City of Kelowna Regular Council Meeting AGENDA



Monday, October 26, 2020 1:30 pm Council Chamber City Hall, 1435 Water Street

### 1. Call to Order

I would like to acknowledge that we are gathered today on the traditional, ancestral, unceded territory of the syilx/Okanagan people.

This Meeting is open to the public and all representations to Council form part of the public record. A live audio-video feed is being broadcast and recorded on kelowna.ca and a delayed broadcast is shown on Shaw Cable.

In accordance with Order of the Provincial Health Officer on Gatherings and Events, the City is required to collect the first and last name and telephone number or email address of everyone attending a Council meeting. Thank you for your co-operation.

### 2. Confirmation of Minutes

PM Meeting - October 19, 2020

### 3. Development Application Reports & Related Bylaws

3.1.	Mills Rd 320 - Z19-0130 (BL12114) - 1186276 BC Ltd., Inc.No. BC1186276	8 - 21
	To rezone the lot from the RM3 – Low Density Multiple Housing zone to the RM3r – Low Density Multiple Housing (Residential Rental Tenure Only) zone to restrict tenure on the lot to residential rental only.	
3.2.	Mills Rd 320 - BL12114 (Z19-0130) - 1186276 BC Ltd., Inc.No. BC1186276	22 - 22

To give Bylaw No. 12114 first reading in order to rezone the subject property from the RM3 - Low Density Multiple Housing zone to the RM3r - Low Density Multiple Housing (Residential Rental Tenure Only) zone.

Pages

3-7

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### 4. Bylaws for Adoption (Development Related)

•	•		
	4.1.	BL12101 (TA20-0017) - City Of Kelowna	23 - 23
		To adopt Bylaw No. 12101 in order to amend Zoning Bylaw No. 8000 parking requirements for Child Care Centre, Minor.	
5.	Non-D	Development Reports & Related Bylaws	
	5.1.	2020 Citizen Survey Results	24 - 62
		To present the results of the 2020 Citizen Survey.	
	5.2.	Transport Canada Head Lease Amendment	63 - 72
		To obtain Council's approval to amend the Transport Canada Head Lease.	
	5.3.	Walrod Street 825 - Commercial Lease	73 - 121
		To obtain Council support to enter into a two (2) year lease agreement with the Justice Institute of British Columbia for the City-owned property at 825 Walrod Street.	
	5.4.	Stuart Park Ice Rink - 2020-21	122 - 130
		To seek Council's approval to open and operate the Stuart Park ice rink for the 2020/21 season with an adapted operating model to align with provincial COVID safety guidelines.	
6.	Resolu	utions	
	6.1.	Draft Resolution, re: 2021 Council Meeting Schedule	131 - 132
		To adopt the 2021 Council Meeting Schedule.	
7.	Bylaw	s for Adoption (Non-Development Related)	
	7.1.	BL12034 - 2021 Permissive Tax Exemption Bylaw	133 - 141
		To adopt Bylaw No. 12034.	
8.	Mayor	and Councillor Items	

9. Termination



### **City of Kelowna Regular Council Meeting** Minutes

Brad Sieben, Mohini Singh and Loyal Wooldridge

Date: Location:

Monday, October 19, 2020 **Council Chamber** City Hall, 1435 Water Street

Members Present

Members participating remotely

Councillor Charlie Hodge

**Councillor Luke Stack** 

Members Absent

Staff Present

City Manager, Doug Gilchrist; City Clerk, Stephen Fleming; Divisional Director, Planning & Development Services, Ryan Smith\*; Urban Planning Manager, Jocelyn Black\*; Planner, Aaron Thibeault\*; Divisional Director, Infrastructure, Alan Newcombe\*; Policy & Planning Department Manager, Danielle Noble-Brandt\*; Planner Specialist, Ross Soward\*; Sustainability Coordinator, Tracy Guidi\*; Utility Planning Manager, Rod MacLean\*; Community Energy Specialist, Chris Ray\*; Strategic Transportation Planning Manager, Mariah VanZerr\*; Revenue Supervisor, Angie Schumacher\*; Divisional Director, Partnership & Investments, Derek Edstrom\*; Director, Business and Entrepreneurial Development, Robert Fine

Mayor Colin Basran, Councillors Maxine DeHart, Ryan Donn, Gail Given,

Legislative Coordinator (Confidential), Arlene McClelland

(\*Denotes partial attendance)

1.

Staff participating

remotely

Call to Order

Mayor Basran called the meeting to order at 1:32 p.m.

Mayor Basran advised that the meeting is open to the public and all representations to Council form part of the public record. A live audio-video feed is being broadcast and recorded on kelowna.ca and a delayed broadcast is shown on Shaw Cable.

#### **Confirmation of Minutes** 2.

Moved By Councillor Wooldridge/Seconded By Councillor Given

Ro670/20/10/19 THAT the Minutes of the Regular Meetings of October 5, 2020 be confirmed as circulated.

Carried

### 3. Development Application Reports & Related Bylaws

### 3.1 Ethel St 907 - DP19-0026 - Emil Anderson Construction Co. Ltd., Inc. No. 172775

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

### Moved By Councillor Given/Seconded By Councillor Hodge

**<u>Ro671/20/10/19</u>** THAT Council authorizes the issuance of Development Permit No. DP19-0026 for Lot A Section 30 Township 26 ODYD Plan 18927, located at 907 Ethel Street, Kelowna, BC subject to the following:

- 1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A,"
- 2. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";
- 3. Landscaping to be provided on the land be in accordance with Schedule "C";
- 4. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect;

AND FURTHER THAT this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

Carried

### 4. Bylaws for Adoption (Development Related)

4.1 Abbott St 1781, BL11923 (HRA18-0001) - Davara Holdings Ltd., Inc. No. BC0797640

Moved By Councillor Wooldridge/Seconded By Councillor Singh

R0672/20/10/19 THAT Bylaw No. 11923 be adopted.

Carried

4.2 Abbott St 1781, BL11946 (HD19-0002) - Davara Holdings Ltd., Inc. No. BC0797640

Moved By Councillor Singh/Seconded By Councillor Wooldridge

Ro673/20/10/19 THAT Bylaw No. 11946 be adopted.

Carried

### 4.3 Barnaby Rd 779 - BL11925 (Z19-0094) - Jordan Alexander Menzies

Moved By Councillor Given/Seconded By Councillor Singh

**R0674/20/10/19** THAT Bylaw No.11925 be adopted.

#### Carried

4.4 Pacific Ave 1145 - BL12081 (Z20-0047) - Okanagan Opportunity (Pacific) GP Inc., Inc. No. BC1188652

Carried

Carried

### Moved By Councillor Singh/Seconded By Councillor Given

**R0675/20/10/19** THAT Bylaw No. 12081 be adopted.

#### 4.5 Clement Ave 599 - BL12082 (Z20-0046) - Okanagan Opportunity GP Inc

Moved By Councillor DeHart/Seconded By Councillor Sieben

**R0676/20/10/19** THAT Bylaw No. 12082 be adopted.

### 4.6 Lake Ave 286 - BL12099 (Z20-0058) - Ian James Mackay

Moved By Councillor Sieben/Seconded By Councillor DeHart

Ro677/20/10/19 THAT Bylaw No. 12099 be adopted.

**Carried** 

### 4.7 Mayfair Ct 694 - BL12100 (Z20-0036) - Brandi J. Watson and Brent F. Watson

Moved By Councillor DeHart/Seconded By Councillor Donn

R0678/20/10/19 THAT Bylaw No. 12100 be adopted.

Carried

#### Non-Development Reports & Related Bylaws

### 5.1 Water Integration Project Update

#### Staff:

Displayed a PowerPoint Presentation with an update on the South-East Kelowna Water Irrigation Project and responded to questions from Council.

Moved By Councillor Donn/Seconded By Councillor Sieben

<u>**Ro679/20/10/19</u>** THAT Council receives, for information, the report from the Infrastructure Division dated October 19, 2020, with respect to a Water Integration Project update;</u>

AND THAT Council direct staff to increase the project fee from \$32 per month to \$40 per month beginning in 2021 and extend the project fee duration until 2022.

**Carried** 

#### 5.2 Community Trends Report 2020 - Cities and COVID-19 Recovery

Staff:

 Displayed a PowerPoint Presentation outlining the role of the Community Trends report and responded to questions from Council.

#### Moved By Councillor Singh/Seconded By Councillor Wooldridge

<u>Ro68o/2o/10/19</u> THAT Council receives, for information, the report from the Policy & Planning Department dated October 19,2020 with respect to Kelowna's 2020 Community Trends Report.

Carried

#### 5.3 Resourcing Accelerated Climate Action

Staff:

- Displayed a PowerPoint Presentation outlining potential impacts of the Community Climate Action Plan and responded to questions from Council.
- Advised that a correction was made in the detailed 2021 action table shown in Appendix A and Appendix C.

Moved By Councillor Wooldridge/Seconded By Councillor Donn

<u>Ro681/20/10/19</u> THAT Council receives, for information, the report from the Policy & Planning Department, dated October 19, 2020, with respect to Resourcing Accelerated Climate Action;

AND THAT Council directs staff to implement the recommended accelerated climate action for 2020 as outlined in Table 1 in the report, to submit an application to FCM's Community Efficiency Financing program to conduct a home energy retrofit financing program feasibility study;

AND THAT the 2020 Financial Plan be amended to include up to \$150,000 for the implementation of the 2020 recommended accelerated climate action to conduct a home energy retrofit financing program feasibility study with up to 20 per cent of the funds, to a maximum of \$30,000, from the Climate Action Reserve and the remaining funding (up to \$120,000) to come from the FCM Community Efficiency Financing grant, if successful.

AND FURTHER THAT Council endorse the recommended accelerated climate actions for 2021 as outlined in Table 2 in the report, subject to City budget and grant approvals.

Carried

#### Moved By Councillor Wooldridge/Seconded By Councillor Hodge

<u>Ro682/20/10/19</u> THAT Council direct staff to advance a tree preservation bylaw for Council consideration in late 2020 or early 2021 rather than in 2022 as proposed.

<u>Carried</u> Mayor Basran and Councillor Given - Opposed

2021 Permissive Tax Exemptions - Bylaw 12034

#### Staff:

5.4

- Displayed a PowerPoint Presentation providing a summary of the proposed 2021 Tax Exemptions.

Moved By Councillor Donn/Seconded By Councillor Wooldridge

<u>Ro683/20/10/19</u> THAT Council receives, for information, the Report from the Revenue Department dated October 19, 2020 with respect to the 2021 Permissive Tax Exemption Bylaw;

AND THAT Bylaw No. 12034, being the Permissive Tax Exemption Bylaw be forwarded for reading consideration.

**Carried** 

### 5.5 BL12034 - 2021 Permissive Tax Exemption Bylaw

Moved By Councillor Donn/Seconded By Councillor DeHart

**<u>Ro684/20/10/19</u>** THAT Bylaw No. 12034 be read a first, second and third time.

**Carried** 

#### **Business and Entrepreneurial Development** 5.6

Staff:

Displayed a PowerPoint Presentation reviewing the Business and Entrepreneurial Development department activities and responded to questions from Council.

### Moved By Councillor Wooldridge/Seconded By Councillor Donn

Ro685/20/10/19 THAT Council receives for information the report of the Director of Business and Entrepreneurial Development dated October 19, 2020, regarding the activities and accomplishments of the program.

Carried

#### 6. Mayor and Councillor Items

Councillor Donn:

Provided comments on how the City deals with organics waste.

Councillor DeHart:

- Spoke to their attendance at the Uptown Rutland Business Association (URBA) Mural Walking Tour.
- Made comments on wearing masks at indoor public events.

Councillor Sieben:

Encouraged the public to visit the Murals in Rutland and provided kudos to URBA for organizing the walking tour.

Councillor Wooldridge:

- Spoke to their attendance at the Uptown Rutland Business Association (URBA) Mural Walking Tour.
- Encouraged the public to vote in the Provincial Election on Saturday, October 24<sup>th</sup>.

Councillor Given:

- Provided comments on the Regional District plans to look into future of organic waste disposal.
- Termination 7.

This meeting was declared terminated at 5:25 p.m.

lefter

Mayor Basran

City Clerk

/acm





Date:	October 26, 20	20		
То:	Council			
From:	City Manager			
Department:	Development F	Planning		
Application:	Z19-0130		Owner:	1186276 BC Ltd., Inc.No. BC1186276
Address:	320 Mills Rd		Applicant:	BlueGreen Architecture Inc (Wendy Rempel)
Subject:	Rezoning Appl	ication		
Existing OCP D	esignation:	MRL – Multiple Unit Re	sidential (Low l	Density)
Existing Zone:		RM3 – Low Density Mu	ltiple Housing	
Proposed Zone:		RM3r – Low Density Mu	ultiple Housing	(Residential Rental Tenure Only)

### 1.0 Recommendation

THAT Rezoning Application No. Z19-0130 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot A District Lot 125 ODYD Plan 4709, located at 320 Mills Road, Kelowna, BC from the RM3 – Low Density Multiple Housing zone to the RM3r – Low Density Multiple Housing (Residential Rental Tenure Only) zone, be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

### 2.0 Purpose

To rezone the lot from the RM<sub>3</sub> – Low Density Multiple Housing zone to the RM<sub>3</sub>r – Low Density Multiple Housing (Residential Rental Tenure Only) zone to restrict tenure on the lot to residential rental only.

### 3.0 Development Planning

Development Planning supports the proposal to rezone the lot to RM<sub>3</sub>r – Low Density Multiple Housing (Residential Rental Tenure Only) to restrict tenure on the lot to residential rental only.

The 'r' designation was introduced recently under the City's multiple housing zones to restrict tenure on subject lots to residential rental only. The designation entitles property owners to a reduction in required parking stalls at the rate of 20% in urban centres, and 10% outside of urban centres. In this case, the lot is outside an urban centre, and so would be entitled to a 10% reduction in required parking.

The City's Healthy Housing Strategy identifies rental housing as a significant need. Rezoning the lot to RM<sub>3</sub>r ensures the housing units on the subject property remain for rental for the life-cycle of the building helping to fulfill the policy objective.

### 4.0 Proposal

### 4.1 Project Description

The applicant proposes to rezone the lot to RM<sub>3</sub>r – Low Density Multiple Housing (Residential Rental Tenure Only) to restrict tenure on the lot to residential rental only. The applicant intends to take advantage of the incentive to reduce required parking on lots with the 'r' designation by 10% outside of an urban centre.

The applicant has also submitted a Development Permit application, and this is to be considered subsequent to the rezoning.

### 4.2 <u>Site Context</u>

The lot is near the south end of the Highway 97 City Sector and less than 100m from the highway itself.

Adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	RM4 – Transitional Low Density Housing	Multiple Dwelling Housing
East	RM3 – Low Density Multiple Housing	Multiple Dwelling Housing
South	RM3 – Low Density Multiple Housing	Multiple Dwelling Housing
West	RM3 – Low Density Multiple Housing	Multiple Dwelling Housing



Subject Property Map: 320 Mills Rd.

### 5.0 Current Development Policies

### 5.1 <u>Kelowna Healthy Housing Strategy</u>

Key Directions and Recommended Actions

3.1 Promote and Protect Rental Housing

Report prepared by:	Aaron Thibeault, Planner II
Reviewed by:	Jocelyn Black, Urban Planning Manager
Approved for Inclusion:	Terry Barton, Development Planning Department Manager



# Z19-0130 320 Mills Rd.

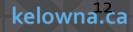
**Rezoning Application** 





### Proposal

To rezone the subject property from the RM3 – Low Density Multiple Housing zone to the RM3r – Low Density Multiple Housing (Residential Rental Tenure Only) zone to facilitate the development of a 3 storey rental apartment building.



### **Development Process**

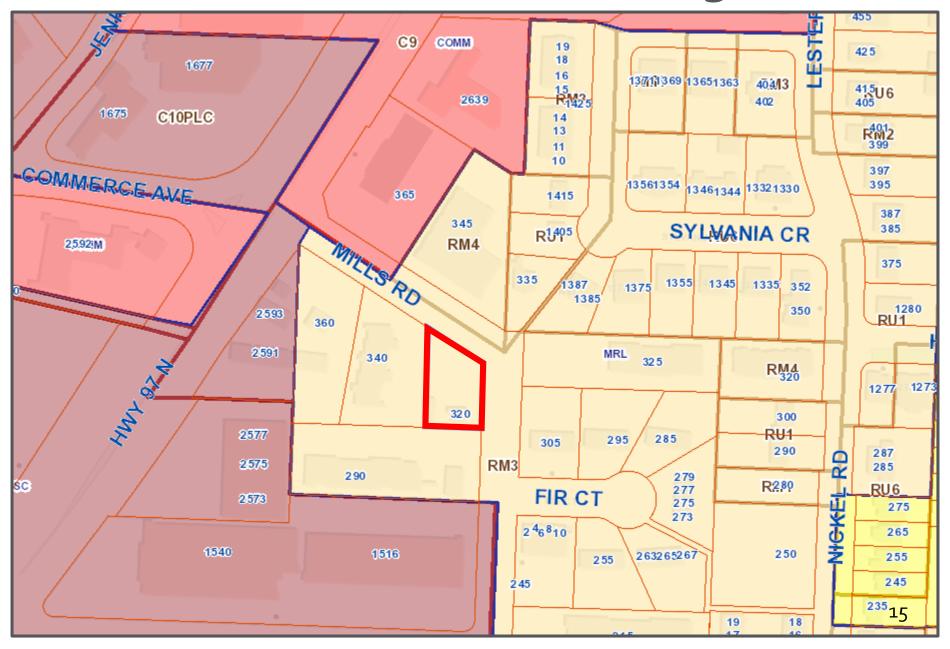


kelowna.ca

### Context Map



### **OCP** Future Land Use / Zoning



### Subject Property Map



## Project/technical details



- Existing RM3 Low Density Multiple Housing zone able to accommodate the proposed development; therefore, the only rezoning that need occur is to add 'r' designation to limit tenure to rental only.
- Applicant intends to take advantage of incentive to reduce required parking on lots with 'r' designation by 10% outside an urban centre.
- Applicant also submitted a DP application, and this is to be considered subsequent to the rezoning.

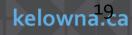
### **Conceptual Rendering**





## **Development Policy**

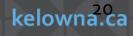
- City's Healthy Housing Strategy identifies rental housing as a significant need.
- Rezoning the lot to RM3r ensures the housing units on the lot remain rental for the life-cycle of the building helping to fulfil the policy objective.





### Staff Recommendation

- Staff support rezoning the lot to RM<sub>3</sub>r Low Density Multiple Housing (Residential Rental Tenure Only) to facilitate the development of a 3 storey rental apartment building.
  - Ensures a greater stock of rental housing in the city—a significant need.





### Conclusion of Staff Remarks

### **CITY OF KELOWNA**

### BYLAW NO. 12114 Z19-0130 – 320 Mills Road

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

- THAT Citv of Kelowna Zonina Bvlaw No. 8000 be amended bv changing the zoning classification of Lot A District Lot 125 ODYD Plan 4709, located on Mills Road, Kelowna, BC from the RM3 – Low Densitv Multiple Housing zone to the RM3r – Low Density Multiple Housing (Residential Rental Tenure Only) zone.
- 2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this

Considered at a Public Hearing on the

Read a second and third time by the Municipal Council this

Approved under the Transportation Act this

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

### **CITY OF KELOWNA**

### BYLAW NO. 12101

### TA20-0017

### Section 8 – Parking and Loading Table 8.3 Required Off- Street Parking Requirements

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT Section 8 – Parking and Loading, Table 8.3 – Required Off-Street Parking Requirements, Table 8.3.6 Community, Recreational, and Cultural be amended by:

Deleting the following:

Child Care Centre, Minor	2.0 Spaces	n/a
		-

And replacing it with:

Child Care Centre, Minor	1.0 spaces, plus 1.0 space per employee to a maximum of	n/a
	2.0 spaces total.	

2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 14<sup>th</sup> day of September, 2020.

Considered at a Public Hearing on the 6<sup>th</sup> day of October, 2020.

Read a second and third time by the Municipal Council this 6<sup>th</sup> day of October, 2020.

Approved under the Transportation Act this 14<sup>th</sup> day of October, 2020.

Audrie Henry

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk



Report	το	Council

• 1

October 26, 2020
Council
City Manager
2020 Citizen Survey Results
Communications

### **Recommendation:**

THAT Council receives, for information, the Report from the Community Communications Manager dated October 26, 2020 with respect to the results of the 2020 Citizen Survey

### Purpose:

To present the results of the 2020 Citizen Survey.

### Background:

Collecting and comparing previous survey results allows elected officials, staff and other community stakeholders to understand how citizens' attitudes and priorities are changing, identify new or emerging issues facing the community and assess the progress the City is making in addressing key issues through statistically significant methodology. The outcomes complement the ongoing engagement and conversations with citizens on a variety of initiatives throughout the year. The previous Citizen Survey was completed in November 2018.

### Discussion:

The 2020 telephone survey was conducted through cell phone and landline methodology with the final sample size of 300 adult Kelowna residents, split 65 per cent cell phones and 35 per cent landlines. Quotas were established in order to get more representative data both geographically and demographically by establishing age, gender and postal code information. The overall survey results are accurate within + or -5.7 percentage points, 19 times out of 20. The final data has been weighted to reflect the actual population in Kelowna according to the most recent Census data. Ipsos Public Affairs was selected to conduct the survey in order to benchmark Kelowna against other BC municipalities as part of its database of municipal norms.

In addition to asking about COVID, the 2020 survey focused on seven key areas:

- 1. Quality of Life
- 2. Issue Agenda
- 3. Community Safety
- 4. City Services and Infrastructure
- 5. Financial Planning

- 6. Priority Setting
- 7. Customer Service

### **Overall results**

Results are generally positive and residents remain largely satisfied with the services the City provides.

- Good quality of life
- Safe community
- Satisfied with services
- Good value for tax dollars
- Satisfied with customer service

Overall, perceptions of quality of life remain high at 92 per cent which is down 2 points from the previous survey. The percentage of citizens saying the quality of life has 'worsened' (35%) than 'improved' (22%) is fairly consistent with the previous survey.

### Top community issues

Open-ended responses from respondents mentions the primary issues facing the community is social issues taking the top position once again over transportation, with COVID, growth and development and the economy as secondary issues.

- Social issues at 46 per cent
- Transportation at 22 per cent
- COVID pandemic at 8 per cent
- Growth and development at 7 per cent
- Economy at 7 per cent

### Community Safety

Perception of Community Safety remains strong and consistent with 87 per cent of residents describing Kelowna as a safe community.

### Top investment priorities

The paired choice analysis identifies priorities for City investment. Addressing social issues such as homelessness, mental health and addiction was consistently the top priority. 79 per cent of citizens selected it as a priority when presented alongside other options.

Other priorities include having a diverse supply of housing options at different price points (67%), drinking water (65%), fire services (56%) and police services (56%). By comparison, less emphasis is placed on traffic flow management (50%).

When asked about investing capital dollars into building new or renewing existing infrastructure, respondents were split with renewing at 64 per cent and building new at 34 per cent. While the results are not significantly different from 2018, directional evidence points to a growing emphasis on infrastructure renewal.

### Value for taxes

Value for taxes is consistent with the previous year's results demonstrating 79 per cent of respondents think the overall services and programs are very good to fairly good value and options to increase taxes to enhance or to maintain services at current levels was reported at 53 per cent.

### COVID19

When asked about the impact of the COVID19 pandemic, 32 per cent of respondents indicated the pandemic has impacted their ability to meet their financial obligations. Respondents also indicate their use of parks and public spaces increased.

Complete results of the 2020 Citizen Survey are posted on kelowna.ca.

