net
	Hoses
	Scissor Gates
	Basketball Nets
	Float Boats (Red)
	Float Boats (Green/Yellow)
6	Float Mats
6	Dive Platforms (Pepsi diving blocks)
2	Deck Clocks
3	Wall Clocks
	Portable Stereo
	All Furniture
	Stereo Equipment
	Lane Ropes
	Lane Rope Carriage
	Easy Ladder
	Washer Dryer
	Dolphin Pool Vacuum

No. Viewing Area

	Chairs
	Tables
	Toys