### Considerations not applicable to this report:

Internal Circulation: Legal/Statutory Authority: Legal/Statutory Procedural Requirements: Existing Policy: Financial/Budgetary Considerations: External Agency/Public Comments: Communications Comments:

Submitted by:

L. Corcoran, Communications Manager

Approved for inclusion: C. Weaden, Divisional Director, Corporate Strategic Services

# 2020 CITIZEN SURVEY

### PREPARED FOR THE CITY OF KELOWNA BY:

PRESENTED BY: Catherine Knaus, Director October 26, 2020

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### **Objectives and Methodology**

### **OBJECTIVES**

- Gauge public satisfaction with municipal programs and services and gain insight into citizens' service priorities
- Understand the impact COVID-19 has had on residents and how the City can help the community recover

### **METHODOLOGY**

- Random and representative telephone survey with 300 adult Kelowna residents
- Dual frame cellphone/landline sampling methodology (65% cellphones, 35% landlines)
- Conducted September 1 to 15, 2020
- Weighted by gender/age and neighbourhood
- MOE: ±5.7%, 19 times out of 20
- Tracking and normative comparisons provided where appropriate



### Highlights

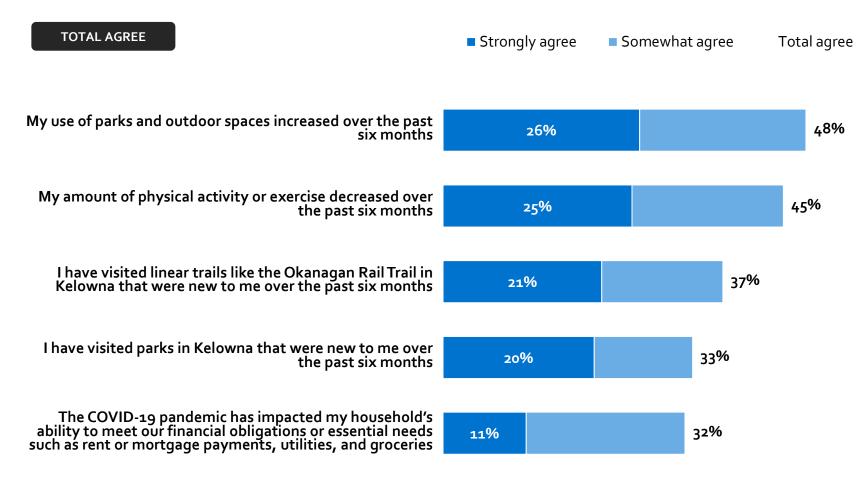
1	Most survey measures are stable and strong.	2	Satisfaction with individual services is largely unchanged and any shifts in overall satisfaction are positive.	3	Social issues and safety concerns are still making more see quality of life worsening versus improving.	4	Social issues continue to dominate the issue agenda and are citizens' number one priority for investment.
5	Perceptions of transportation, particularly traffic congestion, have improved this year.	6	Citizens continue to demonstrate a strong preference for tax increases over service cuts.	7	Suggestions for actions the City can take to help Kelowna's recovery from COVID-19 primarily focus on measures to reduce the spread of the virus.		



# COVID-19



# One-third of citizens are finding it difficult to make ends meet as a result of the COVID-19 pandemic. The impact on recreation is mixed.

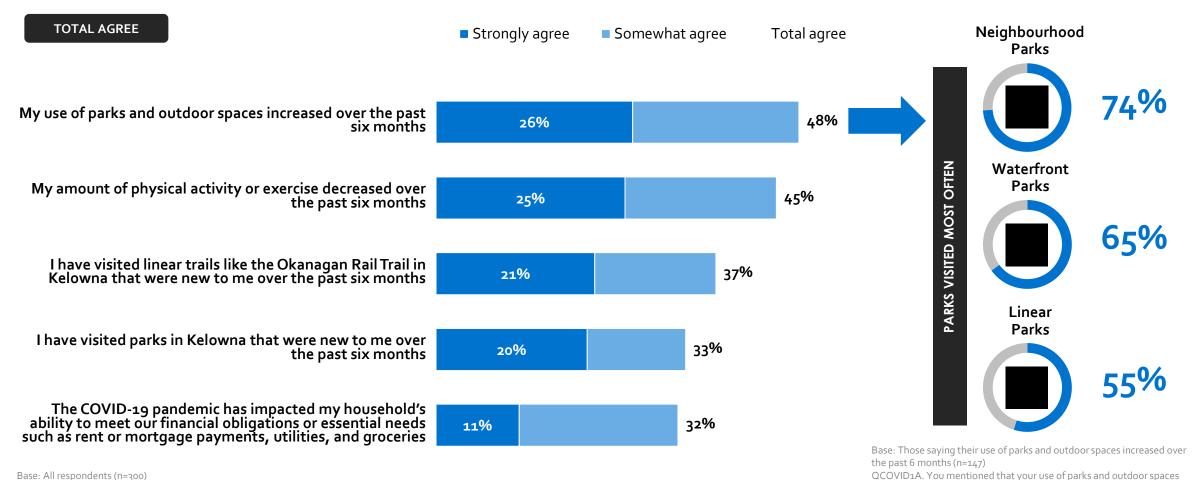


Base: All respondents (n=300)

QCOVID1. As you likely know, the world is in the midst of the COVID-19 pandemic. The City of Kelowna is interested in learning more about the impact COVID-19 has had on residents. Please tell me the extent to which you agree or disagree with each of the following statements. (Scale: strongly agree, somewhat agree, somewhat disagree)



### One-third of citizens are finding it difficult to make ends meet as a result of the COVID-19 pandemic. The impact on recreation is mixed.



Base: All respondents (n=300)

QCOVID1. As you likely know, the world is in the midst of the COVID-19 pandemic. The City of Kelowna is interested in learning more about the impact COVID-19 has had on residents. Please tell me the extent to which you agree or disagree with each of the following statements. (Scale: strongly agree, somewhat agree, somewhat disagree, strongly disagree)

and outdoor spaces did you visit?

increased over the past six months. Which of the following types of parks

### Citizens mainly suggest focusing on measures to reduce the spread of the virus.

Mandatory/more enforcement of mask use	18%
Support the economy/businesses	11%
Everything is okay/keep doing what they/we are doing	10%
Regulate/better enforcement of social distancing	9%
Stronger enforcement of safety protocols/penalties for non-compliance	8%
Restrict/regulate/better enforcement of (indoor) groups/social gatherings	7%
Open up/lift all restrictions/let it run its course/must go back to normal	<b>6%</b>
Close/regulate/monitor restaurants/clubs/bars	<b>5%</b>
Better/more sanitization/cleaning of public places	<b>4%</b>
More access to outdoor recreation (parks, outdoor spaces, bike paths, trails)	<b>4%</b>
Restrict tourists/should not have opened up for tourism	3%
Promote/support outdoor activities/events	3%
Close Bernard Avenue/downtown streets	3%
Support for those who are homeless	3%
None/nothing	4%
Don't know	15%

Note: Mentions <3% not shown. Base: All respondents (n=300)

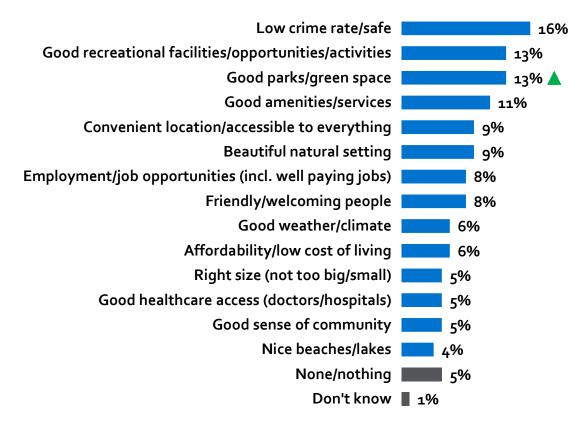
QCOVID2. What actions could the City take in response to COVID-19 that you think would be most helpful to Kelowna's recovery?



# **QUALITY OF LIFE**



# Citizens recognize that a number of elements contribute to making a city a good place to live – overall, a low crime rate, good recreational opportunities, and parks top the list.



<b>2018 Top Mentions</b> (n=300)	
Low crime rate/safe	16%
Good recreational facilities/opportunities/activities	12%
Good amenities/services	12%
Convenient location/accessible to everything	11%

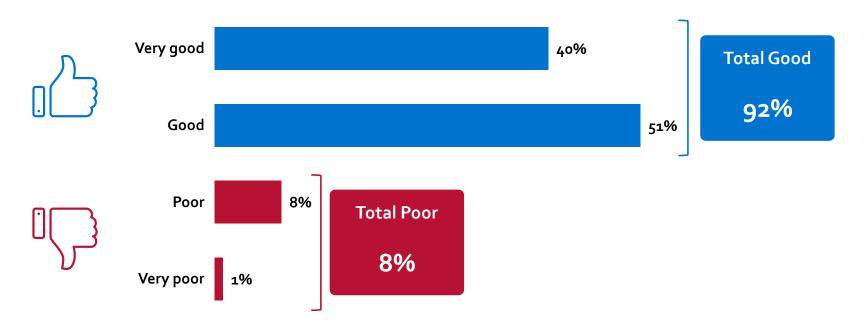
Note: Mentions <4% not shown.

Base: All respondents (n=300)

Q2. There are a number of reasons why people choose to live in one city or area over another. Assuming family and weather are not factors, what qualities or characteristics make a city a good place to live? That is, what qualities or characteristics would you use to describe your ideal city? Anything else?



### Overall perceptions of quality of life remain strong.



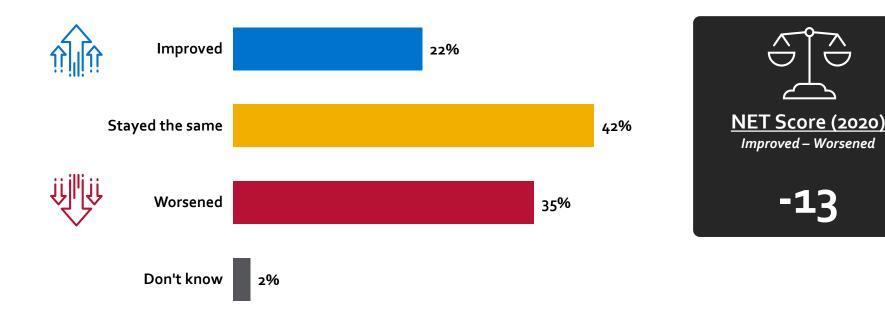
	<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	NORM
TOTAL GOOD	96%	95%	94%	94%	92%	96%
Very Good	36%	40%	40%	36%	40%	45%

Base: All respondents (n=300)

Q3. How would you rate the overall quality of life in the City of Kelowna today?



## However, perceptions of how quality of life has changed are more negative than positive.



	<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	NORM
NET SCORE	-5	+12	-11	-15	-13	0

Base: All respondents (n=300)

Q4. And, do you feel that the quality of life in the City of Kelowna in the past three years has improved, stayed the same, or worsened?





## A variety of factors are behind perceptions of an 'improved' quality of life.

(Among those saying the quality of life has improved)



(n=58)* Better/more amenities and services	13%
City governance (Council/Administration)	10%
Improved roads	9%

2018 Top Mentions

Note: Mentions <3% not shown.

\*Small base size, interpret with caution.

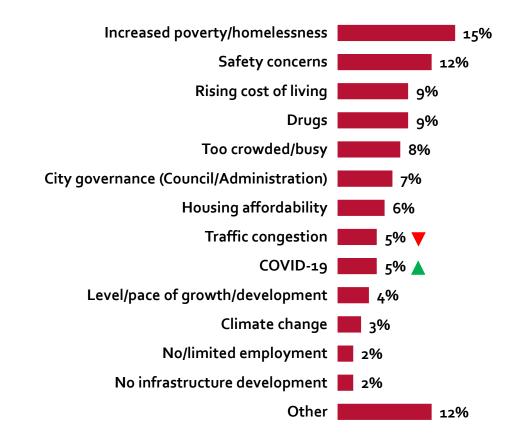
Base: Those saying the quality of life has improved (n=63)\*

Q5. Why do you think the quality of life has improved?



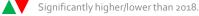
# Social issues and safety concerns are the most frequently mentioned reasons for saying the quality of life has 'worsened'.

(Among those saying the quality of life has worsened)



2018 Top Mentions (n=108)						
Traffic congestion	21%					
Increased poverty/homelessness	16%					
Safety concerns	14%					
Rising cost of living	14%					

Base: Those saying the quality of life has worsened (n=108) Q6. Why do you think the quality of life has worsened?





## **ISSUE AGENDA**



## Social issues continue to dominate the public issue agenda. Transportation mentions are down significantly.

TOTAL MENTIONS		First mention Second mention	Total mentions	Norm	<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)
	Social (NET)	38%	46%	23%	17%	16%	40%	51%	46%
Tr	ansportation (NET)	<b>15%</b> 22%		35%	37%	38%	39%	43%	22%
Pandem	nic/COVID-19 (NET)	<b>6%</b> 8%		n/a	n/a	n/a	n/a	n/a	8% 🔺
Growth and o	development (NET)	<u>6%</u> 7%		16%	17%	13%	15%	10%	7%
	Economy (NET)	<mark>4%</mark> 7%		4%	12%	12%	3%	2%	7% 🔺
Municipal governm	nent services (NET)	<u>5%</u> 6%		10%	8%	7%	8%	6%	6%
	Crime (NET)	6%		12%	9%	8%	4%	11%	6% 🔻
Parks, recreation	, and culture (NET)	5%		8%	12%	12%	7%	6%	5%
	Education (NET)	3%		7%	7%	3%	3%	3%	3%
	Healthcare (NET)	2%		4%	5%	5%	3%	3%	2%
Taxation/municipal governme	ent spending (NET)	1%		7%	10%	4%	2%	4%	1% 🔻
	Environment (NET)	1%		4%	6%	4%	2%	2%	1%
	Other (NET)	<mark>5%</mark> 8%		7%	4%	10%	5%	2%	8% 🔺
	Nothing	12%							
lote: Data <4% not labelled. ase: All respondents (n=200)	Don't know	2%							

Base: All respondents (n=300)

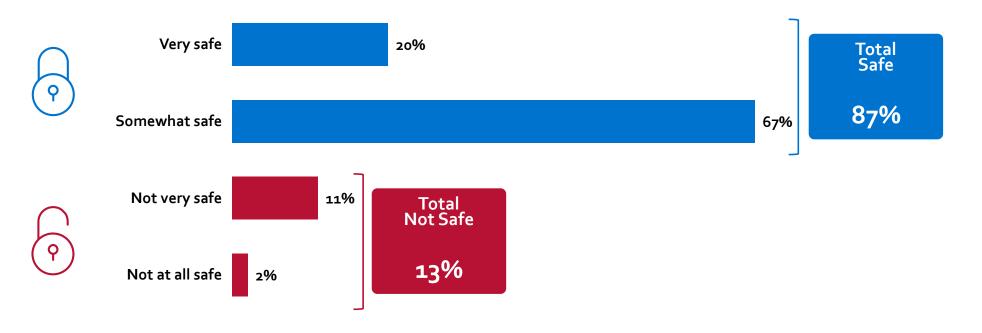
Q1. In answering the remainder of the survey, please think of the City of Kelowna during more normal times, that is, before COVID-19. In your view, as a resident of the City of Kelowna, what is the most important issue facing your community, that is the one issue you feel should receive the greatest attention from local leaders? Are there any other important local issues?



# **COMMUNITY SAFETY**



### Overall perceptions of community safety continue to be positive.



	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	NORM
TOTAL SAFE	94%	90%	87%	87%	91%
Very Safe	32%	29%	24%	20%	31%

Base: All respondents (n=300)

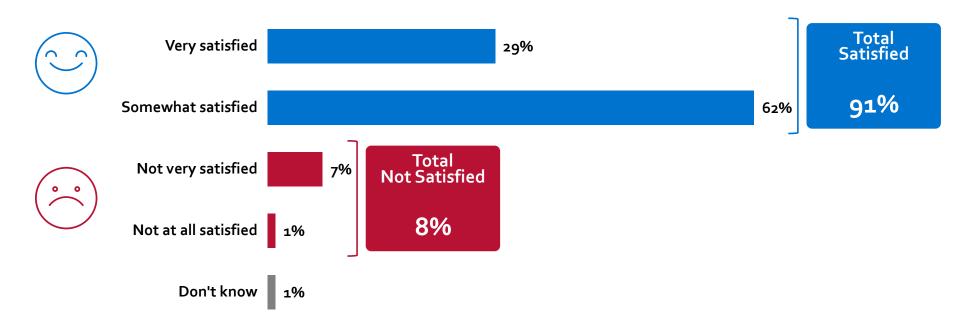
Q17. Overall, would you describe the City of Kelowna as a very safe, somewhat safe, not very safe, or not at all safe community?



## CITY SERVICES AND INFRASTRUCTURE



### Overall satisfaction with City services remains high.



	<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	NORM
TOTAL SATISFIED	94%	94%	90%	87%	91%	93%
Very Satisfied	23%	29%	26%	23%	29%	35%

Base: All respondents (n=300)

Q7a. Just a reminder, in answering the following questions, please think of the City of Kelowna's service delivery during more normal times, that is, before COVID-19. How satisfied are you with the overall level and quality of services provided by the City of Kelowna?



### Satisfaction extends to the delivery of specific services.

				TOTAL SATISFIED					
TOTAL SATISFIED	Very satisfied Somew	hat satisfied Total satisfied	Norm	<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	
Fire services	82%	98%	95%	97%	96%	95%	97%	98%	
Parks & sports fields	48%	91%	92%*	95%*	92%*	93%*	91%	91%	
Drinking water quality	50%	90%	88%	n/a	82%	88%	87%	90%	
City-operated recreational & cultural facilities/programs	34%	89%	90%*	91%*	90%*	91%*	90%	89%	
Community cleanliness	29%	84%	89%	n/a	93%	92%	82%	84%	
Road maintenance	25%	83%	79%	78%	81%	78%	77%	83%	
Police services	36% 🗸 (47%)	82%	90%	88%	89%	85%	87%	82%	
Bike lanes and pedestrian sidewalks	26%	82%	n/a	83%	73%	74%	80%	82%	
Snow removal	32%	81%	83%	n/a	n/a	n/a	79%	81%	
Addressing climate change	7%	65%	n/a	n/a	n/a	n/a	n/a	65%	
Public transit	19%	64%	55%	69%	68%	60%	59%	64%	
City growth management	11%	62%	69%	n/a	n/a	65%	64%	62%	
Traffic flow management	11% (6%)	52%	52%	n/a	n/a	41%	36%	52%	

Base: Total-300

Q8. And now how satisfied are you with...? (Scale: very satisfied, somewhat satisfied, not very satisfied, not at all satisfied)

\* Prior to 2018, respondents were asked about parks, sports fields, recreational facilities and programs, and cultural facilities and programs separately. The yearly and normative ratings reported here are the average of these services.



### All the evaluated services are important to citizens.

					TOTAL IMPORTANT					
ry important	Somewhat import	ant To	Total important		<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	
	93%		100%	99%	98%	100%	99%	100%	100%	
	83%		100%	99%	n/a	99%	99%	99%	100%	
	94%		99%	99%	n/a	99%	99%	99%	99%	
	73%		98%	99%	98%	98%	98%	98%	98%	
	75% 💙 (84%)		97%	97%	n/a	n/a	98%	99%	97%	
	84%		96%	98%	98%	96%	99%	99%	96%	
	77%		95%	97%	n/a	n/a	n/a	97%	95%	
	63%		92%	88%	n/a	n/a	93%	87%	92%	
	65%		88%	90%*	93%*	90%*	88%*	92%	88%	
	65%		88%	n/a	90%	93%	90%	90%	88%	
	53%		88%	92%*	89%*	90%*	84%*	90%	88%	
	58%		84%	n/a	n/a	n/a	n/a	n/a	84%	
47	7%	70%	ó	71%	79%	74%	71%	65%	70%	
		93% 83% 94% 94% 73% 75% ▼ (84%) 84% 84% 63% 65% 65% 65%	93% $83%$ $94%$ $73% (84%)$ $84%$ $84%$ $63%$ $65%$ $65%$ $53%$	93%       100%         83%       100%         94%       99%         73%       98%         75%<       (84%)         97%       96%         65%       92%         65%       88%         65%       88%         53%       88%         58%       84%	93%         100%         99%           83%         100%         99%           94%         99%         99%           94%         99%         99%           73%         98%         99%           73%         98%         99%           73%         98%         99%           75%         (84%)         97%           84%         96%         98%           97%         95%         97%           63%         92%         88%           65%         88%         90%*           65%         88%         92%*           58%         84%         92%*	Arry important       Somewhat important       Total important       Norm       2012 (n=300)         93%       100%       99%       98%         83%       100%       99%       91%         94%       99%       99%       91%         94%       99%       99%       91%         73%       98%       99%       98%         75%       (84%)       97%       97%         97%       97%       97%       97%         97%       97%       98%       98%         77%       95%       97%       97%         97%       97%       97%       97%         98%       92%       98%       98%         65%       88%       90%       93%*         65%       88%       90%       93%*         65%       88%       92%*       93%*         65%       88%       92%*       89%*         53%       88%       92%*       89%*         68%       92%*       89%*       92%*	Norm       2012       2015         93%       100%       99%       98%       100%         83%       100%       99%       98%       99%         94%       99%       99%       99%       99%         94%       99%       99%       99%       99%         94%       99%       99%       99%       99%         94%       99%       99%       99%       99%         94%       99%       99%       99%       99%         94%       99%       99%       99%       99%         94%       99%       99%       99%       99%         94%       99%       99%       98%       98%         94%       94%       97%       91%       104         100       84%       96%       96%       96%         101       77%       95%       91%       91%       104         102       63%       92%       91%       104       104         103       65%       88%       91%       90%       31%         103       65%       88%       91%       92%       93%         103       53%	Norm       2012       2015       2017         93%       100%       99%       98%       100%       99%         83%       100%       99%       103       99%       99%       99%         94%       99%       99%       99%       99%       99%       99%       99%         73%       94%       99%       99%       98%       88%       98%       88%       98%       88%       98%       98%       98%       98%       98%       98%       98%       98%       98%	Norm       2012       2015       2017       2018         93%       100%       99%       98%       100%       99%       98%       100%       99%       90%       90%       80%       90%       80%       90%       80%       90%	

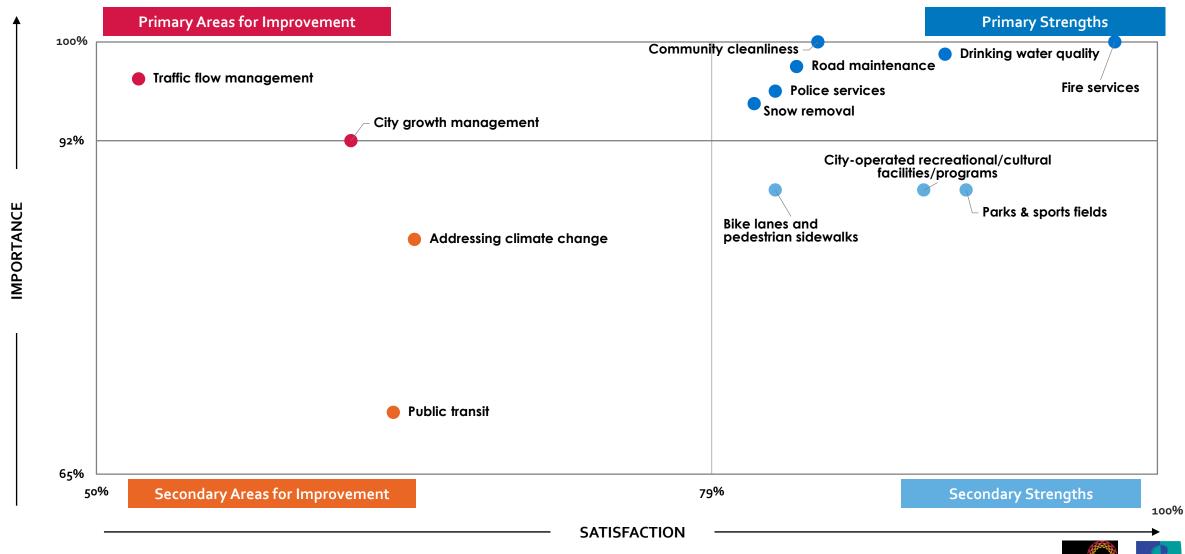
Base: All respondents (n=300)

Q7. How important is...to you personally? (Scale: very important, somewhat important, not very important, not at all important)

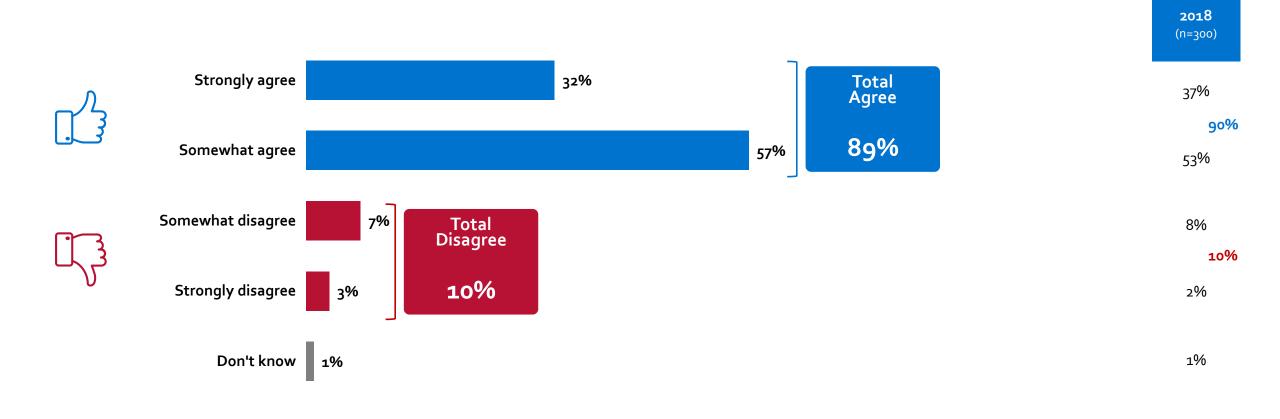
\* Prior to 2018, respondents were asked about parks, sports fields, recreational facilities and programs, and cultural facilities and programs separately. The yearly and normative ratings reported here are the average of these services.



### The City has six Primary Strengths and one Primary Area for Improvement.



### Perceptions of City inclusiveness and acceptance remain favourable.



Base: All respondents (n=300)

Qga. Please tell me whether you agree or disagree with the following statement? The City of Kelowna municipal government fosters a city that is inclusive and accepting of all through its services and programs.



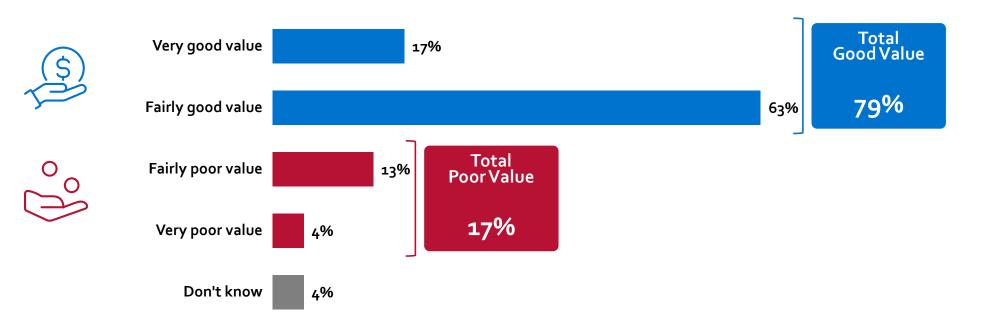




## FINANCIAL PLANNING



### Perceptions of the City's value for taxes remain high.



	<b>2012*</b> (n=300)	<b>2015*</b> (n=301)	<b>2017*</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	NORM
TOTAL GOOD VALUE	81%	84%	84%	79%	79%	84%
Very Good Value	16%	23%	18%	16%	17%	22%

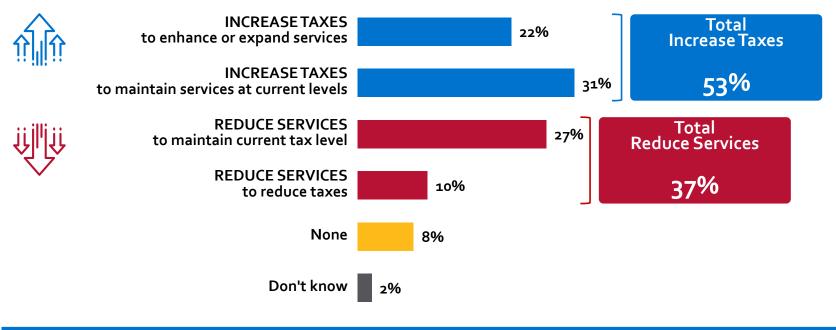
\* Slightly different question wording

Base: All respondents (n=300)

Q9. Your property tax dollars are divided between the City and the Province, with 58% of your total tax bill going towards municipal programs and services. Thinking about all the programs and services you receive from the City of Kelowna; how would you rate the overall value for the taxes you pay?



### Citizens continue to prefer tax increases over service reductions.



	<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	NORM
TOTAL INCREASE TAXES	57%	56%	62%	55%	53%	56%
TOTAL REDUCE SERVICES	34%	31%	30%	33%	37%	32%

Base: All respondents (n=300)

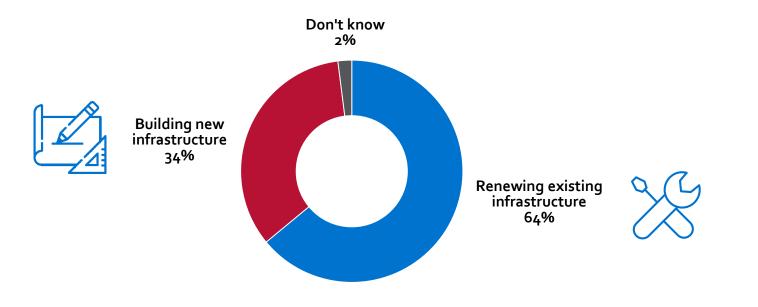
Q10. Municipal property taxes are one source of revenue used to pay for services provided by the City of Kelowna. Due to the increased cost of maintaining current service levels and infrastructure, the City must balance taxation and service delivery levels. To deal with this situation, which one of the following four options would you most like the City of Kelowna to pursue?



## **PRIORITY SETTING**



## Citizens prioritize infrastructure renewal over building new by a margin of nearly 2:1.



	<b>2017*</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)
Renewing existing infrastructure	56%	58%	64%
Building new infrastructure	41%	40%	34%

\* Slightly different question wording

Base: All respondents (n=300)

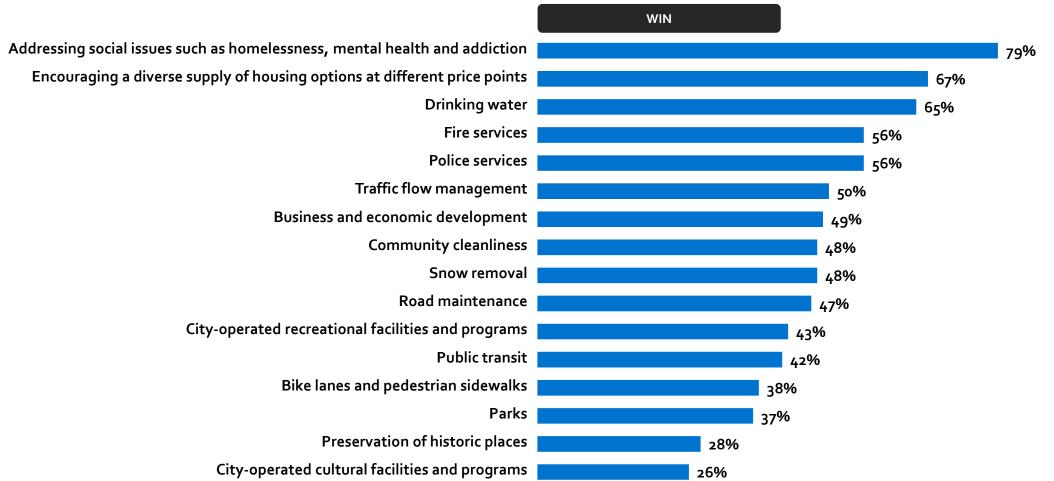
Q11. Each year, the City is challenged with allocating limited capital dollars for roads, parks, utilities, buildings and IT infrastructure. In your opinion, which of the following should be the greater priority for investment for the City in 2021?







### Social issues are citizens' number one priority for investment.



Base: All respondents (n=300)

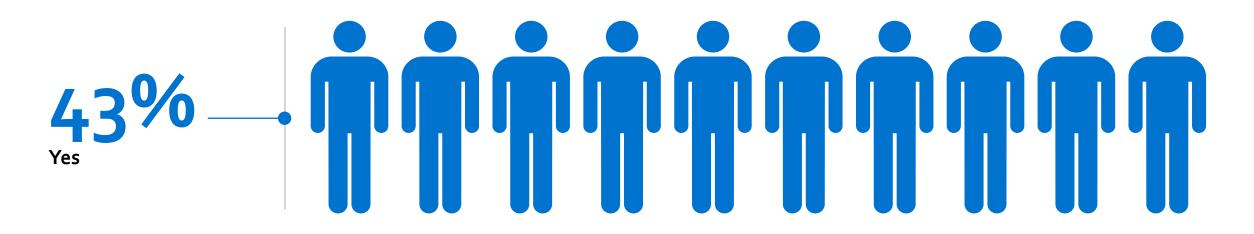
Q12. The City of Kelowna has many different options for things it can invest in over the next four years. I'm now going to read you different pairs of priorities. For each pair, please tell me which item you think should be the greater priority for investment over the next four years.



## **CUSTOMER SERVICE**



More than two-in-five say they contacted or dealt with the City in the last 12 months.



	<b>2012</b> (n=300)	<b>2015</b> (n=301)	<b>2017</b> (n=300)	<b>2018</b> (n=300)	<b>2020</b> (n=300)	NORM
Yes	38%	43%	50%	49%	43%	48%

Base: All respondents (n=300)

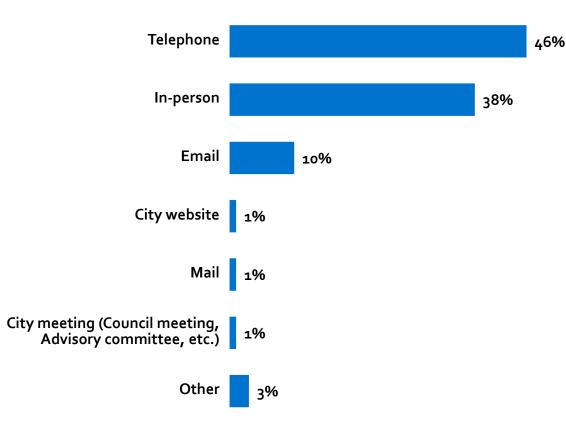
Q14. In the last 12 months, have you personally contacted or dealt with the City of Kelowna or one of its employees?





### Most contacts occurred via the telephone or in-person.

(Among those saying they contacted or dealt with the City in the last 12 months)



<b>2018 Top Men</b> (n=152)	tions
In-person	40%
Telephone	38%
Email	7%

Base: Among those saying they contacted or dealt with the City in the last 12 months (n=129)

Q15. For the next few questions, please think about the last time you contacted or dealt with the City of Kelowna or one of its employees. How did this contact occur?





## Satisfaction with the City's customer service remains high. (Among those saying they contacted or dealt with the City in the last 12 months)

TOTAL SATISFIED	Very satisfied Somewhat satis	fied Total satisfied	TOTAL SATISFIED					
			Norm	<b>2012</b> (n=117)	<b>2015</b> (n=136)	<b>2017</b> (n=150)	<b>2018</b> (n=152)	<b>2020</b> (n=129)
Overall service you received	60%	85%	84%	81%	81%	78%	76%	85%
Staff's courteousness	75%	91%	94%	95%	97%	93%	89%	91%
Staff's knowledge	57%	89%	86%	85%	86%	84%	83%	89%
The speed and timeliness of service	49%	89%	84%	84%	82%	83%	79%	89% 🔺
The ease of reaching staf	48%	89%	86%	90%	88%	86%	82%	89%
Staff's helpfulness	64%	87%	87%	83%	87%	83%	83%	87%
Staff's ability to resolve your issue	53%	81%	78%	77%	79%	78%	78%	81%
The ease of finding information online	29%	69%	n/a	n/a	n/a	n/a	n/a	69%

Base: Among those saying they contacted or dealt with the City in the last 12 months (n=129)

Q16. How satisfied are you with the ...? (Scale: very satisfied, somewhat satisfied, not very satisfied, not at all satisfied)



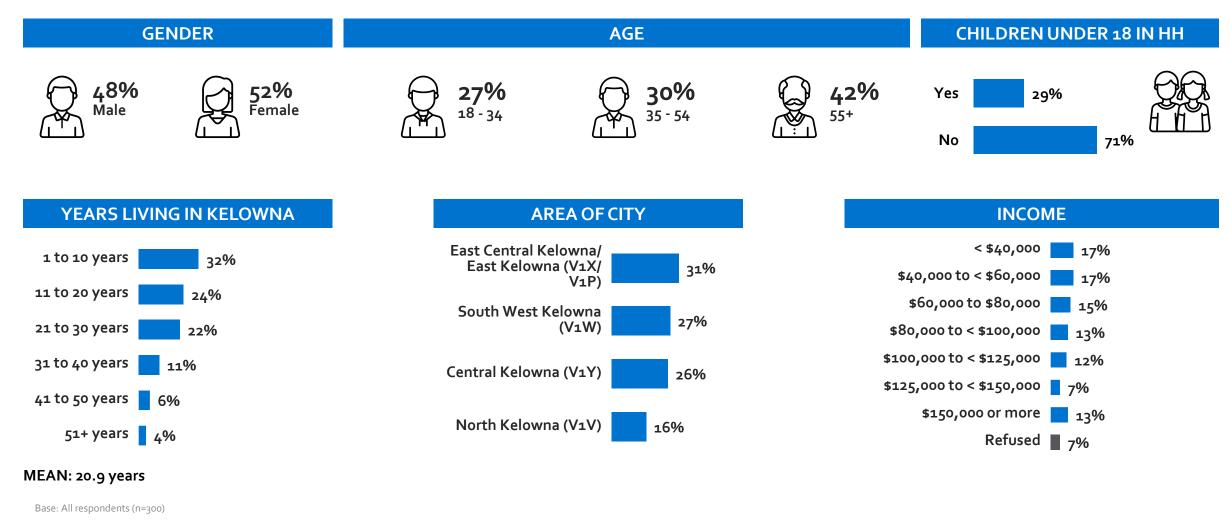
## A&O



## WEIGHTED SAMPLE CHARACTERISTICS



### Weighted Sample Characteristics









Date:	October 26, 2020
То:	Council
From:	City Manager
Subject:	Transport Canada Head Lease Amendment
Department:	Kelowna International Airport

#### **Recommendation:**

THAT Council receive for information the report of the Kelowna International Airport department dated October 26, 2020, with respect to the amendment of the Transport Canada Head Lease;

AND THAT the Mayor and City Clerk be authorized to execute the Transport Canada Head Lease Amendment in the form attached to the report of the Kelowna International Airport department dated October 26, 2020.

#### Purpose:

To obtain Council's approval to amend the Transport Canada Head Lease.

#### Background:

The City of Kelowna (the City) entered into a lease with Transport Canada in 1980 for certain lands that the Kelowna International Airport (the Airport) is located on (the Head Lease). The Airport is proposing that Council approve an amendment to the Head Lease to improve efficiency and decrease lower value activities.

#### Discussion:

In accordance with the Head Lease, the City is required to obtain Transport Canada consent in order to enter into subleases, and to construct and alter buildings. This consent process normally takes a minimum of six weeks and requires review of the sublease by Transport Canada's legal counsel.

The proposed amendment to the Head Lease is attached as Appendix A and would eliminate the requirement to obtain Transport Canada consent for subleases entered into in the ordinary course of operations. The proposed amendment would also replace the requirement to obtain Transport Canada consent prior to the construction and alteration of buildings with annual reporting on construction.

The Airport recommends that Council approve the amendment to the Head Lease, as it would improve efficiency and reduce lower value activities.

#### Internal Circulation:

Communications Financial Services

#### Considerations not applicable to this report:

Legal/Statutory Authority: Legal/Statutory Procedural Requirements: Existing Policy: Financial/Budgetary Considerations: External Agency/Public Comments: Communications Comments:

Submitted by:

#### S. Dyrdal, Senior Airport Finance and Corporate Services Manager

#### Approved for inclusion:

SS

cc:

J. Hewitt, Communications Advisor

J. Dueck, Controller

#### AMENDMENT TO LEASE

#### **KELOWNA AIRPORT**

THIS AMENDMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**BETWEEN:** 

### HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by the Minister of Transport

("Her Majesty")

AND:

#### THE CORPORATION OF THE CITY OF KELOWNA

("Kelowna")

**WHEREAS** by lease dated the 19<sup>th</sup> day of December, 1979, and registered in the Legal Registry of Transport Canada as No. 109806 (the "Lease"), Her Majesty did lease those lands and premises described therein to Kelowna, which lease was amended by the following supplemental agreements: "Supplemental Agreement #1" dated November 8, 1983, "Supplemental Agreement #2" dated January 15, 1985, "Supplemental Agreement #3" dated October 31, 1996, "Supplemental Agreement #4" dated November 15, 1989, "Supplemental Agreement #5" dated September 1, 1990, "Supplemental Agreement #6" dated June 14, 1994, "Supplemental Agreement #7" dated May 26, 1994, "Supplemental Agreement #8" dated February 16, 1996, and "Supplemental Agreement #9" dated June 24, 2015;

AND WHEREAS Her Majesty and Kelowna wish to further amend the Lease as set our herein.

**NOW THEREFORE** in consideration of the premises and mutual covenants contained in this Agreement, the parties agree to amend Lease No. 109806 (the "Lease") as follows:

- 1. Capitalized terms used in this agreement and not otherwise defined shall have the same meanings as contained in the Lease as amended hereby; references herein to Sections, Subsections, Paragraphs or Clauses shall, unless otherwise provided, mean Sections, Subsections, Paragraphs or Clauses, as the case may be, of the Lease.
- 2. To delete the Description Clause and substitute therefore the following Description Clause:

ALL and SINGULAR those parts of certain parcels of land legally described as:

PID: 009-459-014 Lot 3, District Lots 32 and 120 And Of Section 14 Township 23 Osoyoos Division Yale District Plan 11796

PID: 011-518-189 Lot 7 Section 14 Township 23 Osoyoos Division Yale District Plan 1502 Except Plan H16596

PID: 013-949-101 Lot B District Lot 122 Osoyoos Division Yale District Plan 41159

more particularly shown on Drawing No. P131P007N108 dated August 22, 1990 attached hereto as Schedule "D" (hereinafter referred to as "the said lands") comprising parts of the Kelowna Airport (hereinafter referred to as "the Airport").

TOGETHER with the Lessor's buildings and facilities (hereinafter referred to as "the said buildings") as listed in Schedule B and equipment as listed in Schedule A.

3. To delete Clause 4 - Assignment and substitute therefore the following Clause 4 - Assignments, Transfers and Sub-leases:

#### 4.01 Assignments, Transfers and Sub-leases

- 4.01.01 That the Lessee shall not make any assignment of these Presents, nor any transfer or sub-lease of any of the lands, rights or privileges demised or leased hereunder, without obtaining the consent in writing of the Minister to such assignment, transfer or sub-lease, except as permitted in Sections 4.02, 4.03, and 4.07.
- 4.01.02 Any transfer of the whole or any part of this Lease by operation of law shall be deemed to be a Transfer without the Lessee having obtained the required consent of the Minister and shall constitute a default under this Lease.

#### 4.02 Sub-lease in the Ordinary Course of Operations

- 4.02.01 Subject to the Lessee remaining liable on this Lease, the Lessee may, without the consent of the Minister, enter into a sub-lease in respect of any part, but not the entirety of, the said lands, provided that:
  - (a) the sub-lease is for less than the then total remainder of the Term, however the sub-lease may contain renewals that extend beyond the remainder of the Term if

(i) the right to renew the sub-lease is subject to the Term of this Lease being renewed; and

(ii) any renewal term of such sub-lease shall be deemed to be one day less than the potential renewed Term of this Lease;

- (b) the sub-lease does not create any privity of estate or privity of contract between the sub-lessee and the Lessor;
- (c) the sub-lease contains an agreement by the sub-lessee whereby, subject to any rights of non-disturbance granted by the Lessor, the sub-lessee acknowledges and agrees that, upon the default hereunder of the Lessee and early termination of this Lease and re-entry by the Lessor, the Lessor has the option, in Her sole unfettered discretion, to require the sub-lessee to attorn to the Lessor in which event the sub-lessee shall forthwith attorn to the Lessor;
- (d) the sub-lease is not inconsistent with any of the terms of this Lease;
- the sub-lease contains a covenant which prohibits any further assigning, subletting or sharing of possession by the sub-lessee unless such assigning, subletting or sharing of possession meets all the requirements of this Subsection 4.02.01
- 4.02.02 The Lessee shall, upon request made by or on behalf of the Lessor, deliver to the Lessor a copy of any sub-lease (or in the case of a verbal sub-lease, a detailed written description of such sub-lease) within five (5) business days (a day other than a Saturday, Sunday, Boxing Day, Easter Monday or statutory holiday in British Columbia) of the request.
- 4.02.03 A sub-lease which meets all of the requirements set out in Subsection 4.02.01 is a Sub-lease in the Ordinary Course of Operations.
- 4.02.04 Nothing herein contained shall authorize the Lessee, or imply any consent or agreement on the part of the Lessor, to subject the Lessor's estate or interest in the said lands and the said buildings or any part thereof to any sub-lessee or sub-lease.

#### 4.03 Sub-lease Requiring Consent

4.03.01 A sub-lease which does not meet all of the requirements set out in Subsection 4.02.01 is not a Sub-lease in the Ordinary Course of Operations and shall require the consent of the Lessor (a "Sub-lease Requiring Consent").

- 4.03.02 If the Lessee intends to enter into a Sub-lease Requiring Consent, and so often as such event shall occur, the Lessee shall give prior written notice to the Lessor of such intent together with a copy of any such Sub-lease Requiring Consent executed by the proposed sub-lessee, and shall, upon request, provide the Minister with such credit, financial and business information relating to any such Sub-lease Requiring Consent and relating to the person with whom it intends to enter into such Sub-lease Requiring Consent and such other information, material and documentation with respect to such Sub-lease Requiring Consent as the Minister requires.
- 4.03.02 Any Sub-lease Requiring Consent shall be subject to the consent of the Minister, whose consent may be unreasonably withheld.
- 4.03.03 The application for consent to a Sub-lease Requiring Consent shall be made by the Lessee to the Minister in writing and shall set out the proposed effective date of the Sub-lease Requiring Consent. The Minister shall have no obligation to consider any Sub-lease Requiring Consent unless and until the Minister has received all of the information set out in Subsection 4.03.01.
- 4.03.04 The Minister shall not be obliged to consider consenting to a Sub-lease Requiring Consent, unless,
  - (a) at the time the application for consent is made, the Lessee is not in default under the Lease;
  - (b) notwithstanding the Minister's consent to a Sub-lease Requiring Consent and the entering into of the Sub-lease Requiring Consent, the Lessee shall be and remain liable for all the obligations of the Lessee under this Lease and shall not be released from any liability by the said Sub-lease Requiring Consent or the Minister's consent to any of them.
- 4.03.05 No Sub-lease Requiring Consent shall be entered into by the Lessee, unless previously consented to by the Minister in accordance with this Lease.

#### 4.04 Consent Document and Disbursements

- 4.04.01 Any consent to a Sub-lease Requiring Consent shall be prepared by the Lessor's solicitors.
- 4.04.02 All reasonable costs and expenses incurred by the Minister in determining whether to give his consent to a Sub-lease Requiring Consent shall be paid in full by the Lessee to the Lessor prior to the Minister executing such document.

#### 4.05 Additional Conditions

- 4.05.01 Any consent shall be only a consent to the extent required by this Lease and not as to any of the terms and conditions of the Sub-lease Requiring Consent as between the Lessee and the sub-lessee and shall not be construed so as to release or relieve the Lessee of any of its obligations under this Lease. Such consent shall be subject to any additional conditions which the Minister considers advisable ("Special Conditions"). These Special Conditions which shall be set out in the consent document may include, without limitation, further restrictions on the purposes for which the said lands and the said buildings or any part thereof affected by the sub-lease may be used, or any other special rights granted to the Lessee being rescinded.
- 4.05.02 Subject to Subsection 4.05.03, the Lessee shall comply with any Special Conditions.
- 4.05.03 If the Lessee is not willing to comply with any Special Conditions, the Lessee shall, within thirty (30) days of receipt of the Special Conditions,

notify the Lessor that it withdraws its request for consent. For greater certainty, if the Lessee fails to notify the Lessor within such thirty (30) day period that it withdraws its request for consent, the Lessee shall be deemed to have accepted the Special Conditions.

#### 4.06 Consent Not Valid for Subsequent Sub-lease Requiring Consent

4.06.01 The consent by the Minister to a Sub-lease Requiring Consent shall not constitute a permission to enter into a further sub-lease with respect to the property which is the subject matter of the sub-lease which has been consented to, nor shall such consent constitute a waiver of the requirement of the Minister's consent to a subsequent Sub-lease Requiring Consent of the same or any other property.

#### 4.07 Mortgage of Sublease

- 4.07.01 For greater certainty, consent of the Minister is not required for a mortgage of a Sub-lease Requiring Consent or a mortgage of a Sub-lease in the Ordinary Course of Operations.
- 4. To delete Clause 10 Erection of Buildings or Structures and substitute therefore the following clause:

#### 10.01 Erection of Buildings or Structures

- 10.01.01 The Lessee may construct buildings and structures, or undertake alterations or improvements to any existing buildings or structures on the land (collectively defined as "New Construction"). All such New Construction must:
  - a) be consistent with the use of the said lands and said buildings as a public airport;
  - b) not be inconsistent with the provisions of this lease;
  - c) not reduce the value of the said lands and the said buildings; and
  - d) not impair the structural safety of the land or any building or structure.
- 10.01.02 The Lessee shall at its own risk and expense:
  - a) undertake any New Construction in a good and workmanlike manner in compliance with this lease; and
  - b) make itself fully acquainted with all applicable laws and construction standards relating to any New Construction including those imposed by Article 10.01.03.
- 10.01.03 In addition to all applicable federal laws all New Construction shall be governed as if the lands were subject to the jurisdiction of provincial and municipal laws and the Lessor may at its option require compliance with any such applicable laws whether or not, as a matter of jurisdiction, those provincial or municipal laws apply to the lands of the Lessor. The Lessee covenants that all New Construction shall comply with all such provincial and municipal laws, including its own bylaws and all provincial and municipal laws relating to the environment. All New Construction shall meet or exceed all applicable building and construction standards imposed by this Article 10.01.03.
- 10.01.04 The Lessee shall, at the end of each year of this lease, deliver to the Lessor the following documents for any New Construction completed during that lease year:
  - 1. Final inspection certificate issued by the City of Kelowna;
  - A copy of all letters of assurance or similar documents received by the Tenant from engineers, architects, or other licenced professionals documenting the quality of the New Construction or its compliance with any applicable law as set out in Article 10.01.03;
  - 3. One set of reproducible "as-built" drawings, plans and specifications;

- 4. Any relevant environmental reports.
- 5. The Parties confirm the Lease in all other respects.
- 6. This agreement may be executed and delivered in any number of counterparts (including by facsimile or other means of electronic transmission, such as by electronic mail in "pdf" form), with the same effect as if all parties had signed and delivered the same document, and all counterparts shall together constitute one and the same original document.

**IN WITNESS WHEREOF**, this agreement has been executed by Her Majesty the Queen in Right of Canada as represented by the Minister of Transport and by the City of Kelowna which has hereunto affixed its corporate seal attested by the hands of its proper signing officers in that behalf, as of the day and month of the year first above written.

#### HER MAJESTY THE QUEEN IN RIGHT

OF CANADA as represented by the

Minister of Transport

Per:

Witness

**KELOWNA** 

Minister of Transport

#### THE CORPORATION OF THE CITY OF

Per:

Name:

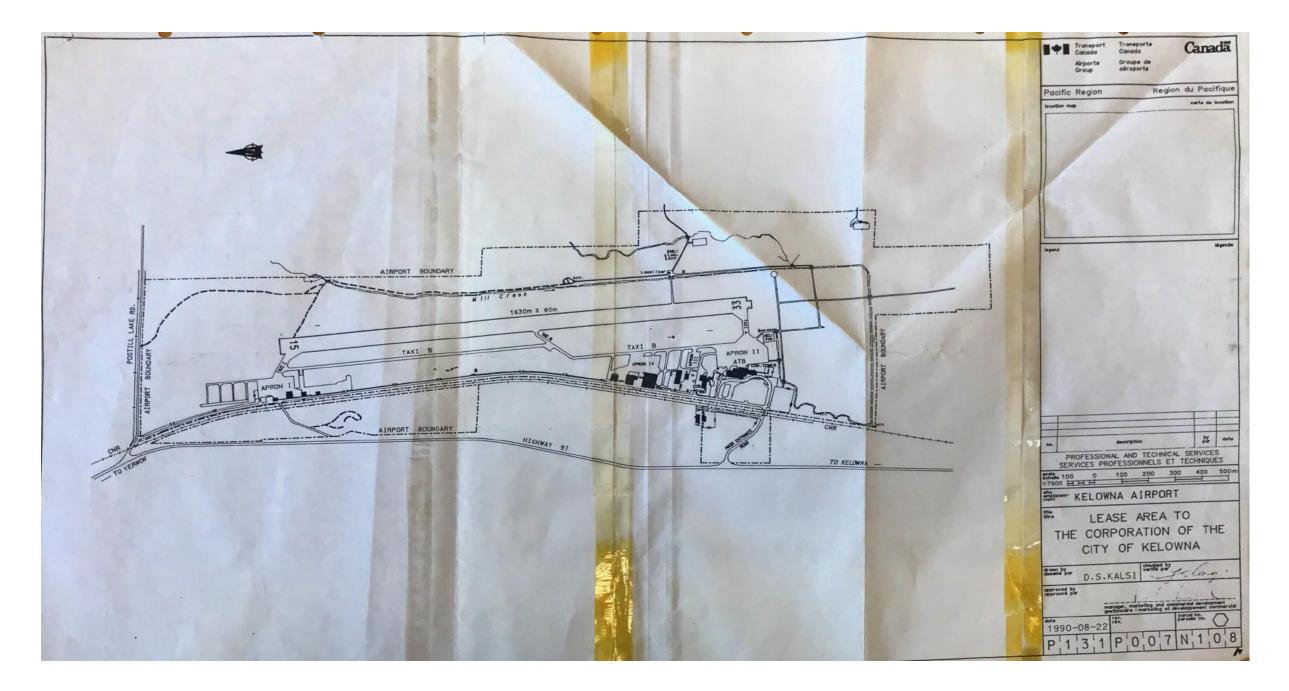
Title:

Per:

Name:

Title:

Schedule "D" [insert Drawing No. P131P007N108]



# **Report to Council**



Date:	October 26, 2020	
То:	Council	
From:	City Manager	
Subject:	825 Walrod Street - Lease to Justice Institute of British Columb	ia
Department:	Real Estate Department	

# **Recommendation:**

THAT Council approves the City entering into a two (2) year Lease Agreement with the Justice Institute of British Columbia, with the option to renew for one (1) additional term of one (1) year, in the form attached to the Report of the Real Estate Department dated October 26, 2020;

AND THAT the Mayor and City Clerk be authorized to execute all documents necessary to enter into the contemplated lease agreement.

# Purpose:

To obtain Council support to enter into a two (2) year lease agreement with the Justice Institute of British Columbia for the City-owned property at 825 Walrod Street.

# Background:

In May 2005, the City purchased the Walrod School from School District #23 for future park purposes. At that time, the City sought a suitable tenant to occupy the buildings until funding was available to develop a park on the site. The Justice Institute of British Columbia ("JIBC") has occupied the property since 2006 and has been a model tenant during this time.

The conditions of the proposed lease reflect the City's intention to redevelop the park within the nearto mid-term future. During the interim period, staff recommend entering into a new lease agreement with the JIBC at fair market value, as appraised by an independent third party. The revenue generated from the lease will go to the Parks Reserve to facilitate the on-going development of City parklands.

This agreement requires Council's approval as it falls outside of the Delegation of Authority due to the annual value of the agreement.

# Financial/Budgetary Considerations:

Revenue associated with the lease is summarized below. As the lease is 'triple net', operating costs and property taxes are borne by the tenant.

Lease Agreement Highlights	
Annual Base Rent	\$61,600.00
Term	2 years
Renewal	1 further year

# Internal Circulation:

Parks Planning

# Considerations not applicable to this report:

Legal/Statutory Authority: Legal/Statutory Procedural Requirements: Existing Policy: External Agency/Public Comments: Communications Comments:

Submitted by: J. Adamson, Manager, Property Management

Approved for inclusion: J. Säufferer, Department Manager, Real Estate

Attachments 1. Schedule A – Lease Agreement 2. Schedule B – PowerPoint Presentation

# MUNICIPAL FACILITY LEASE

# (COMMERCIAL LEASE)

BETWEEN:

**CITY OF KELOWNA**, a municipal corporation having Offices at 1435 Water Street, Kelowna, B.C. V1Y 1J4

(the "Landlord")

OF THE FIRST PART

AND:

# JUSTICE INSTITUTE OF BRITISH COLUMBIA

715 McBride Boulevard, New Westminister, B.C. V3L 5T4

(the "Tenant")

#### OF THE SECOND PART

- 1. Basic Terms, Schedules and Definitions
- 2. Premises
- 3. Term
- 4. Rent
- 5. Tenant's Covenants
- 6. Landlord's Covenants
- 7. Repair, Damage and Destruction
- 8. Taxes and Other Costs
- 9. Utilities and Additional Services
- 10. Licenses, Assignments and Subletting
- 11. Fixtures and Improvements
- 12. Insurance and Liability
- 13. Environmental Matters
- 14. Subordination, Attornment, Registration, and Certificates
- 15. Occurrence of Default
- 16. Tenant's Default, Remedies of Landlord and Surrender
- 17. Occupational Health & Safety
- 18. WorkSafe BC Coverage
- 19. Non Liability of Landlord Officials
- 20. Miscellaneous

THIS LEASE, dated the 1st day of December, 2020, is made and entered into by the Landlord and the Tenant named herein who, in consideration of the covenants herein contained, agree as follows:

# 1. BASIC TERMS, SCHEDULES, AND DEFINITIONS

**Basic Terms:** 

(a)	Landlord: Address of Landlord:	CITY OF KELOWNA City Hall, 1435 Water Street Kelowna, B.C. V1Y 1J4 Fax: 250-862-8659 Email: jadamson@kelowna.ca
(b)	Tenant: Address of Tenant:	Justice Institute of British Columbia 715 McBride Boulevard New Westminister, B.C. V3L 5T4
(c)	Premises:	Walrod School Building 825 Walrod Street, Kelowna, BC (see Schedule A)
(d)	License Area:	Parking area and Landscape area adjacent to the premises. (see Schedule A)
(e)	Initial Term: Commencement Date:	Two (2) Years December 1, 2020
(f)	Renewal Term (if any):	One X One (1) Year Renewal
(g)	Annual Base Rent + Tax:	\$61,600 per annum for the term, plus applicable taxes
(h)	Security/Performance Deposit:	N/A
(h)	Property Taxes:	Tenant Pays
(i)	Utilities:	Tenant Pays
(j)	Permitted Use:	For the Purpose of the Tenant's business as an Educational Institution

The foregoing Basic Terms are approved by the parties. Each reference in this Lease to any of the Basic Terms shall be construed to include the provisions set forth above as well as all of the additional terms and conditions of the applicable sections of this Lease where such Basic Terms are more fully set forth.

# 1.2 Schedules

All Schedules to this Lease are incorporated into and form an integral part of this Lease and are as follows:

SCHEDULE	SUBJECT
A B	Site Plan of Premises and License Area Definitions
C	Landlord & Tenant Responsibility Checklist
D	Certificate of Insurance

1.3 Definitions

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

# 2. PREMISES AND LICENSE AREA

In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed, and performed, the Landlord hereby demises and leases to the Tenant, and the Tenant leases from the Landlord, the Premises.

The Landlord furthermore grants a license (the "License") to the Tenant to use the parking area and/or landscaped area and/or surrounding property and/or other suitable description outlined as the License Area in Schedule A, for purposes necessarily related to the permitted use of the Premises.

#### 3. TERM

3.1 Term

The Term of this Lease, and the related License, shall be for the initial term of two (2) years, beginning on the Commencement Date, and subject to earlier termination or renewal on the terms and conditions as set out herein.

#### 3.2 Option to Renew

The Landlord covenants with the Tenant that if:

- (a) the Tenant gives notice to the Landlord that the Tenant wishes to obtain renewal of this Lease, such notice to be given not later than 6 months prior to the expiration of the initial Term of two (2) years; and
- (b) at the time of giving such notice, the Tenant is not in breach of any covenant or condition herein contained and which has not been remedied within the time provided for in this Lease; and

- (c) The Landlord does not intend to use the premises for its own use; and
- (d) the Tenant has duly and regularly throughout the initial Term of two (2) years observed and performed the covenants and conditions herein contained

then the Landlord, at the Landlord's sole option and acting reasonably, shall grant to the Tenant, at the Tenant's sole expense a renewal lease of the Premises and ,if applicable, the License Area for the Renewal Term(s) of one (1) year from December 1, 2022 to Nov 30, 2023 upon the same terms and conditions, as are herein contained.

# 4. RENT

#### 4.1 Rent

The Tenant shall yield and pay to the Landlord, in the manner outlined in clause 4.2, at the office of the Landlord's accounts payable division, or at such other place as the Landlord may direct in writing, during the Term in lawful money of Canada without any set-off, abatement, compensation, or deduction whatsoever on the days and at the times hereinafter specified, Rent which shall include the aggregate of the sums specified in sub-clauses (a) and (b) below:

(a) Annual Base Rent

Annual Base Rent in the amount per annum set out in sub-clause 1.1(g) for each respective Lease Year.

(b) Additional Rent

In addition, but subject to any operating costs the Landlord expressly agrees to pay for its own account, the Tenant is responsible for all operating costs of whatever nature or kind in connection with the Premises and, if applicable, the License Area including all applicable real estate taxes and other charges.

#### 4.2 Payment of Rent

The Rent provided for in this Article shall be paid by the Tenant as follows:

#### (a) Annual Base Rent

The Annual Base Rent shall be paid in equal consecutive monthly instalments, in the amounts set out in sub-clause 1.1(g), in advance on the first day of each and every month during the Term. The first monthly instalment of the Annual Base Rent shall be paid by the Tenant on the Commencement Date. Where the Commencement Date is the first day of a month such instalment shall be in respect of such month; where the Commencement Date is not the first day of a calendar month, the Annual Base Rent for the period from the Commencement Date to the first day of the next ensuing calendar month shall be pro-rated on a

per diem basis and paid on the Commencement Date and the first regular instalment of the Annual Base Rent shall be paid on the first day of the first full calendar month of the Term. Thereafter, subsequent monthly instalments shall each be paid in advance on the first day of each ensuing calendar month during the Term.

(b) Additional Rent Payments

In addition, the Tenant is responsible for all operating costs of whatever nature or kind in connection with the Premises and, if applicable, the License Area including all applicable real estate taxes and other charges.

(c) Payment Format

The Tenant agrees to pay the Annual Base rent via Bank Transfer on a monthly basis.

#### 4.3 Rent for Irregular Periods

All Rent reserved herein shall be deemed to accrue from day-to-day, and if for any reason it shall become necessary to calculate the Annual Base Rent for irregular periods of less than one year an appropriate pro-rata adjustment shall be made on a daily basis in order to compute the Annual Base Rent for such irregular period.

#### 4.4 Waiver of Offset

The Tenant hereby waives and renounces any and all existing and future claims, offsets, and compensation against any Rent and agrees to pay such Rent regardless of any claim, offset, or compensation which may be asserted by the Tenant or on its behalf.

#### 4.5 Application of Payments

All payments by the Tenant to the Landlord under this Lease shall be applied toward such amounts then outstanding hereunder as the Landlord determines and the Landlord may subsequently alter the application of any such payment.

#### 4.6 Net Lease

The Tenant Acknowledges and agrees that it is intended that this Lease shall be a completely net lease for the Landlord except as shall be otherwise provided in the specific provisions contained in this Lease, and that the Landlord shall not be responsible during the Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the specific provisions contained in this Lease, shall pay all charges, impositions, and costs of every nature and kind relating to the Premises and, if applicable, the License Area whether or not referred to herein and whether or not within the contemplation of the Landlord or the Tenant, and the Tenant covenants with the Landlord accordingly.

#### 4.7 Interest on Overdue Rent

Overdue Rent payments shall be interest at the current Bank of Canada lending rate effective from the date the amount is due.

#### 5. TENANT'S COVENANTS

#### 5.1 Tenant's Covenants

The Tenant covenants with the Landlord as follows:

#### (a) Rent

To pay the Rent on the days and in the manner provided herein and to pay all other amounts, charges, costs, and expenses as are required to be paid by the Tenant to the Landlord or to others under this Lease.

(b) Occupancy and Permitted Use

To take possession of and occupy the Premises and, if applicable, the License Area and commence to carry on business in all or substantially all of the Premises and, if applicable, the License Area no later than 30 days after the Commencement Date, to use the Premises and, if applicable, the License Area only for the purpose set out in clause 1(j) herein and not for any other purpose.

(c) Waste and Nuisance

Not to commit or permit: any waste or injury to the Premises and, if applicable, the License Area including the Leasehold Improvements and the trade fixtures therein; any overloading of the floors thereof; any conduct which impedes or, in the opinion of the Landlord acting reasonably, could constitute a nuisance to the Landlord or anyone else; any other use or manner of use which, in the opinion of the Landlord acting reasonably, may have an adverse impact on the reputation of the Premises.

(d) Insurance Risks

Not to do, omit to do, or permit to be done or omitted to be done upon the Premises and, if applicable, the License Area anything which would cause the Landlord's cost of insurance to be increased (and, without waiving the foregoing prohibition, the Landlord may demand, and the Tenant shall pay to the Landlord upon demand, the amount of any such increase of cost caused by anything so done or omitted to be done) or which shall cause any policy of insurance to be subject to cancellation.

## (e) Cleanliness

Not to permit the Premises and, if applicable, the License Area to become untidy, unsightly, or hazardous, or permit unreasonable quantities of waste or refuse to accumulate therein, and at the end of each business day to leave the Premises in a clean and neat condition, to the satisfaction of the Landlord.

(f) Compliance with Laws

To comply at its own expense with all municipal, provincial, and federal laws, bylaws, regulations, and requirements pertaining to the operation and use of the Premises and if applicable, the License Area, the condition of the Leasehold Improvements, trade fixtures and equipment installed therein, and the making by the Tenant of any repairs, changes or improvements therein.

#### (g) Installations

To permit the Landlord during the Term to install any equipment in or make alterations to the Premises and, if applicable, the License Area necessary to comply with the requirements of any statute, law, bylaw, ordinance, order, or regulation referred to in sub-clause 5.1(f) and imposed after completion of the Landlord's original construction of the Premises.

#### (h) Overholding

That if the Tenant shall continue to occupy the Premises and, if applicable, the License Area after the expiration of this Lease without any further written agreement and without objection by the Landlord, the Tenant shall be a monthly tenant at a monthly base rent equal to 125% of the Annual Base Rent payable by the Tenant as set forth in Article 4 during the last month of the Term. The monthly tenancy shall be (except as to the length of tenancy) subject to the provisions and conditions herein set out.

(i) Signs

Not to display, place, or affix any sign except in accordance with the regulations of the Landlord.

#### (j) Inspection and Access

To permit the Landlord at any time and from time to time to enter and to have its authorized agents, employees, and contractors enter the Premises and, if applicable, the License Area for the purpose of inspection or making repairs, alterations, or improvements to the Premises and, if applicable, the License Area as the Landlord may deem necessary or desirable, or as the Landlord may be required to make by law. The Landlord shall be allowed to take into the Premises all material which may be required for such purpose and the rent reserved shall in no way abate while such repairs, alterations or improvements are being made

by reason of interruption of the business of the Tenant. The Landlord shall exercise reasonable diligence as to minimize the disturbance or interruption of the Tenant's operation.

(k) Showing Premises

Upon 24 hours advanced notice, to permit the Landlord and its authorized agents and employees to show the Premises and, if applicable, the License Area to prospective tenants during the normal business hours of the last three months of the Term.

# 6. LANDLORD'S COVENANTS

6.1 Landlord's Covenants

The Landlord covenants with the Tenant as follows:

#### (a) Quiet Enjoyment

Provided the Tenant pays the Rent hereby reserved and performs its other covenants herein contained, the Tenant shall and may peaceably possess and enjoy the Premises and, if applicable, the License Area for the Term hereby granted, without any interruption or disturbance from the Landlord or its assigns, or any other person or persons lawfully, claiming by, from, through, or under the Landlord.

#### 7. REPAIR, DAMAGE, AND DESTRUCTION

7.1 Landlord's Repairs

The Landlord covenants with the Tenant that the Landlord will maintain the Premises according to the terms set out in the Landlord & Tenant Responsibility Checklist attached as Schedule C. Unauthorized repairs, except in a bona fide emergency, will not be reimbursed.

7.2 Tenant's Repairs

The Tenant covenants with the Landlord:

- (a) subject to sub-clause 7.1 and 7.3(b) to keep in a good and reasonable state of repair subject to reasonable wear and tear, the Premises and, if applicable, the License Area including all Leasehold Improvements and all trade fixtures therein and all glass including all glass portions of exterior walls;
- (b) that the Landlord may enter and view the state of repair (without having any obligation to do so), and that the Tenant will repair according to notice in writing,

and that the Tenant will leave the Premises and License Area in a good and reasonable state of repair, allowing for reasonable wear and tear.

## 7.3 Abatement and Termination

It is agreed between the Landlord and the Tenant that in the event of damage to the Premises and, if applicable, the License Area:

- (a) if the damage is such that the Premises and, if applicable, the License Area or any substantial part thereof are rendered not reasonably capable of use and occupancy by the Tenant for the purposes of its business for any period of time in excess of 10 days, then:
  - (i) unless the damage was caused by the fault of negligence of the Tenant or its employees, invitees, or others under its control and the damage is not covered by insurance, from and after the date of occurrence of the damage and until the Premises and, if applicable, the License Area are again reasonably capable of use and occupancy as aforesaid, Rent shall abate from time to time in proportion to the part or parts of the Premises and, if applicable, the License Area] not reasonably capable of use and occupancy; and
  - (ii) unless this Lease is terminated as hereinafter provided, the Landlord or the Tenant, as the case may be (according to the nature of the damage and their respective obligations to repair as provided in clauses 7.1 and 7.2) shall repair such damage with all reasonable diligence, but to the extent that any part of the Premises and, if applicable, the License Area] is not reasonably capable of such use and occupancy by reason of damage which the Tenant is obligated to repair hereunder, any abatement of Rent to which the Tenant is otherwise entitled hereunder shall not extend later than the time by which, in the reasonable opinion of the Landlord, repairs by the Tenant ought to have been completed with reasonable diligence; and
- (b) if the Premises and, if applicable, the License Area] are substantially damaged or destroyed by any cause to the extent such that in the reasonable opinion of the Landlord they cannot be repaired or rebuilt (based on standard hours of construction work) within 240 days after the occurrence of the damage or destruction, then either the Landlord or Tenant may at its option, exercisable by written notice to the Tenant or Landlord, given within 60 days after the occurrence of such damage or destruction, terminate this Lease, in which event neither the Landlord nor the Tenant shall be bound to repair as provided in clauses 7.1 and 7.2, and the Tenant shall instead deliver up possession of the Premises and, if applicable, the License Area to the Landlord with reasonable expedition but in any event within 60 days after delivery of such notice of termination, and Rent shall be apportioned and paid to the date upon which possession is so delivered up (but subject to any abatement to which the Tenant may be entitled under sub-clause 7.3(a) by reason of the Premises and, if

applicable, the License Area having been rendered in whole or in part not reasonably capable of use and occupancy), but otherwise the Landlord or the Tenant as the case may be (according to the nature of the damage and their respective obligations to repair as provided in clauses 7.1 and 7.2) shall repair such damage with reasonable diligence.

#### 7.4 Service Interruptions

The Tenant acknowledges to the Landlord that the operation of systems and the availability of facilities for which the Landlord is responsible under clause 7.1 may be interrupted from time to time in cases of accident and emergency, in order to carry out maintenance, repairs, alterations, replacements, and upgrading, or for any other reasonable reason required by the Landlord.

#### 8. TAXES AND OTHER COSTS

8.1 Tenant Tax Obligation

The Tenant covenants with the Landlord:

- (a) to pay when due, all Property Taxes, business Taxes, business license fees, and other Taxes, rates, duties or charges levied, imposed, or assessed by lawful authority in respect of the use and occupancy of the Premises by the Landlord, the business or businesses carried on therein, or the equipment, machinery, or fixtures brought therein by or belonging to the Tenant, or to anyone occupying the Premises wit the Tenant's consent, or from time to time levied, imposed, or assessed in the future in addition or in lieu thereof, and to pay the Landlord upon demand the portion of any tax, rate, duty, or charge levied or assessed upon the Premises that is attributable to any equipment, machinery, or fixtures on the Premises which are not the property of the Landlord or which may be removed by the Tenant;
- (b) to pay promptly to the Landlord when demanded or otherwise due hereunder all Taxes in respect of all Leasehold Improvements in the Premises; and

8.2 Goods and Services Tax

In accordance with the applicable legislation the Goods and Services Tax applies to this Lease as per the terms contained herein.

# 9. UTILITIES AND ADDITIONAL SERVICES

#### 9.1 Utilities

The Tenant shall be responsible for all aspects of, including payment of costs related to, utilities and services of whatever nature or kind required in connection with the Premises and, if applicable, the License Area and the conduct by the Tenant of the Tenant's business as described herein including without limitation, water, telephone, sewer, hydro, power, heating, air conditioning, and garbage disposal. The tenant shall be responsible for obtaining and maintaining a gas operating permit. The tenant shall be responsible for obtaining and maintaining an electrical operating permit. The tenant is responsible for informing the Property Manager, Real Estate and Building Services of the permits and who the Field Safety Representative is.

For clarification snow clearing, maintenance of parking lot, grass cutting fertilizing, irrigation, leaf and litter clean up, and tree work services shall be provided by the Landlord at the Landlor's expense.

# 10. LICENSES, ASSIGNMENTS, AND SUBLETTING

# 10.1 General

It is understood and agreed that the Tenant may not assign this Lease, or sublease the Premises and, if applicable, the License Area, to another party without the written consent of the Landlord, such consent not to be unreasonably withheld. Unless the Landlord has consented to such subtenancy, assignment or transfer in accordance with this Article 10, the acceptance of any Rent or the performance of any obligation hereunder by any person other than the Tenant shall not be construed as an admission by the Landlord of any right, title, or interest of such person as a subtenant, assignee, transferee or otherwise in the place and stead of the Tenant.

# 10.2 Licenses, Franchises, and Concessions

The Tenant shall not suffer or permit any part of the Premises and, if applicable the License Area] to be used or occupied by any persons other than the Tenant, any sub-tenants or licensees permitted under this Article, and the employees and invitees of the Tenant, and any such permitted sub-tenant, or suffer or permit any part of the Premises and, if applicable, the License Area] to be used or occupied by any licensee, franchisee, or concessionaire, or suffer or permit any persons to be upon the Premises other than the Tenant, such permitted sub-tenants and licensees, and their respective employees, customers, and others having lawful business with them.

# 10.3 Assignment and Subletting

The Tenant shall not, without first obtaining the written consent of the Landlord, assign this Lease or sublet the whole or any part of the Premises and, if applicable, the License Area unless:

- (a) it shall have received or procured a bona fide written offer to take an assignment or sub-lease which is not inconsistent with, and the acceptance of which would not breach any provision of, this Lease if this clause is complied with, and which the Tenant has determined to accept subject to this section being complied with; and
- (b) it shall have first requested and obtained the consent in writing of the Landlord thereto.

#### 10.4 Request for Consent

Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord all information available to the Tenant and requested by the Landlord as to the responsibility, reputation, financial standing, and business of the proposed assignee or sub-tenant. Within 30 days after the receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within 30 days after receipt of such request for consent) the Landlord shall have the right upon written notice to the Tenant to:

- (a) in the case of a proposed sub-lease, either sublet from the Tenant any portion of the Premises [or License Area] proposed to be sublet for the Term for which such portion is proposed to be sublet but at the same Annual Base Rent and Additional Rent as the Tenant is required to pay to the Landlord under this Lease for such portion or, if the proposed sub-lease is for all or substantially all of the remainder of the Term, terminate this Lease as it pertains to the portion of the Premises and, if applicable, the License Area so proposed by the Tenant to be sublet; or
- (b) in the case of a proposed assignment, terminate this Lease. The Tenant may withdrawl its request within 15 days of the Landlord's notice of termination allowing the Tenant to remain in the Premises.

#### 10.5 If Landlord Terminates

If the Landlord terminates this Lease in accordance with clause 16.4 with respect to all or a portion of the Premises [or License Area], such termination shall be effective on the date stipulated in the notice of termination which shall not be less than 60 days or more than 90 days following the giving of such notice, and the Tenant shall surrender the whole or part, as the case may be, of the Premises and, if applicable, the License Area in accordance with such notice, and Rent shall be apportioned and paid to the date of surrender and, if a part only of the Premises is surrendered, Rent payable under clause 4.1 shall thereafter abate proportionately.

#### 10.6 If Landlord Consents

If the Landlord consents to any proposed assignment or subletting, the Tenant shall assign or sublet, as the case may be, only upon the terms set out in the offer submitted to the Landlord as aforesaid and not otherwise. As a condition of the Landlord's consent, the assignee or subtenant, as the case may be, shall agree (and will be deemed to have agree) with the Landlord to observe the obligations of the Tenant under this Lease as the same relate to the space assigned or sublet (except, in the case of a sub-lease, the Tenant's covenant to pay Rent) by entering into an assumption agreement with the Landlord and the Tenant, in the Landlord's then-standard form, and shall pay the Landlord's then-current processing charge and solicitor's fees and disbursements for preparing such agreement. The Tenant further agrees that if the Landlord consents to any such assignment or subletting, the Tenant shall be responsible for Improvements and all other expenses, costs, and charges with respect to or arising out of any such assignment or subletting any such consent being given by the Landlord, and such assignment or subletting being effected, the Tenant shall remain bound to the Landlord for the fulfilment of all the terms, covenants, conditions, and agreements herein contained. Any

consent by the Landlord to any assignment or subletting shall not constitute a waiver of the requirement for consent by the Landlord to any subsequent assignment or subletting by either the Tenant or any assignee or sub-tenant.

#### 10.7 Landlord Not to Unreasonably Withhold Consent

If the Tenant complies with clauses 10.3 and 10.4 and the Landlord does not exercise an option provided to the Landlord under clause 10.4, then the Landlord's consent to a proposed assignment or sublet shall not be unreasonably withheld. The Tenant acknowledges that the Landlord shall not be liable to the Tenant in damages, where, in giving good faith consideration to any request of the Tenant hereunder, it withholds its consent to a proposed assignment or sublease.

#### 10.8 Terms of Consent

If the Landlord consents in writing to an assignment or sub-lease as contemplated herein, the Tenant may complete such assignment or sub-lease subject to the following covenants and conditions:

- (a) no assignment or sub-lease shall be valid and no assignee or sub-tenant shall take possession of the Premises and, if applicable, the License Area] or any part thereof until an executed duplicate original of such assignment or sub-lease has been delivered to the Landlord; and
- (b) all "Excess Rent", as hereinafter defined, derived from such assignment or sublease shall be payable to the Landlord. The Excess Rent shall be deemed to be and shall be paid by the Tenant to the Landlord as Rent. The Tenant shall pay the Excess Rent to the Landlord immediately as and when such Excess Rent is receivable by the Tenant.

As used herein, "Excess Rent" means the amount by which the total money and other economic consideration to be paid by the assignee or sub-tenant as a result of an assignment or sub-lease, whether denominated as Rent or otherwise, exceeds, in the aggregate, the total amount of Annual Base Rent and Additional Rent which the Tenant is obligated to pay to the Landlord under this Lease, pro-rated for the portion of the Premises being assigned or sublet, less the reasonable costs paid by the Tenant for additional improvements installed in the portion of the Premises subject to such assignment or sub-lease by the Tenant at the Tenant's sole cost and expense for the specific assignee or sub-tenant in question, reasonable leasing costs (such as brokers' commissions and the fees payable to the Landlord under clause 10.1) paid by the Tenant in connection with such assignment or sub-lease, and the amount of Annual Base Rent and Additional Rent the Tenant is obligated to pay the Landlord under this Lease, pro-rated for the portion of the Premises being assigned or sublet that is not occupied or used by the Tenant, until the date of such assignment or sub-lease. In determining the amounts to be deducted from Excess Rent in each monthly payment period in respect of the Tenant's costs of assigning or subleasing, such costs shall be amortized without interest over the Term (in the case of an assignment) or Term of the sub-lease (in the case of a sub-lease) on a straight-line basis.

## 11. FIXTURES AND IMPROVEMENTS

#### 11.1 Installation of Fixtures and Improvements

The Tenant will not make, erect, install, or alter any Leasehold Improvements in the Premises and, if applicable, the License Area, any safe or special lock in the Premises, or any apparatus for illumination, air conditioning, cooling, heating, refrigerating, or ventilating the Premises, in any case without having requested and obtained the Landlord's prior written approval, which the Landlord shall not unreasonably withhold. In making, erecting, installing, or altering any Leasehold Improvements the Tenant shall comply with the tenant construction guidelines as established by the Landlord from time to time, and shall obtain all required building and occupancy permits and comply with all laws of all authorities having jurisdiction. The Tenant's request for any approval hereunder shall be in writing and be accompanied by a reasonably detailed description of the contemplated work and, where appropriate, plans, working drawings, and specifications. All work to be performed in the Premises and, if applicable, the License Area shall be performed by competent contractors and subcontractors and shall be performed and completed in a good and workmanlike manner.

# 11.2 Liens and Encumbrances on Fixtures and Improvements

In connection with the making, erection, installation, or alteration of Leasehold Improvements and trade fixtures, and all other work or installations made by or for the Tenant in the Premises and, if applicable, the License Area, the Tenant shall comply with all of the provisions of the *Builders Lien Act*, S.B.C. 1997, c. 45 and amendments thereto, and other statutes from time to time applicable thereto (including any provision requiring or enabling the retention of portions of any sums payable by way of holdbacks), shall permit the Landlord to take all steps to enable the Landlord to obtain the benefit of the provisions of the *Builders Lien Act*, and, except as to any lawful holdback, shall promptly pay all accounts relating thereto. The Tenant shall not create any mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 and amendments thereto, or other encumbrance in respect of its Leasehold Improvements or trade fixtures, or permit any such mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, or other encumbrance to attach to the Premise.

#### 11.3 Discharge of Liens and Encumbrances

If and when any builders' or other lien for work, labour, service, or materials supplied to or for the Tenant or for the cost of which the Tenant may be in any way liable or claims therefore shall arise or be filed or any such mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, or other encumbrance shall attach, the Tenant shall within 20 days after receipt of notice thereof procure the discharge thereof, including any certificate of action registered in respect of any lien, by payment or giving security or in such other manner as may be required or permitted by law, and failing which the Landlord may in addition to all other remedies hereunder avail itself of its remedy under clause 16.1 and may make any payments required to procure the discharge of any such liens or encumbrances, and shall be entitled to be reimbursed by the Tenant as provided in clause 16.1, and its right to reimbursement shall not be affected or impaired if the Tenant shall then or subsequently establish or claim that any lien or

encumbrance so discharged was without merit or excessive or subject to any abatement, set-off, or defence.

#### 11.4 Removal of Fixtures and Improvements

All Leasehold Improvements in or upon the Premises and, if applicable, the License Area shall immediately upon affixation be and become the Landlord's property without compensation therefore to the Tenant. Except to the extent otherwise expressly agreed by the Landlord in writing, no Leasehold Improvements shall be removed by the Tenant from the Premises or License Area either during or at the expiration or sooner termination of the Term, except that:

- (a) the Tenant may at the end of the Term remove its trade fixtures;
- (b) the Tenant shall at the end of the Term remove such of the Leasehold Improvements and trade fixtures as the Landlord shall require to be removed; and
- (c) the Tenant shall remove its furniture and equipment at the end of the Term, and also during the Term in the usual and normal course of its business where such furniture or equipment has become excess for the Tenant's purposes or the Tenant is substituting therefore new furniture and equipment.
- (d) all Leasehold Improvements shall be insured by the Tenant as described in Section 12.2 (b) unless otherwise agreed in writing by the Landlord.

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

#### 11.5 Alterations by Landlord

The Landlord reserves the right from time to time to make alterations and additions to the Premises, provided that in exercising any such rights, the Landlord will take reasonable steps to minimize any interference cause to the Tenant's operations in the Premises or License Area, but by exercising any such rights, the Landlord shall not be deemed to have constructively evicted the Tenant or otherwise to be in breach of this Lease, nor shall the Tenant be entitled to any abatement of Rent or other compensation from the Landlord.

#### 12. INSURANCE AND LIABILITY

#### 12.1 Tenant To Provide

The Tenant shall procure and maintain, at its own expense and cost, the insurance policies listed in section 12.2 of this Lease, with limits no less than those shown in the respective items, unless in connection with the performance of some particular part of the agreement, services and/or occupancy the Landlord advises in writing that it has determined that the exposure to liability justifies less limits. The insurance policy or policies shall be maintained continuously from commencement of this agreement, services and/or occupancy until the date that the Landlord certifies in writing completion of the agreement, services and/or occupancy or such further period as may be specified by the Landlord.

#### 12.2 Insurance

As a minimum, the Tenant shall, without limiting its obligations or liabilities under any other contract with the Landlord, procure and maintain, at its own expense and cost, the following insurance policies:

- a) Workers' Compensation Insurance
  - Covering all employees of the Tenant engaged in the agreement, services and/or occupancy in accordance with the statutory requirements of the province or territory having jurisdiction over such employees.
- b) Comprehensive General Liability Insurance

(i) providing for an inclusive limit of not less than \$5,000,000.00 for each occurrence or accident;

(ii) providing for all sums which the Tenant shall become legally obligated to pay for damages because of bodily injury (including death at any time resulting there from) sustained by any person or persons or because of damage to or destruction of property caused by an occurrence or accident arising out of or related to this agreement, services

and/or occupancy or any operations carried on in connection with this agreement; (iii) including coverage for Products/Completed Operations, Blanket Contractual, Contractor's Protective, Personal Injury, Contingent Employer's Liability, Broad Form Property Damage, and Non-Owned Automobile Liability;

(iv) including a Cross Liability clause providing that the inclusion of more than one Insured shall not in any way affect the rights of any other Insured hereunder, in respect to any claim, demand, suit or judgement made against any other Insured.

#### 12.3 Automobile Liability Insurance

Covering all motor vehicles, owned, operated and used or to be used by the Tenant directly or indirectly in the performance of this agreement, services and/or occupancy. The limit of liability shall not be less than \$2,000,000 inclusive, for loss or damage including personal injuries and death resulting from any one accident or occurrence.

# 12.4 The Landlord Named As Additional Insured

The policies required by sections 12.1, 12.3 and 12.4 above shall provide that the Landlord is named as an "Additional Insured" thereunder and that said policies are primary without any right of contribution from any insurance otherwise maintained by the Landlord.

# 12.5 Tenant's Sub-contractors

The Tenant shall require each of its sub-contractors to provide comparable insurance to that set forth under section 2 of Schedule D.

#### 12.6 Certificates of Insurance

The Tenant agrees to submit Certificates of Insurance in the form attached as Schedule D for itself and all of its sub-contractors to the Landlord prior to the commencement of this agreement, services and/or occupancy. Such Certificates shall provide that 30 days' written notice shall be given to the Landlord, prior to any material changes or cancellations of any such policy or policies.

#### 12.7 Other Insurance

After reviewing the Tenant's Certificates of Insurance, the Landlord may require other insurance or alterations to any applicable insurance policies in force during the period of this contract and will give notifications of such requirement. Where other insurances or alterations to any insurance policies in force are required by the Landlord and result in increased insurance premium, such increased premium shall be at the Tenant's expense.

#### 12.8 Additional Insurance

The Tenant may take out such additional insurance, as it may consider necessary and desirable. All such additional insurance shall be at no expense to the Landlord. The Tenant shall ensure that all of its sub-contractors are informed of and comply with the Landlord's requirements set out in this Schedule D.

#### 12.9 Insurance Companies

All insurance, which the Tenant is required to obtain with respect to this agreement, shall be with insurance companies registered in and licensed to underwrite such insurance in the Province of British Columbia.

#### 12.10 Failure to Provide

If the Tenant fails to do all or anything which is required of it with regard to insurance, the Landlord may do all that is necessary to effect and maintain such insurance, and any monies expended by the Landlord shall be repayable by and recovered from the Tenant. The Tenant expressly authorizes the Landlord to deduct from any monies owing the Tenant, any monies owing by the Tenant to the Landlord.

#### 12.11 Non-payment of Losses

The failure or refusal to pay losses by any insurance company providing insurance on behalf of the Tenant or any sub-contractor shall not be held to waive or release the Tenant or sub-contractor from any of the provisions of the Insurance Requirements or this agreement, with respect to the liability of the Tenant otherwise. Any insurance deductible maintained by the Tenant or any sub-contractor under any of the insurance policies is solely for their account and any such amount incurred by the Landlord will be recovered from the Tenant as stated in section 12.10 of this Part.

#### 12.12 Indemnification and Hold Harmless Clause

The Tenant agrees to indemnify and save harmless the Landlord in respect of all claims for bodily injury or death, property damage, or other loss or damage arising from the conduct of any work by or any act or omission of the Tenant or any assignee, sub-tenant, agent, employee, contractor, invitee, or licensee of the Tenant, and in respect of all costs, expenses, and liabilities incurred by the Landlord in connection with or arising out of all such claims including the expenses of any action or proceeding pertaining thereto, and in respect of any loss, costs, expense, or damage suffered or incurred by the Landlord arising from any breach by the Tenant of any of its covenants and obligations under this Lease, excepting always liability arising from the negligence, acts or omissions of the Landlord or those for whom the Landlord is responsible at law. This indemnity shall survive the expiry or termination of this Lease.

## 13. ENVIRONMENTAL MATTERS

#### 13.1 Definitions

For the purposes of this Part and Lease, the following terms shall have the following meanings:

- a) **"Contaminants"** means any radioactive materials, asbestos materials, urea formaldehyde, underground or above ground tanks, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive or toxic substances, special waste or waste of any kind or any other substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or Release into the Environment of which is now or hereafter prohibited, controlled or regulated under Environmental Laws;
- "Environment" includes the air (including all layers of the atmosphere), land (including soil, sediment deposited on land, fill and lands submerged under water) and water (including oceans, lakes, rivers, streams, ground water and surface water);
- c) **"Environmental Laws"** means any statutes, laws, regulations, orders, bylaws, standards, guidelines, permits and other lawful requirements of any federal, provincial, municipal or other governmental authority having jurisdiction over the Premises now or hereafter in force with respect in any way to the Environment, health, occupational health and safety, product liability or

transportation of dangerous goods, including the principles of common law and equity; and

d) **"Release"** includes any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, migration, disposal or dumping.

#### 13.2 Tenant's Representations and Warranties

The Tenant represents and warrants to the Landlord, and acknowledges that the Landlord is relying on such representations and warranties in entering into this Agreement, that as of the date of this Agreement:

- a) except as disclosed to the Landlord in writing, the Tenant is not, and has never been, subject to any charge, conviction, notice of defect or non-compliance, work order, pollution abatement order, remediation order or any other or proceeding under any Environmental Laws; and
- b) except as disclosed to and approved in writing by the Landlord, the Tenant's business at the Premises does not involve the sale, storage, manufacture, disposal, handling, treatment, generation, use, transport, refinement, processing, production, remediation, Release into the Environment of, or any other dealing with any Contaminants.

If any of the representations and warranties contained in this section are untrue or incorrect in any material respect, the same shall constitute a breach of this Agreement by the Tenant and shall be subject to the provisions of Section 16.1 of this Agreement.

# 13.3 Condition of Premises

The Tenant acknowledges and agrees that the Landlord has made no representations or warranties with respect to the environmental condition of the Premises and is leasing the Premises to the Tenant under this Agreement on an "as is, where is" basis with respect to their environmental condition. Prior to taking possession of the Premises under this Agreement, the Tenant has performed such investigations of the Premises as it considered appropriate and is satisfied as to their environmental condition. The Tenant will not be responsible or liable for any Contaminants that are or were present and existing prior to the Tenant's occupancy. Likewise, the Landlord will not be responsible for the release of pre-existing Contaiminants as a result of any negligent act or omission of the Tenant.

# 13.4 Use of Contaminants

The Tenant shall not use or permit to be used all or any part of the Premises for the sale, storage, manufacture, disposal, handling, treatment, generation, use, transport, refinement, processing, production, remediation, Release into the Environment of, or any other dealing with, any Contaminants, without the prior written consent of the Landlord, which consent may be unreasonably and arbitrarily withheld. Without limiting the generality of the foregoing, the Tenant shall in no event use, and does not plan or intend to use, the Premises to dispose of,

handle or treat any Contaminants in a manner that, in whole or in part, would cause the Premises, or any adjacent property to become a contaminated site under Environmental Laws.

# 13.5 Compliance with Environmental Laws

The Tenant shall promptly and strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Premises under or pursuant to this Agreement, including without limitation obtaining all required permits or other authorizations.

# 13.6 Evidence of Compliance

The Tenant shall promptly provide to the Landlord a copy of any environmental site investigation, assessment, audit or report relating to the Premises conducted by or for the Tenant at any time before, during or after the Term (or any renewal thereof). The Tenant shall, at its own cost at the Landlord's request from time to time, obtain from an independent environmental consultant approved by the Landlord an environmental site investigation of the Premises or an environmental audit of the operations at the Premises, the scope of which shall be satisfactory to the Landlord and shall include any additional investigations that the environmental consultant may recommend. The Tenant shall, at the Landlord's request from time to time, provide the Landlord with a certificate of a senior officer of the Tenant certifying that the Tenant is in compliance with all Environmental Laws and that no adverse environmental occurrences have taken place at the Premises, other than as disclosed in writing to the Landlord.

#### 13.7 Confidentiality of Environmental Reports

The Tenant shall maintain all environmental site investigations, assessments, audits and reports relating to the Premises in strict confidence and shall not disclose their terms or existence to any third party (including without limitation, any governmental authority) except as required by law, to the Tenant's professional advisers and lenders on a need to know basis or with the prior written consent of the Landlord, which consent may be unreasonably withheld.

#### 13.8 Records

The Tenant shall maintain at the Premises all environmental and operating documents and records, including permits, licences, orders, approvals, certificates, authorizations, registrations and other such records, relating to the operations at the Premises, which may be reviewed by the Landlord at any time during the Term on twenty-four (24) hours' prior written notice, except in the case of an emergency, when no prior notice shall be required.

#### 13.9 Access by Landlord

Without relieving the Tenant of any of its obligations under this Agreement, the Tenant shall, at such reasonable times as the Landlord requires, permit the Landlord to enter and inspect the Premises and the operations conducted at the Premises, to conduct tests and environmental

investigations, to remove samples from the Premises, to examine and make copies of any documents or records relating to the Premises, to interview the Tenant's employees and to take such steps as the Landlord deems necessary for the safety and preservation of the Premises. The the Landlord will take reasonable steps to minimize any interference cause to the Tenant's operations in the Premises or License Area.

#### 13.10 Authorizations

The Tenant shall promptly provide to the Landlord on request such written authorizations as the Landlord may require from time to time to make inquiries of any governmental authorities regarding the Tenant's compliance with Environmental Laws.

## 13.11 Notices

The Tenant shall promptly notify the Landlord in writing of:

a) any Release of a Contaminant or any other occurrence or condition at the Premises, or any adjacent property which could subject the Tenant, the Landlord or the Premises to any fines, penalties, orders or proceedings under Environmental Laws;

b) any charge, order, investigation or notice of violation or non-compliance issued against the Tenant or relating to the operations at the Premises under any Environmental Laws; and

c) any notice, claim, action or other proceeding by any third party against the Tenant or in respect of the Premises concerning the Release or alleged Release of Contaminants at or from the Premises.

d) the Tenant shall notify the appropriate regulatory authorities of any Release of any Contaminants at or from the Premises in accordance with Environmental Laws and failure by the Tenant to do so shall authorize, but not obligate, the Landlord to notify the regulatory authorities.

#### 13.12 Removal of Contaminants

Prior to the expiry or earlier termination of this Agreement or at any time if requested by the Landlord or required by any governmental authority pursuant to Environmental Laws, the Tenant shall, promptly at its own cost and in accordance with Environmental Laws, remove from the Premises any and all Contaminants, and remediate any contamination of the Premises, or any adjacent property resulting from Contaminants, in either case brought onto, used at or Released from the Premises by the Tenant or any person for whom it is in law responsible. [For greater certainty, the foregoing obligations of the Tenant shall include, without limitation, the treatment of water (including surface and ground water) and the remediation by removal of any soils containing Contaminants at levels exceeding the standards set as acceptable at the time of remediation by the applicable governmental authority, being with respect to soils, the standard applicable to property used for [commercial/industrial] purposes and with respect to water, as

determined by the governmental authority given the character and use of water in the area of the Premises. Any soil so removed shall be promptly replaced by soil free of Contaminants at concentrations above the standard described in the preceding sentence.] The Tenant shall provide to the Landlord full information with respect to any remedial work performed pursuant to this section and shall comply with the Landlord's requirements with respect to such work. The Tenant shall use a qualified environmental consultant approved by the Landlord to perform the remediation. The Tenant shall, at its own cost, obtain such approvals and certificates from the B.C. Ministry of Environment, Lands & Parks in respect of the remediation as are required under Environmental Laws or required by the Landlord, including without limitation a certificate of compliance evidencing completion of the remediation satisfactory to the Ministry. The Tenant agrees that if the Landlord reasonably determines that the Landlord, its property, its reputation or the Premises is placed in any jeopardy by the requirement for any such remedial work, the Landlord may, but shall be under no obligation to, undertake itself such work or any part thereof at the cost of the Tenant.

#### 13.13 Ownership of Contaminants

Notwithstanding any rule of law to the contrary, any Contaminants or leasehold improvements or goods containing Contaminants brought onto, used at, or Released from, the Premises by the Tenant or any person for whom it is in law responsible shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord, notwithstanding the degree of their affixation to the Premises and notwithstanding the expiry or earlier termination of this Agreement. This section supersedes any other provision of this Agreement to the contrary.

#### 13.14 Indemnity

The Tenant shall indemnify and save harmless the Landlord and its directors, officers, shareholders, employees, agents, successors and assigns, from any and all liabilities, actions, damages, claims, remediation cost recovery claims, losses, costs, orders, fines, penalties and expenses whatsoever (including without limitation, the full amount of all consulting and legal fees and expenses on a solicitor-client basis and the costs of removal, treatment, storage and disposal of Contaminants and remediation of the Premises, and any adjacent property) which may be paid by, incurred by or asserted against the Landlord or its directors, officers, shareholders, employees, agents, successors or assigns, during or after the Term (or any renewal thereof), arising from or in connection with any breach of or non-compliance with the provisions of this Section by the Tenant or arising from or in connection with:

a) any legal or administrative action, proceeding, investigation, demand, claim or notice of any third party, including without limitation any governmental authority, against any one or more of them pursuant to or under Environmental Laws; or

b) any Release or alleged Release of any contaminants at or from the Premises into the Environment,

related to or as a result of the use and occupation of the Premises by the Tenant or those for whom it is in law responsible or any act or omission of the Tenant or any person for whom it is in law responsible.

#### 13.15 Survival of Tenant's Obligations

The obligations of the Tenant under this Part (including, without limitation, the Tenant's indemnity, its obligation to remove and remediate Contaminants and its covenant of confidentiality) shall survive the expiry or earlier termination of this Agreement. The obligations of the Tenant under this Part are in addition to, and shall not limit, the obligations of the Tenant contained in other provisions of this Agreement.

#### 14. SUBORDINATION, ATTORNMENT, REGISTRATION, AND CERTIFICATES

#### 14.1 Tenant's Covenants

The Tenant agrees with the Landlord that:

a) Sale or Financing of Premises

The rights of the Landlord under this Lease may be mortgaged, charged, transferred, or assigned to a purchaser or purchasers, or to a mortgagee or trustee for bond holders, and in the event of a sale or of default by the Landlord under any mortgage, trust deed, or trust indenture and the purchaser, mortgagee, or trustee, as the case may be, duly entering into possession of the Premises, the Tenant agrees to attorn to and become the tenant of such purchaser or purchasers, mortgagee, or trustee under the terms of this Lease.

# b) Registration

The Tenant agrees that the Landlord shall not be obliged to deliver this Lease in form registrable under the *Land Title Act*, R.S.B.C. 1996, c. 250 and covenants and agrees with the Landlord not to register this Lease. If the Tenant desires to register under the *Land Title Act*, then all costs of preparing and registering all documents in connection therewith are to be borne by the Tenant.

#### c) Certificates

The Tenant agrees with the Landlord that the Tenant shall promptly whenever requested by the Landlord from time to time execute and deliver to the Landlord and, if required by the Landlord, to any mortgagee (including any trustee under a trust deed or trust indenture) or prospective purchaser (as designated by the Landlord) a certificate in writing as to the status of this Lease at that time, including as to whether it is in full force and effect, is modified or unmodified, confirming the rental payable hereunder and the state of the accounts between the Landlord and Tenant, the existence or non-existence of defaults, and any other matters pertaining to this Lease as to which the Landlord shall request a certificate. If the Tenant fails to do so within seven days after the Tenant receives the form of certificate, the Tenant hereby irrevocably and conclusively authorizes the Landlord to complete, execute, and deliver the certificate for, on behalf of, in the name of, and as agent of, the Tenant.

d) Assignment by Landlord

In the event of the sale by the Landlord of the Premises or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that such purchaser or assignee has assumed the covenants and obligations of the Landlord hereunder, the Landlord shall, without further written agreement, be freed and relieved of liability upon such covenants and obligations. The Landlord shall provided 30 days written notice of such assignment.

#### 15. OCCURRENCE OF DEFAULT

#### 15.1 Unavoidable Delay

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

#### 15.2 No Admission

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

#### 15.3 Part Payment

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

# 16. TENANT'S DEFAULT, REMEDIES OF LANDLORD, AND SURRENDER

# 16.1 Remedying by Landlord, Non-payment, and Interest

In addition to all the rights and remedies of the Landlord available to it in the event of any default hereunder by the Tenant, either by any other provision of this Lease or by statute or the general law, and the event of default is not remedied within the respective time period for doing so, the Landlord:

- a) shall have the right at all times to remedy or attempt to remedy any default of the Tenant, and in so doing may make any payments due or alleged to be due by the Tenant to third parties and may enter upon the Premises and, if applicable, the License Area to do any work or other things therein, and in such event all expenses of the Landlord in remedying or attempting to remedy such default together with an administrative charge equal to 15% of the total of such expenses shall be payable by the Tenant to the Landlord forthwith upon demand;
- b) shall have the same rights and remedies in the event of any non-payment by the Tenant of any amounts payable by the Tenant under any provision of this Lease as in the case of non-payment of Rent; and
- c) shall be entitled to be reimbursed by the Tenant, and the Tenant shall forthwith pay the Landlord, the amount of all costs and expenses (including, without limitation, legal costs on a solicitor and own-client basis) incurred by the Landlord in connection with the default or in efforts to enforce any of the rights, or to seek any of the remedies, to which the Landlord is or may be entitled hereunder.

#### 16.2 Remedies Cumulative

The Landlord and the Tenant may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant or the Landlord, as the case may be, either by any provision of this Lease of by statute or the general law, all of which rights and remedies are intended to be cumulative and not alternative, as the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord or the Tenant, as the case may be, by statute or the general law.

16.3 Right of Re-entry on Default

Provided and it is expressly agreed that:

- a) if and whenever the Rent hereby reserved or other moneys payable by the Tenant or any part thereof, whether lawfully demanded or not, are unpaid and the Tenant shall have failed to pay such Rent or other moneys within five days after the Landlord has given to the Tenant notice requiring such payment; or
- b) if the Tenant shall breach or fail to observe and perform any of the covenants, agreements, provisos, conditions, rules, regulations or other obligations on the part of the Tenant to be kept, observed, or performed hereunder and such breach or

failure continues for 10 days after the Landlord has given the Tenant notice thereof; or

- c) if without the written consent of the Landlord the Premises and, if applicable, the License Area shall be used by any other persons than the Tenant or its permitted assigns or permitted sub-tenants or for any purpose other than that for which the Premises were leased, or occupied by any persons whose occupancy is prohibited by this Lease; or
- d) if the Premises shall be vacated or abandoned or remain unoccupied for 15 days or more while capable of being occupied; or
- e) if any of the goods and chattels of the Tenant shall at any time be seized in execution or attachment; or
- f) if a receiver or receiver-manager is appointed of the business or property of the Tenant, or if the Tenant shall make any assignment for the benefit of creditors or any bulk sale, become bankrupt or insolvent or take the benefit of any statute now or hereafter in force for bankrupt or insolvent debtors or (if a corporation) shall take any steps or suffer any order to be made for its winding-up or other termination of its corporate existence; or
- g) if any policy of insurance upon the Premises from time to time effected by the Landlord shall be cancelled or about to be cancelled by the insurer by reason of the use or occupation of the Premises and, if applicable, the License Area] by the Tenant or any assignee, sub-tenant, or licensee of the Tenant or anyone permitted by the Tenant to be upon the Premises and, if applicable, the License Area and the Tenant after receipt of notice in writing from the Landlord shall have failed to take such immediate steps in respect of such use or occupation as shall enable the Landlord to reinstate or avoid cancellation of (as the case may be) such policy of insurance; or
- h) if the Landlord shall have become entitled to Terminate this Lease or to re-enter the Premises and, if applicable, the License Area] under any provision hereof;

then and in every such case it shall be lawful for the Landlord thereafter to enter into and upon the Premises and, if applicable, the License Area or any part thereof in the name of the whole and the same to have again, repossess, and enjoy as of its former estate, anything in this Lease to the contrary notwithstanding. The Landlord may use such force as it may deem necessary for the purpose of gaining admittance to and re-taking possession of the Premises and, if applicable, the License Area and the Tenant hereby releases the Landlord from all actions, proceedings, claims, and demands whatsoever for and in respect of any such forcible entry or any loss or damage in connection therewith.

#### 16.4 Termination and Re-entry

If and whenever the Landlord becomes entitled to re-enter upon the Premises and, if applicable, the License Area] under any provision of this Lease, the Landlord, in addition to all other rights and remedies, shall have the right to terminate this Lease by giving to the Tenant or by leaving

upon the Premises notice in writing of such termination. Thereupon, this Lease and the term shall terminate, and the Tenant shall immediately deliver up possession of the Premises and License Area to the Landlord in accordance with clause 16.9.

# 16.5 Right of Termination – No Default

In the event that the Landlord requires the use of the Premises for whatever reason, the Landlord shall have the right to terminate this Lease after giving the Tenant One (1) year notice of the Landlord's intention to terminate, the effective date being 365 days from the notice.

# 16.6 Certain Consequences of Termination and Re-entry

If the Landlord re-enters the Premises and License Area or if this Lease is terminated by reason of any event set out in clause 16.3 (or 16.5 if the no default termination clause stays in Lease), then without prejudice to the Landlord's other rights and remedies:

- a) the provisions of this Lease which relate to the consequences of termination, and the provisions of this Lease as they apply with respect to acts, events, and omissions which occurred prior to the termination, shall all survive such termination;
- b) in addition to the payment by the Tenant of Rent and other payments for which the Tenant is liable under this Lease, Rent for the current month and the next ensuing three months shall immediately become due and be paid by the Tenant or the person then controlling the Tenant's affairs; and
- c) the Tenant or person then controlling the affairs of the Tenant shall pay to the Landlord on demand such reasonable expenses as the Landlord has incurred, and a reasonable estimate of the Landlord of expenses the Landlord expects to incur, in connection with the re-entering, terminating, re-letting, collecting sums due or payable by the Tenant, and storing and realizing upon assets seized, including without limitation brokerage fees, legal fees, and disbursements, the expenses of cleaning and making and keeping the Premises and License Area in good order, and the expenses of repairing the Premises and preparing them for re-letting.

#### 16.7 Waiver of Distress and Bankruptcy

The Tenant waives the benefit of any present or future statute taking away or limiting the Landlord's right of distress and covenants and agrees that notwithstanding any such statute none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears. The Tenant will not sell, dispose of, or remove any other fixtures, goods, or chattels of the Tenant from or out of the Premises during the Term without the consent of the Landlord, unless the Tenant is substituting new fixtures, goods, or chattels of equal value or is bona fide disposing of individual items which have become excess for the Tenant's purposes; and the Tenant will be the Landlord or lessee of its fixtures, goods, and

chattels and will not permit them to become subject to any lien, mortgage, charge, or encumbrance. The Tenant agrees that it will not, without the Landlords' consent, repudiate or disclaim this Lease in any bankruptcy, insolvency, re-organization, or other proceeding or court application, and if required by the Landlord, waives in favour of the Landlord the benefit of s. 65.2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, and any provision of similar import.

#### 16.8 Re-letting and Sale of Personalty

Whenever the Landlord becomes entitled to re-enter upon the Premises under any provision of this Lease, the Landlord, in addition to its other rights, shall have the right as agent of the Tenant to enter the Premises and, if applicable, the License Area] and re-let them (for a term or terms shorter or longer than the balance of the Term, granting reasonable concessions in connection therewith), and to receive the Rent therefore, and as the agent of the Tenant to take possession of any furniture or other property thereon, and to sell the same at public or private sale without notice, and to apply the proceeds thereof and any rent derived from re-letting the Premises [or License Area] upon account of the Rent due and to become due under this Lease, and the Tenant shall be liable to the Landlord for the deficiency, if any.

16.9 Surrender on Termination

Forthwith upon the termination of this Lease, whether by effluxion of time or otherwise, the Tenant shall vacate and deliver up possession of the Premises and, if applicable, the License Area in a neat and tidy state and in good and substantial repair in accordance with the Tenant's obligation under this Lease to repair the Premises and, if applicable the License Area], but subject to the Tenant's rights and obligations in respect of removal in accordance with clause 11.4, and subject to reasonable wear and tear. At the same time the Tenant shall surrender to the Landlord at the place then fixed for the payment of Rent all keys and other devices which provide access to the Premises and if applicable the License Area, or any part thereof and shall inform the Landlord of all combinations to locks, safes, and vaults, if any, in the Premises.

#### 17. OCCUPATIONAL HEALTH AND SAFETY

17.1 The Tenant agrees that it is the Prime Contractor for the purposes of the Worker's Compensation Act. The Tenant shall have an occupational health and safety program acceptable to the WorkSafe BC Board and shall ensure that all WorkSafe BC Health & Safety Regulations are observed during performance of this Contract, not only by the Tenant, but by all workers, subcontractors, employees, personnel, servants and others engaged in the performance of this Contract.

17.2 The Tenant and its workers, subcontractors, employees, personnel, servants and others engaged in the Services shall conform to all current occupational health and safety laws, by-laws, or regulations of the Province of British Columbia including any regulations requiring installation or adoption of safety devices and appliances. The Landlord may, on twenty-four (24) hours written notice to the Tenant, suspend the Contract hereunder immediately as a result of failure to install such devices or because conditions of immediate danger exist that would likely result in injury to any person. Such suspension will continue until the default or failure is corrected. 17.3 Without limiting the generality of any other indemnities granted by the Tenant herein, the Tenant shall indemnify and save harmless the Landlord against any loss or expense or penalty suffered or incurred by the Landlord by reason of failure of the Tenant, its agent or employees, or any subcontractors of the Tenant, its agent or employees to comply or ensure compliance with the health and safety laws, by-laws and regulations mentioned above.

# 18. WORKSAFE BC COVERAGE

18.1 The Tenant shall, at its own expense, procure and carry or cause to be procured and carried and paid in full WorkSafe BC coverage for itself and all workers, subcontractors, employees, personnel, servants and others engaged in or upon any Services. The Tenant agrees that the Landlord has the unfettered right to set off the amount of any unpaid premiums and assessments for such WorkSafe BC coverage against any monies owing by the Landlord to the Tenant. The Landlord shall have the right to withhold payment under this contract until the WorkSafe BC premiums, assessments or penalties in respect of this Contract have been paid in full.

18.2 The Tenant shall provide the Landlord with the Tenant's WorkSafe BC registration number and a letter from WorkSafe BC confirming that the Tenant is registered in good standing with WorkSafe BC and that all assessments have been paid to date thereof prior to the Landlord having any obligations to pay monies under this contract.

18.3 The Tenant shall indemnify and hold harmless the Landlord from all manner of claims, demands, costs, losses, penalties and proceedings arising out of or in any way related to unpaid WorkSafe BC assessments owing from any person or corporation engaged in the performance of this Contract or arising out of or in any way related to the failure to observe safety rules, regulations and practices of WorkSafe BC, including penalties levied by WorkSafe BC.

# 19. NON-LIABILITY OF LANDLORD OFFICIALS

Under no circumstances shall any officer, employee, or agent of the Landlord acting within the course and scope of his/her job responsibility be personally liable to the Tenant, or any party claim through or on behalf of the Tenant, with regards to the Contract, including but not limited to its negotiation, execution, performance, or termination.

# 20. MISCELLANEOUS

#### 20.1 Notices

Any notice required or contemplated by any provision of this Lease shall be given in writing, and if to the Landlord, either delivered to an executive officer of the Landlord or delivered or mailed (by prepaid registered mail) to the Landlord at the address set out in sub-clause 1.1(a), or if the Landlord has given the Tenant notice of another address in Canada to which notices to the Landlord under this Lease are to be given, then to the last such address of which the Tenant has been given notice; and if to the Tenant, either delivered to the Tenant personally (or to a partner or officer of the Tenant if the Tenant is a firm or corporation) or delivered or mailed (by prepaid registered mail) to the Tenant at the Premises or License Area. Every such notice shall be

deemed to have been given when delivered or, if mailed as aforesaid, upon the third business day after the day of mailing thereof in Canada provided that if mailed, should there be a mail strike, slowdown, or other labour dispute which might affect delivery of such notice between the time of mailing and the actual receipt of notice, then such notice shall only be effective if actually delivered.

#### 20.2 Extraneous Agreements

The Tenant acknowledges that there are no covenants, representations, warranties, agreements, or conditions expressed or implied relating to this Lease or the Premises or License Area save as expressly set out in this Lease and in any agreement to lease in writing between the Landlord and the Tenant pursuant to which this Lease has been executed. In the event of any conflict between the terms of this Lease and such agreement to lease, the terms of this Lease shall prevail. This Lease may not be modified except by an agreement in writing executed by the Landlord and the Tenant, and no verbal agreements or conversations with any officer, agent, or employee of the Landlord, either before or after the execution of this agreement, shall affect or modify any of the terms or obligations herein contained.

20.3 Time of Essence

Time shall be of the essence in this Lease.

20.4 Enurement

This Lease and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns of the Landlord and its heirs, executors, and administrators and the permitted successors and permitted assigns of the Tenant.

20.5 References to Tenant

References to the Tenant shall be read with such changes in gender as may be appropriate, depending upon whether the Tenant is a male or female person or a firm or corporation. If the Tenant is comprised of more than one person or entity, then each such person and entity is jointly and severally bound by the representations, warranties, agreements, and covenants of the Tenant herein and any notice given or deemed to have been given at any time to any such person or entity shall be deemed to have been given at the same time to each other such person and entity.

#### 20.6 Frustration

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

20.7 Waiver

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

#### 20.8 Governing Law and Severability

This Lease shall be governed by and construed in accordance with the laws in force in the province of British Columbia. The venue of any proceedings taken in respect of or under this Lease shall be Kelowna, British Columbia as long as such venue is permitted by law, and the Tenant shall consent to any application by the Landlord to change the venue to Kelowna, British Columbia of any proceedings taken elsewhere. The Landlord and the Tenant agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section hereof. Should any provision or provisions of this Lease be illegal or not enforceable, it or they shall be considered separate and severable from the Lease and its remaining provisions had never been included.

# 20.9 Captions

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

#### 20.10 Acceptance

The Tenant accepts this Lease, to be held by it as tenant, and subject to the conditions, restrictions, and covenants above set forth. The acceptance of possession of the Premises or License Area shall be conclusive evidence as against the Tenant that at the Commencement Date of the Term the Landlord had duly completed all work required to be completed by the Landlord prior to the Commencement Date of the Term and the were in good order and satisfactory condition for the commencement of the work and business of the Tenant.

#### 20.11 Deposit

If the Landlord is holding any deposit in connection with this Lease, then unless the Landlord agreed in writing to different arrangements at the time the Landlord received the deposit, the deposit shall be held by the Landlord on a non-interest bearing basis to be applied to the Annual Base Rent for that month of the Term during which Annual Base Rent is first payable hereunder.

# 20.12 Expropriation

If at any time during the Term the interest of the Tenant under this Lease or the whole or any part of the Premises or License Area shall be taken by any lawful power or authority by the right of expropriation, the Landlord may at its option give notice to the Tenant terminating this Lease on the date when the Tenant or Landlord is required to yield up possession thereof to the expropriating authority. Upon such termination, or upon termination by operation of law, as the case may be, the Tenant shall immediately surrender the Premises or License Area and all its interest therein, Rent shall abate and be apportioned to the date of termination, the Tenant shall forthwith pay to the Landlord the apportioned Rent and all other amounts which may be due to the Landlord up to the date of termination, and clause 16.10 shall apply. The Tenant shall have no claim upon the Landlord for the value of its property or the unexpired Term of this Lease, but the parties shall each be entitled to separately advance their claims for compensation for the loss of their respective interests in the Premises or License Area, and the parties shall each be entitled to receive and retain such compensation as may be awarded to each respectively. If an award of compensation made to the Landlord specifically includes an award to the Tenant, the Landlord shall account therefore to the Tenant. In this clause the word "expropriation" shall include a sale by the Landlord to an authority with powers of expropriation, in lieu of or under threat of expropriation.

#### 20.13 Statutory Functions

Nothing contained herein shall impair or affect in any way the exercise by the Landlord of its functions and authority under any enactment, constating document, law, bylaw, resolution or other source of authority.

IN WITNESS WHEREOF the parties have executed this Lease.

SIGNED, SEALED AND DELIVERED by the Landlord in the presence of:

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**CITY OF KELOWNA,** by its Authorized ) Signatories: )

Signatories.

Mayor

Clerk

Witness

Address

Occupation

# JUSTICE INSTITUTE OF BRITISH COLUMBIA

by its Authorized Signatories: Mike Rood.

,

Occupation

### SCHEDULE A

### PLAN OF THE LEASED PREMISES AND THE LICENSE AREA Part of Lot 1, Sec 30, Township 26, KAP 8081, ODYD, PID 009-890-165 825 Walrod St



### SCHEDULE B

#### DEFINITIONS

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

"Additional Rent" means all sums of money to be paid by the Tenant, whether to the Landlord or otherwise under this Lease, except for Annual Base Rent and Goods and Services Tax payable by the Tenant.

"Annual Base Rent" means the annual Rent set out in sub-clause 1.1(g) and payable by the Tenant as set forth in clause 4.2.

"Basic Terms" means those terms set out in clause 1.1.

"Commencement Date" means the date the term commences as set forth in or determined under sub-clause 1.1(e) and subject to clause 3.2.

"Goods and Services Tax" or "GST" means and includes any and all sales Taxes, value added Taxes, business transfer Taxes, or any other Taxes imposed on the Landlord or the Tenant from time to time in respect of the Rent payable by the Tenant to the Landlord under this Lease or the Rental of the Premises or the provision of any goods, services, or utilities whatsoever by the Landlord to the Tenant under this Lease, whether characterized as a Goods and Services Tax, sales Tax, value added Tax, business transfer Tax, or otherwise.

"Insured Damage" means that part of any damage occurring to any portion of the Premises for which the Landlord is responsible, of which the entire cost of repair is actually recoverable by the Landlord under a policy of insurance in respect of fire and other perils from time to time effected by the Landlord, or, if and to the extent that the Landlord has not insured and is deemed to be a co-insurer or self-insurer under clause 12.1, would have been recoverable had the Landlord effected insurance in respect of perils, to amounts and on terms for which it is deemed to be insured.

"Land" means that parcel of land at 825 Walrod Street in the Landlord of Kelowna, British Columbia, more particularly described as a part of Lot 1, Sec 30, Township 26, KAP 8081, ODYD, PID 009-890-165

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

"Leasehold Improvements" means all fixtures, improvements, installations, alterations, and additions now and from time to time hereafter made, erected or installed, whether by the Tenant, and the Landlord or anyone else, in the Premises, including all partitions however fixed (including movable partitions) and all wall-to-wall carpeting with the exception of such carpeting

where laid over vinyl tile or other finished floor and affixed so as to be readily removable without damage, but excluding trade fixtures and unattached free-standing furniture and equipment.

"License Area" means the parking lot and landscaped area adjacent to the Premises, as set out in sub-clause 1.1(c) and shown on Schedule A.

"Premises" means the Walrod School at 825 Walrod Street at as set out in sub-clause 1.1(c) and shown on Schedule A.

"Prime Rate" means the rate of interest declared from time to time by the main branch, Bank of Montreal, Kelowna, British Columbia, to the Landlord as the annual rate of interest.

"Rent" means and includes the Annual Base Rent, Additional Rent, and all other sums payable by the Tenant to the Landlord under this Lease except for Goods and Services Tax payable by the Tenant.

"Taxes" means all Taxes, rates, duties, levies, and assessments whatsoever, whether municipal, parliamentary, or otherwise, which are levied, imposed, or assessed against or in respect of the Premises, the Land, which are from time to time levied, imposed or assessed in the future in addition or in lieu thereof, including, without limitation, those levied, imposed, or assessed for education, schools and local improvements.

"Tax Cost" for any calendar year means an amount equal to the aggregate, without duplication, of all Taxes in respect of such calendar year.

"Tenant's Share" means the proportion of Taxes attributed to the Premises.

"Term" means the Term of this Lease set forth in sub-clause 1.1(e) and any renewal or extension thereof and any period of permitted overholding.

### SCHEDULE C

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Tenant Responsibility Checklist JUSTICE INSTITUTE OF BRITISH COLUMBIA Tenant occupied spaces as per Section 1.1(c)(d)	Provided by the <u>Landlord</u> , Cost borne by the <u>Landlord</u>	Provided by the <u>Tenant</u> , cost borne by the <u>Tenant</u>	Does Not Apply
Boiler operating permits			x
Electrical field safety representative		х	
Electrical operating permit		х	
Electrical system preventative maintenance		х	
Electrical system repairs	х		
Electrical/lights - lamp & tube replacement		х	
Elevator equipment repairs (liability limit)			х
Elevator maintenance contract			x
Elevator operating permits			x
Emergency lighting testing & repairs		х	
Exterior doors, windows, facades, etc.		х	
Fire alarm system repairs	x		
Fire alarm system testing & inspection contracts		х	
Fire extinguisher monthly & annual inspections		х	
Fire safety plan		х	
Fire safety drills		х	
Fire sprinkler system repairs			x
Fire sprinkler system testing and inspection contracts			х
Furnishings (maintain & replace)		х	
Garbage & recycling bins		х	
Grease trap annual service			х
HVAC preventative maintenance		х	
HVAC repairs		х	
Insurance - automotive			
Insurance - liability		х	
Insurance - property, building (Provided by the Landlord, paid for by the Tenant.)		<b>X,</b> see comment	

Tenant Responsibility Checklist JUSTICE INSTITUTE OF BRITISH COLUMBIA	Provided by the <u>Landlord</u> , Cost borne by the <u>Landlord</u>	Provided by the <u>Tenant</u> , cost borne by the <u>Tenant</u>	Does Not Apply
Insurance - tenant owned furnishings & fixtures		Х	
Insurance - tenant owned operational equipment, computers		Х	
Interior walls, flooring, doors, ceilings, etc.		Х	
Internet		х	
Janitorial services & supplies in leased spaces		х	
Janitorial services & supplies in public washrooms			<b>X</b>
Kitchen equipment repair & maintenance - Landlord Owned			х
Kitchen equipment repair & maintenance - Tenant Owned		10	x
Kitchen Exhaust Hood annual cleaning			х
Kitchen Exhaust Hood repairs			х
Kitchen Hood Fire suppression system preventative maintenance			x
Kitchen Hood Fire suppression repairs			х
Kitchen Hood Fire suppression testing			х
Keys & locks repair & maintenance		х	
Landscape maintenance	х		
Business License		x	
Liquor License			х
IHA Food Operating Permit/Foodsafe Certification			x
Parking lot - grading	х		
Pest control		x	
Plumbing system preventative maintenance		х	
Plumbing system repairs	х		
Property taxes		х	
Roof inspection & maintenance	х		
Roof repairs	х		
Security system		х	

Tenant Responsibility Checklist JUSTICE INSTITUTE OF BRITISH COLUMBIA	Provided by the <u>Landlord</u> , Cost borne by the <u>Landlord</u>	Provided by the <u>Tenant</u> , cost borne by the <u>Tenant</u>	Does Not Apply
Signage		х	
Snow removal – Perimeter sidewalks and internal walkways		X	
Snow removal – Parking lot	x		
Telephone		Х	
Tenant improvements		Х	
Tenant improvements - Repair, maintenance & replacement		х	
Tree removal	x		
Utilities - electricity		Х	
Utilities - natural gas		Х	
Utilities - propane			x
Utilities - water, sewer		х	
Vandalism (exterior) (liability limit)	x		
Vandalism (interior) (liability limit)		х	
Window Cleaning (exterior)		х	
Window Cleaning (interior)		x	

#### SCHEDULE D



### CERTIFICATE OF INSURANCE

	City staff to complete prior to circulation	
City Dept.:		
Dept. Conta	ct:	
Project/Con	tract/Event:	

Insured	Name:
	Address:
Broker	Name:
	Address:

Location and nature of operation and/or contract reference to which this Certificate applies:

		Polic	cy Dates			
Type of Insurance	rance Company & Policy Number				Expiry	Limits of Liability/Amounts
Section 1 Comprehensive General Liability including: Products/Completed Operations; Blanket Contractual; Contractor's Protective; Personal Injury; Contingent Employer's Liability; Broad Form Property Damage; Non-Owned Automobile; Cross Liability Clause.				Bodily Injury and Property Damage \$ <u>5,000,000</u> Inclusive \$ Aggregate \$ Deductible		
Section 2 Automobile Liability				Bodily Injury and Property Damage \$ <u>5,000,000</u> Inclusive		

It is understood and agreed that the policy/policies noted above shall contain amendments to reflect the following:
 Any Deductible or Reimbursement Clause contained in the policy shall not apply to the City of Kelowna and shall be the sole responsibility of the Insured named above.
 The City of Kelowna is named as an Additional Insured.

3. 30 days prior written notice of material change and/or cancellation will be given to the City of Kelowna.

Print Name

Title

Company (Insurer or Broker)

Signature of Authorized Signatory

Date



**JUSTICE INSTITUTE** 

of BRITISH COLUMBIA

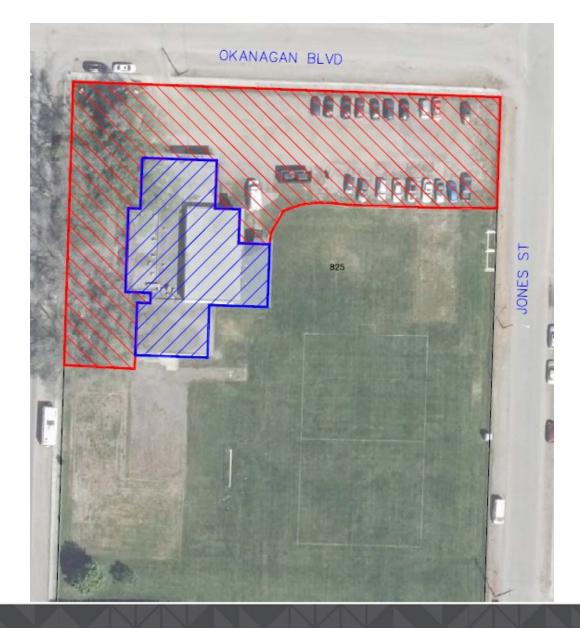


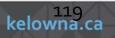
## Location





## Site Plan

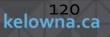






## Lease Details

Annual Revenue: \$61,600
Lease Term: 2 years
Renewal: 1 Year
Operating Costs: N/A (Tenant to complete R & M)
Revenue will go to the Parks Reserve





"The City will pursue appropriate interim uses on municipal land to generate community value." *City of Kelowna Land Use Strategy 2018* 



Date:	October 26, 2020
То:	Council
From:	City Manager
Subject:	Stuart Park Ice Rink – 2020/21 season
Department:	Sport & Event Services

Report to Council

### **Recommendation:**

THAT Council receives the report from the Sport & Event Services Department, dated October 26, 2020, providing information related to the opening of the Stuart Park ice rink for the 2020/21 winter season;

AND THAT Council direct staff to operate the Stuart Park ice rink for the 2020/21 season with an adapted operating model to align with provincial COVID safety guidelines as outlined in the report from the Sport & Event Services Department, dated October 26, 2020.

### **Purpose:**

To seek Council's approval to open and operate the Stuart Park ice rink for the 2020/21 season with an adapted operating model to align with provincial COVID safety guidelines.

### **Background:**

The Stuart Park ice rink began operations in 2011 and since has become one of Kelowna's community gems in the winter season, showcasing our vibrant waterfront area and bringing over 25,000 people downtown annually to skate. From the start of December to the end of February, the rink is open daily from 6 a.m. to 11 p.m. for free public skating. It's a popular destination for locals and visitors alike and provides a unique focal point in downtown Kelowna.

In a typical year, City staff begin rink preparations in November and commence general operating services in December, which includes: regular ice cleans/floods, snow clearing (as needed), fire pit maintenance, school courtesy bookings and overnight security. Additional on-site services during ice operating hours can also include skate rentals and food vendors.

### Discussion:

In light of the COVID-19 pandemic, a number of safety measures have been adopted at various recreation facilities throughout the City in alignment with Provincial reopening guidelines to ensure safety and minimize risk of transmission, including:

- Heightened cleaning and disinfection
- Modifications of facilities to accommodate physical distancing
- Ensuring physical distancing is maintained where possible through program modifications and queueing strategies
- Directing anyone experiencing symptoms to stay home
- Promoting high levels of handwashing and personal hygiene as a key preventative measure
- Providing public education on maintaining physical distance
- Ensuring clear return to activity guidelines are in place

Based on preliminary discussions with Interior Health, status quo operations at Stuart Park ice rink are not recommended due to the nature of the site. Despite being an outdoor venue, there are additional challenges to consider, particularly related to gatherings and crowding during peak skate times and ensuring adequate space for physical distancing. With that in mind, the following operational levels have been considered for opening the Stuart Park ice rink for the 2020/21 season:

### • Level 1: Open for Casual Use

Patrons will be able to access the site on a casual-use basis with no ancillary services (skate rental, fire pit, food vendor) provided. Signage will be displayed clearly outlining COVID-19 guidelines and safety protocols to follow. Additionally, contracted support staff (Facility Ambassadors/Security) will be on site during prime hours (M-F 5 p.m.- 9 p.m.; Sat/Sun 11 a.m. – 9 p.m.) to educate the public on site safety guidelines and monitor gathering sizes and physical distancing protocols.

### • Level 2: Open for Restricted Use

The site will be enclosed with temporary fencing. An online registration system will be used to manage participant numbers during prime hours and all patrons will be required to pre-book their skate sessions (1 hour), with a maximum of 50 participants per session. City staff will be on site during prime hours to manage registration lists, control entry/exit points and oversee operations. Limited services may be offered during supervised times in accordance with physical distancing/gathering protocols.

The site will remain open for drop-in casual use during non-prime hours (M-F 6 a.m.- 5 p.m.; Sat/Sun 6 a.m.- 11 a.m.) and spot-checks will take place to minimize gathering sizes.

### • Level 3: Closed

The rink will not be open.

Each level has a number of assumptions and projected costs associated with it:

For level 1, it is assumed that the removal of the ancillary services (skate rentals, food vendors, fire pit), combined with public comfort levels related to gathering and the ability to view the rink in advance using the Stuart Park live cam, will limit participant numbers through self-regulation. The communication plan and facility ambassadors will support the adherence of guidelines and safety protocols. Level 1 expenses include: signage and contract staff.

In the more restricted level 2 model, it is assumed that due to the pre-booking system with a maximum 50 capacity, drop-in availability on-site will be limited. Signage would be in place and City staff would manage the site to ensure safety measures were followed. Level 2 expenses include: signage, fencing, online registration system, additional ice cleans and City staff.

For level 3, it is assumed that the risks associated with opening the site, in particular the gathering of people and physical distancing, are too significant to manage. Level 3 expenses would be minimal and include communication and signage.

### **Proposed Operating Model**

signage in place

Based on the three levels presented, a fluid phased-approach is proposed that would involve advancing progressively (forward or back) through the levels as required (see below).

Stuart Park Ice Ri	nk 2020/21 Operations -	- Phased Approach
<u>Level 1</u> <u>Casual-Use</u>	<u>Level 2</u> <u>Restricted-Use</u>	Level <u>3</u> Closed
<ul> <li>Public can access site on a "casual-use" basis for free skating</li> <li>Open area – no fencing</li> <li>Drop-ins are available</li> <li>No ancillary services</li> <li>Contract staff on-site during</li> </ul>	<ul> <li>Public can access the site for free skating by pre- booking their skate session online</li> <li>Enclosed fenced-off area</li> <li>Drop-ins are not available</li> <li>Limited ancillary services</li> </ul>	<ul> <li>Public cannot access the site for skating</li> <li>Ice is removed</li> <li>Communication plan in place</li> </ul>
prime hours to educate and monitor • Communication plan &	<ul> <li>City staff on-site during prime hours to manage</li> <li>Communication plan &amp;</li> </ul>	

signage in place

To start, the Stuart Park ice rink would be opened on a casual-use basis (level 1). This operating model would be maintained dependent on level of adherence to the safety protocols and site guidelines. If crowd sizes and physical distancing guidelines were not being followed and ensuring public safety was proving to be a challenge, rink operations would be adjusted to a more restricted-use model (level 2). If safe operations within the restricted-use model continued to be challenging, the next option would be to close the facility (level 3). Conversely, if patrons were adhering to safety protocols and site

guidelines, the operating model could potentially be shifted back to support a more "casual-use" model (level 1).

### Conclusion:

The Stuart Park ice rink provides a unique opportunity for citizens to recreate outdoors in the heart of the city. Through the years, it has become an important community gathering space and an extremely well-used winter site. Opening and managing the ice rink during COVID-19 is a challenging task with associated risks compounded by the fact that the pandemic is unpredictable. As such, City staff believe a fluid operational approach which can respond to the latest provincial guidelines and allow for flexibility is crucial to effectively and safely manage the operation of the Stuart Park ice rink site for the 2020/21 season.

### **Internal Circulation:**

Active Living & Culture Property Management Financial Services Risk Management Parks Services Communications

### Considerations applicable to this report:

*Financial/Budgetary Considerations:* Funding is needed to support the proposed operating model of the Stuart Park ice rink for the 2020/21 winter season. The amount of funding required will be based on the primary operating option that is used to a maximum of \$50,000 which would be drawn as needed from the COVID-19 response budget.

Considerations not applicable to this report: Legal/Statutory Authority: Legal/Statutory Procedural Requirements: Existing Policy: Financial/Budgetary Considerations: External Agency/Public Comments: Communications Comments:

Submitted by: Doug Nicholas, Sport & Event Services Manager, Active Living & Culture

Approved for inclusion: Jim Gabriel, Divisional Director, Active Living & Culture

Attachments: Powerpoint Presentation – Stuart Park Ice Rink 2020/21 season



# Stuart Park Ice Rink 2020/21 season

October 26, 2020

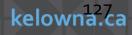




# Typical Ice Operations

- December 1, 2020 March 1, 2021 (weather permitting)
  - Open daily
  - Hours: 6 a.m. 11 p.m.
  - Free public skating
- Site Services
  - Ice cleans/floods
  - Snow clearing
  - General maintenance & cleaning
  - School courtesy bookings
  - Security
- Ancillary Services
  - Skate rental
  - Food vendor







# **Operating Consideration**

Level 1 Casual Use

- Casual-use access (self-regulated)
- Drop-in availability
- Open area
- No ancillary services
- Contract staff

Level 2 Restricted Use

- Pre-booked access
- No drop-in availability
- Fenced area
- Limited ancillary services
- City staff

### Level 3 Closed

- No access
- Ice removed





# Proposed Operating Model

## Phased approach

- Level 1: starting point, allowing for self-regulation
- Level 2/3: if operational adjustments are needed
- Fluid & flexible
- Adjustments to be based on:
  - Provincial guidelines
  - Public adherence
  - Community safety





## Questions?

### For more information, visit **kelowna.ca**.

### **DRAFT RESOLUTION**

### Re: 2021 Council Meeting Schedule

Staff is recommending the following schedule for regular Council Meetings in 2021:

THAT the 2021 Council Meeting Schedule be adopted as follows:

Monday Regular Meetings January 11, 18, and 25 February 1, 8 and 22 March 1, 8, 15 and 22 April 12, 19, and 26 May 10, 17 and 31 June 14, 16\*, 21, and 28 July 12 and 26 August 9 and 23 September 13, 20 and 27 October 4, 18 and 25 November 1, 8, 15 and 22 December 6 and 9\* Public Hearing/Regular Meetings January 19 February 2 and 23 March 16 April 6 and 20 May 11 June 1 and 22 July 13 and 27 August 10 and 24 September 21 October 5 and 26 November 16 December 7

- June 16<sup>th</sup> Pre-Budget Council Meeting
- \* December 9<sup>th</sup> 2020 Budget Deliberations

### BACKGROUND:

The recommended schedule provides for thirty-four (34) Monday Council Meetings (excluding the June 16<sup>th</sup> Pre-Budget Council Meeting and the December 9<sup>th</sup> 2021 Budget Deliberations) and eighteen (18) Public Hearing/Regular Council Meetings. As in previous years, the schedule accommodates Council's attendance and participation at the SILGA, FCM and UBCM annual conventions.

Date: October 26, 2020 File: 0610-50

#### DRAFT



Office of the City Clerk 1435 Water Street Kelowna, BC V1Y 1J4 250-469-8645 kelowna.ca

### **Council meetings**

### 2021 schedule

UPDATED: September 2020

**O**;

Monday Regular Meetings (9 a.m./1:30 p.m.)

2021 Pre-Budget meeting, June 16 (evening)

Summer schedule

Conventions:

SILGA: April 27-30 (Vernon) UBCM: Sept. 13-17 (Vancouver) Public Hearing/Regular Meeting 2021 Budget deliberations, Dec 9 (9 a.m.)

Statutory holiday

Year-end closure

FCM: June 3-6 (Montreal)

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kelowna.ca/council

### **CITY OF KELOWNA**

### BYLAW NO. 12034

### 2021 Permissive Tax Exemption Bylaw

### A bylaw pursuant to Sections 220, 224 and 225 of the Community Charter, to exempt from taxation certain lands and improvements situated in the City of Kelowna

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

- 1. Those certain parcels or tracts of land and improvements, situated, lying and being in the City of Kelowna, as described in Schedules "A" to "J" attached hereto and forming part of this bylaw, shall be exempt from taxation.
- 2. This bylaw shall come into full force and effect and is binding on all persons during the 2021 taxation year.
- 3. This bylaw may be cited as "2021 PermissiveTax Exemption Bylaw No. 12034".

Read a first, second and third time by the Municipal Council this 19<sup>th</sup> day of October, 2020.

Adopted by 2/3 of the Municipal Council of the City of Kelowna this

Mayor

City Clerk

	S	chedule A – Public Worship	
FOLIO	LEGAL DESCRIPTION	REGISTERED OWNER/LESSEE	COMMENTS
		The Union of Slavic Churches of	
001230	Lot 1, Blk 13, Plan 202, DL138	Evangelical Christians c/o Trustees	
	Lots 2 and 3, Blk 15, Plan 202,		
001350	DL 138	Trustees of First United Church	
	Lot 4,Blk 15,Plan 202, DL 138 In		
001360	Trust - DD 197582F	Trustees of First United Church	
	Lot 5,Blk 15,Plan 202, DL 138 In		
001370	Trust - DD 197582F	Trustees of First United Church	
	Lot 25, Plan 578, DL 138, Except		
006911	Plan H16278, & Lot A PL	Kelowna Buddhist Society	
		Truth Now Tabernacle United Pentecostal	
018380	Lot 2, Plan KAP1319, DL 138	Church	
	Lot 19-20, Plan 2085, District		
021300	Lot 139	Unitarian Fellowship of Kelowna Society	Daycare excluded
		Kelowna Tabernacle Congregation -	
022500	Lot 6, Plan 2271, DL 139	Trustees	
		Governing Council of the Salvation Army	
051070	, ,	in Canada	
057510	Lot A, Plan 16013, DL 137	Convention Baptist Churches of BC	
		The Trustees of Congregation of Kelowna	
062110	•	Bible Chapel	
062120	Lot 2, Plan 17933	Congregation of Kelowna Bible Chapel	
		Trustees Congregation - Grace Baptist	
	Lot 3, Plan 25524	Church	
069380	Lot A, Plan 27070	Roman Catholic Bishop Of Nelson	Residence excluded
		Governing Council of the Salvation Army	
071130	Lot 1, Plan 30180, DL137	in Canada (Community Church)	
		BC Corp of the Seventh-Day Adventist	
	Lot 4, Plan 30824	Church	
074502	Lot A, Plan 33076, DL138	Roman Catholic Bishop of Nelson	Residence excluded
075040		Trustees of The Congregation of the Christ	
075210	Lot 1, Plan 34637	Evangelical Lutheran Church	
076204		The Congregation of the First Mennonite	
076394	Lot C, Plan 40170, DL137	Church	
070200		Ukrainian Catholic Eparchy of New	Desidence
078266		Westminster	Residence excluded
083239	Lot A, Plan KAP91385, DL 14	Synod of the Diocese of Kootenay	
03255.224	Lot 1, Plan KAP56294	Trust Cong St David's Presb Church	
03337.370	Lot A, Plan 23927	Kelowna Christian Reformed Church	Daycare excluded
03337.769	Lot A, Plan KAP83760	Okanagan Jewish Community Association	Daycare excluded
00000 400		Trustees of the Glenmore Congregation of	
03378.102	Lot A, Plan 44041	Jehovah's Witnesses	
03922.000	Lot A, Plan 5223	BC Association of Seventh Day Adventists	
04210 442	Lat A Diam 21005	Seventh-Day Adventist Church (BC	
04310.442	Lot A, Plan 31085	Conference)	

	1	chedule A – Public Worship	
FOLIO	LEGAL DESCRIPTION	REGISTERED OWNER/LESSEE	COMMENTS
	Lot PT 26, Plan 187 Except Plan		
	3067, That PT of L 25 PL 187		
04423.888		Synod of the Diocese of Kootenay	
	Lot 1, Sec 19, Twp 26, Plan		Housing society
04571.592		Kelowna Full Gospel Church Society	residences excluded
04645.000	Lot 7, Plan 3727	Church of the Nazarene - Canada Pacific	
		Serbian Orthodox Par-Holy Prophet St Ilija	
04660.000	Lot 1, Plan 4877	(Parish)	Residence excluded
	Lot A, Sec 22, Twp 26, Plan	Seventh-Day Adventist Church (BC	
04803.157	71145	Conference)	Residence excluded
		Gurdwara Guru Amardas Darbar Sikh	
04804.250	Lot A, Plan 29696	Society	Residence excluded
	Lot Pcl Z, Sec 23, Twp 26, Plan		
	24426, Except Plan KAP69971,		
05475.931	DD J53659	Evangelical Missionary Church of Canada	
		BC Conference of Mennonite Brethren	Housing society
05476.791	Lot B, Plan 41234	Churches	residences excluded
05606.001	Lot A, Plan KAP76650	Okanagan Sikh Temple & Cultural Society	Residence excluded
05611.000	Lot PT 2, Plan 2166	Roman Catholic Bishop of Nelson	Residence excluded
05752.000	Lot A, Plan 4841	Okanagan Chinese Baptist Church	
	Lots 78, 79 & 80, Sec 26, Twp		
06198.870	26, Plan 22239	Pentecostal Assemblies of Canada	
	Lot H, Sec 26, Twp 26,Plan		
06199.358	-	Faith Lutheran Church of Kelowna	Daycare excluded
	Lot 1, Sec 27, Twp 26 Plan		,
06337.001	-	BC Muslim Association	
	Lot A, Plan 19465, DL 143, Sec	Trustees of Spring Valley Congregation of	
06370.120	27, Twp 26	Jehovah's Witnesses	
			Property 50/50 split
06372.497	Lot 1, Plan KAP55460	Kelowna Christian Centre Society Inc	church/school
06372.506		New Apostolic Church of Canada Inc.	,
	Lot 1, Sec 29 & 32, Plan	The Church of Jesus Christ of Latter-Day	
06496.742	KAP64073	Saints	
		Trustees Rutland United Church Pastoral	
06735.000	Lot A, Plan 11320	Charge of the United Church	Daycare excluded
06198.872	Parcel A, Plan 22239	Synod of the Diocese of Kootenay	
07212.492	Lot 1, Plan 37256	Synod of the Diocese of Kootenay	
5,212.472		Christian & Missionary Alliance - Canadian	
10407.200	Lot A, Plan 20452, DL 128	Pacific District	
10407.200		St. Peter & Paul Ukrainian Greek Orthodox	Housing society
10468.000	Lot 2, Plan 9491, DL 129	Church of Kelowna	residences excluded
10400.000	Lot A, Plan 37351 (Portion of		Commercial lease space
10510 011		Apostolic Posourco Contro Society	excluded
10519.844	Lot)	Apostolic Resource Centre Society	
10519.903	EPP64708, Lot A, DI 129, LD 41	Kelowna Trinity Baptist Church	Dranautor na ( lit
10720 200			Property 50/50 split
10738.366	Lot 2, Plan KAP44292, DL 131	Evangel Tabernacle of Kelowna	church/school

	Schedule A – Public Worship							
FOLIO	LEGAL DESCRIPTION	REGISTERED OWNER/LESSEE	COMMENTS					
10768.002	Lot 2, Plan KAP81588	Roman Catholic Bishop of Nelson	Residence excluded					
10936.348	Lot 1, Plan 35917	Kelowna Gospel Fellowship Church						
10936.653	Lot 1, Plan 41844	Canadian Mission Board of the Church of God in Canada	Housing society residences excluded					
10937.443	Lot A, Plan KAP76720	First Lutheran Church of Kelowna BC	Property 50/50 split church/school					
		Trustees of The Lakeshore Congregation						
11025.140	Lot 1, Plan 25466, DL 135	of Jehovah's Witnesses						
11025.172	Lot 7, Plan 25798, DL 135	Congregation of Bethel Church of Kelowna						
	Lot 1, Plan 12441, DL 136							
11059.000	Trustees	Providence Baptist Church						
11097.073	Lot 1, Plan KAP52447, DL 136	C3 Church						
	Lot 8, Plan 1303 & Lot 1, DL 139	The BC Conference of the Mennonite						
016620	PL13585 & Lot 1 DL139 PL 3585	Brethren Church						
		The BC Conference of Mennonite	Partial exemption as 48%					
		Brethren Church & Chronos Properties	ownership (property					
016680	Plan KAP 1303, Lot 17, DL 139	Ltd.	utilized 100% by Church)					

	Schedule B – Private Schools				
FOLIO	LEGAL DESCRIPTION	REGISTERED OWNER/LESSEE	COMMENTS		
		Catholic Independent Schools of Nelson			
025561	LT 1, PL EPP68016, DL 138	Diocese			
074502	Lot A, Plan 33076, DL 138	Roman Catholic Bishop of Nelson	Residence excluded		
03458.033	Lot 1, KAP86356	Aberdeen Hall Senior School Society	Vacant land excluded		
04417.000	Lot A, Plan KAP1725	Okanagan Montessori Elementary School Society			
05122.000	Lot 2, KAP3849	Seventh-Day Adventist Church - BC Conference			
06372.497	Lot 1, Plan KAP55460	Kelowna Christian Centre Society Inc	Property 50/50 split church/school		
06372.527	Lot A, Plan KAP71175	Vedanta Educational Society Inc			
07212.595	Lot A, Plan KAP48732	Lakeside Educational Society of Kelowna			
07212.596	Lot B, Plan KAP48732	Lakeside Educational Society of Kelowna			
10589.111	Lot 1, Plan KAP59724	Kelowna Society for Christian Education			
10738.366	Lot 2, Plan KAP44292, DL 131	Evangel Tabernacle of Kelowna	Property 50/50 split church/school		
10738.378	Lot A, Plan KAP54674, DL 131	The Catholic Independent Schools of Nelson Diocese			
10937.443	Lot A, Plan KAP76720	First Lutheran Church of Kelowna	Property 50/50 split church/school		

Schedule C – Hospitals			
FOLIO LEGAL DESCRIPTION REGISTERED OWNER/LESSEE COMMENTS			
079392 Lot A, Plan KAP60581, DL 14 Canadian Cancer Society			

	Schedule D – Special Needs Housing				
FOLIO	LEGAL DESCRIPTION	REGISTERED OWNER/LESSEE	COMMENTS		
004340	Lot 15, Plan 462, DL 139	Kelowna Gospel Mission Society			
		The Bridge Youth & Family Services			
007270	Lot 4, Plan 635, DL 14	Society			
023390	Lot 10, Plan 2498, DL 137	Bridges to New Life Society			
		New Opportunities for Women (NOW)			
033110	Lot 2, Plan 3929	Canada Society			
048500	Lot 8, Plan 10011	Okanagan Halfway House Society Inc			
048770	Lot 35, Plan 10011	Okanagan Halfway House Society			
048730	Lot 31, Plan 10011, DL 137	Resurrection Recovery Resource Society			
048740	Lot 32, Plan 10011, DL 137	Resurrection Recovery Resource Society			
048750	Lot 33, Plan 10011, D.L. 137	Resurrection Recovery Resource Society			
050050	Lot 22, Plan KAP10689	Resurrection Recovery Resource Society			
050060	Lot 23, Plan 10689	Resurrection Recovery Resource Society			
050070	Plan 10689, Lot 24	Resurrection Recovery Resource Society			
050080	Lot 25, Plan 10689	Resurrection Recovery Resource Society			
		Society of St. Vincent De Paul of Central			
050650	Lot A, PL 11018	Okanagan			
		Central Okanagan Emergency Shelter			
055030	Lot 4, Plan 14741	Society			
		Central Okanagan Emergency Shelter			
055040	Lot 5, Plan 14741	Society			
055150	Lot A, Plan 14836	Okanagan Halfway House Society			
080873	Plan KAS2634, Lot 1	Okanagan Mental Health Services Society			
		The Bridge Youth & Family Services			
05476.630	Plan KAP33003, Lot A	Society			
		The Bridge Youth & Family Services			
06370.241	Plan KAP22268, Lot D	Society			
		National Society of Hope /Provincial			
11097.075	PCL A, Plan KAP52447, DL 136	Rental Housing Corp			

	Schedule E – Social Services				
FOLIO	LEGAL DESCRIPTION	REGISTERED OWNER/LESSEE	COMMENTS		
004330	Lot 14, Plan 462 Block 5	Kelowna Gospel Mission Society			
	Lots 3 and 4, Blk 8, DL 139,				
004580	Plan 462	Ki-Low-Na Friendship Society			
	Plan 830, Lot 2, DL 14, Blk 21				
009900	exc Parcel 2A, B1750	Canadian Mental Health Association			
010470	Lot 11, Plan 922	Kelowna & District S.H.A.R.E. Society			
016740	Lot A, Plan 46222	Pathways Abilities Society			
	Okanagan Boys & Girls Clubs/City of				
026190	Lot 138, Plan 3163	Kelowna			

	Schedule E – Social Services					
FOLIO						
		Okanagan Boys & Girls Clubs/City of				
045862	Lot A, Plan 9012	Kelowna				
052700	Lot C, Plan 12546, DL 138	Roman Catholic Bishop of Nelson				
055261	Plan EPP11464 Lot A	Daycare Connection Childcare Society				
057060	Plan 15778, Lot B	Ki-Low-Na Friendship Society				
		Okanagan Boys & Girls Clubs/City of				
059530	Lot A, Plan 16898	Kelowna				
000050	Lat 1 Dec 22679	Kelewar (#2C) Devel Considion Lesien	Criteria #7: 1,786 sq ft taxable for liquor/food			
066250	Lot 1, Plan 22678	Kelowna (#26) Royal Canadian Legion	services			
070175	Lot A, Plan 28500	Central Okanagan Community Food Bank Society				
	Lot 1, Blk 6, Sec 20, Twp 26,	Central Okanagan Child Development				
076262	ODYD, Plan 39580	Association				
	Lot A, FL 139, LD 41, Plan					
079078	KAP58056	Kelowna Community Resources Society				
		Governing Council of the Salvation Army				
04918.002	Lot A Plan KAP90062	in Canada				
05477.053	Lot 5 Plan KAS2126	MADAY Society for Seniors				
06198.704	Lot 1, Plan KAP91112	Boys & Girls Clubs/City of Kelowna				
06370.273	Lot 19, Plan 23749	Ki-Low-Na Friendship Society				
06371.030	Lot 2, Plan KAP30323	Pathways Abilities Society				
		Big Brothers Big Sisters of the Okanagan				
06774.486	Lot 2 Plan: KAS2048	Society				
		Big Brothers Big Sisters of the Okanagan				
06774.491	Lot:7 Plan KAS2048	Society				
10508.002	Lot 2, Plan 15777	Kalano Club of Kelowna				
		Reach Out Youth Counselling & Services				
10519.925	Lot A, Plan KAP54261	Society				
10519.958	Lot 4, Plan KAS1717	Kelowna Child Care Society				
10707.000	Lot 1, Plan 15596, Except Plan KAP73753	BHF Building Healthy Families Society				
	Lot 1, Sec 20, Twp 26, ODYD,	Starbright Children's Development	Criteria #5: 7,568 sq ft taxable for lease/rental			
057010	Plan 15741	Centre Assoc.	to third parties			

	Schedule F – Public Park or Recreation Ground, Public Athletic or Recreational				
FOLIO LEGAL DESCRIPTION REGISTERED OWNER/LESSEE COMMENTS					
	Part DL 14 (.727 Acres) Lot A,	Kelowna Lawn Bowling Club /City of			
000571	Plan 5352	Kelowna			
		Kelowna Badminton Club/City of			
037220	Lot 4, Plan 4921	Kelowna			
073507	Lot 2, Plan 32159	Kelowna Cricket Club/City of Kelowna	/City of Kelowna		
		Kelowna Major Men's Fastball			
080966	Lot B, Plan KAP76448	Association / City of Kelowna			
	Criteria		Criteria #7: 2,000 sq ft		
taxable		taxable for liquor/food			
080967	Lot A, Plan KAP76448	Kelowna Curling Club / City of Kelowna	services		

Schedule F – Public Park or Recreation Ground, Public Athletic or Recreational					
FOLIO LEGAL DESCRIPTION REGISTERED OWNER/LESSEE COMMENTS					
			Criteria #7: 21,168 sq ft		
		taxable for liquor/			
083521	Lot 1, Plan EPP29214	Kelowna Yacht Club	services		
	Plan 2020, Parcel A , PCL A		Exemption for Class 8		
04009.000	(KG34204)	Kelowna & District Fish & Game Club	portion only		
		Kelowna United Football Club/City of			
04078.511	Lot 2, KAP80134	Kelowna			
			H2O Centre (except		
04078.511	Lot 2, KAP80134	RG Arenas (Kelowna) Ltd/City of Kelowna	retail on folio 04078.513)		
		East Kelowna Community Hall	Criteria#9: Caretaker		
04453.000	Lot 1 & 2, Plan 3067	Association	Agreement in place		
		Central Okanagan Land Trust / Central	Land Conservation		
04525.505	Lot 1, KAP61083	Okanagan (Regional District)	(Parkland)		
		Okanagan Gymnastic Centre / City of			
06198.705	Lot 1, Plan KAP91112	Kelowna			
			Criteria #5: 1,200 sq ft		
			taxable for lease/rental		
06225.585	Lot B, Plan KAP53836	Rutland Park Society	to third parties		
		Central Okanagan Land Trust / Central	Land Conservation		
06935.000	Part S 1/2 of SW 1/4	Okanagan (Regional District)	(Parkland)		
		Central Okanagan Land Trust / Central	Land Conservation		
06936.000	Part N 1/2 of SW 1/4	Okanagan (Regional District)	(Parkland)		
	Lot Fr E 1/2 Sec 17, Twp 28		Land Conservation		
06961.000	exc Plan B4553	Nature Trust of BC	(Parkland)		
	Fr NE 1/4 Sec 17, Twp 28				
	SDYD, shown Amended Plan		Land Conservation		
06962.004	B4553, exc Plan 26911	Nature Trust of BC	(Parkland)		
	Lot A, Sec 17, Twp 28, Plan	Land Conservation			
06962.006	41403	Nature Trust of BC	(Parkland)		
			Land Conservation		
06962.008	Lot B, Plan 41403	Nature Trust of BC	(Parkland)		
06974.000-					
06974.001	Lot 11, Sec. 22, Plan 4080	Scout Properties (BC/Yukon) Ltd			
06976.000	Lot 14, Sec. 28, Plan 8258	Scout Properties (BC/Yukon) Ltd			
09461.002-	Lot A-D, DL 14, Plan	Kelowna Outrigger Racing Canoe Club	Criteria #9: Caretaker		
09461.005	EPP96732	Association/City of Kelowna	Agreement in place		
			Criteria #9: Caretaker		
10776.000	Plan 9359, Lot 2	Kelowna Riding Club	Agreement in place		
11501.989/		Central Okanagan Small Boat Association Criteria #9: 541 sq ft			
11501.979	Lot 1, Plan 35229	/ City of Kelowna	taxable for residence		
		Kelowna Minor Fastball Society/City of			
11151.004	Lot 1, Plan 11796	Kelowna			
		Okanagan Mission Community Hall			
12184.556	Lot 1, Plan KAP69898	Association			

	Schedule G – Cultural				
FOLIO LEGAL DESCRIPTION REGISTERED OWNER/LESSEE COMMENTS					
000950	000950 Lot 1, Block 12, Plan 202 Centre Cultural François De L' Okanagan				
001830	001830 Lot 49, Plan 262, Blk 15 Kelowna Canadian Italian Club				

	Schedule G – Cultural			
FOLIO	LEGAL DESCRIPTION	REGISTERED OWNER/LESSEE	COMMENTS	
		Kelowna Museums Society / City of		
038641	Lot A, Plan 5438	Kelowna		
		Kelowna Museums Society / City of		
038644	Plan 5438, D.L. 139	Kelowna		
075959	Lot 2, Plan 37880	Kelowna Music Society		
		City of Kelowna/Kelowna Museums	Criteria #3: 200 sq ft	
077062	Lot 1, Plan 42511	Society	taxable for retail space	
079932	Lot A, Plan KAP67454	Kelowna Art Gallery		
		Kelowna Visual & Performing Arts Centre		
080250	Lot A, KAP67454	Society / City of Kelowna		
		Kelowna Visual & Performing Arts Centre		
080252	Lot A, KAP67454	Society / City of Kelowna		
		Kelowna Visual and Performing Arts		
080256	Lot A, KAP67454	Centre Society / City of Kelowna		
		Kelowna Visual & Performing Arts Centre		
080259	Lot A, KAP67456	Society / City of Kelowna		
		Okanagan Symphony Society/City of		
083355	Lot 1, KAP92254	Kelowna		
07212.624	Lot 10, KAP72245	Westbank First Nation		
			Criteria #7: 4,413 sq ft	
			taxable for liquor/meal	
10349.220	Lot B, Plan 28112	German - Canadian Harmonie Club	services	
	Lots 15 and 16, Blk. 7, Plan		Criteria #9: Caretaker	
10388.000	415B	Central Okanagan Heritage Society	agreement in place	
		Roman Catholic Bishop of Nelson		
10768.001	Lot A, Plan 6710	Pandosy Mission		
	Plan KAS944 Lot 1 Section 19			
04571.614	Township 26	OCCA Communities Association		

	Schedule H – Other Non-Profit Societies				
FOLIO	FOLIO LEGAL DESCRIPTION REGISTERED OWNER/LESSEE COM				
			Criteria #3: 165 sq ft		
000641	Plan EPP 74060, Lot 1527	Tourism Kelowna Society	taxable for retail space		
016670	Lot 16, Plan 1303	Kelowna Yoga House Society			
		Kelowna Centre for Positive Living			
028740	Lot 8, Plan 3398	Society			
			Criteria #9: Caretaker		
077364	Lot A, Plan 43658	Kelowna Sr. Citizens Society of BC	agreement in place		
05763.001	Lot A, Plan KAP82536	Kelowna General Hospital Foundation			
	PL KAP91112, LT 1, SEC 26,	Kelowna & District Safety Council Society			
06198.706	TWP 26	/ City of Kelowna			
		BC Society for Prevention of Cruelty to			
10759.011	Lot 11, Plan 515, Blk 1	Animals			

Schedule	Property Classification	2021	2022	2023
A - Places of Worshi	p			
	Class 01 - Residential	0	0	0
	Class 06 - Business	17,832	18,836	19,774
	Class 08 - Recreation/Non-Profit	377,439	398,495	418,340
	Total Municipal Taxes	\$395,271	\$417,331	\$438,114
B - Private Schools				
	Class 01 - Residential	0	0	0
	Class 06 - Business	245,259	258,944	271,839
	Class 08 - Recreation/Non-Profit	13,623	14,383	15,100
	Total Municipal Taxes	\$258,882	\$273,327	\$286,939
C - Hospitals				
	Class 01 - Residential	0	0	0
	Class 06 - Business	19,736	20,837	21,875
	Class 08 - Recreation/Non-Profit	0	0	0
	Total Municipal Taxes	\$19,736	\$20,837	\$21,875
D - Special Needs He	ousing			
	Class 01 - Residential	55,507	58,607	61,526
	Class 06 - Business	3,171	3,346	3,513
	Class 08 - Recreation/Non-Profit	0	0	0
	Total Municipal Taxes	\$58,678	\$61,953	\$65,039
- Social Services				
	Class 01 - Residential	13,983	14,764	15,500
	Class 06 - Business	271,878	287,048	301,342
	Class 08 - Recreation/Non-Profit	11,568	12,214	12,822
	Total Municipal Taxes	\$297,429	\$314,026	\$329,664
- Public Park or Re	creation Ground, Public Athletic or Rec	reational		
	Class 01 - Residential	69,615	73,496	77,157
	Class 06 - Business	74,979	79,168	83,111
	Class 08 - Recreation/Non-Profit	309,864	327,152	343,443
	Total Municipal Taxes	\$454,458	\$479,816	\$503,711
G - Cultural				
	Class 01 - Residential	1,496	1,580	1,658
	Class 06 - Business	406,038	428,692	450,040
	Class 08 - Recreation/Non-Profit	12,454	13,149	13,804
	Total Municipal Taxes	\$419,988	\$443,421	\$465,502
H - Other				
	Class 01 - Residential	2,308	2,437	2,558
	Class 06 - Business	57,367	60,567	63,584
	Class 08 - Recreation/Non-Profit	0	0	0
	Total Municipal Taxes	\$59,675	\$63,004	\$66,142
Total Impact		Г	Т	
	Class 01 - Residential	142,909	150,884	158,399
	Class 06 - Business	1,096,260	1,157,438	1,215,078
	Class 08 - Recreation/Non-Profit	724,948	765,393	803,509
	Total Municipal Taxes	\$1,964,117	\$2,073,715	\$2,176,986

### Schedule J - Municipal Tax impact for the years 2021-2023: