

Subsequent to the Corporate Services Committee meeting the letter dated September 7, 2007 from CUPE Local 401 was received outlining a number of concerns expressed by the union regarding the proposed Employee Code of Conduct.

Since receipt of that letter staff has worked extensively with the Union Representatives to address their concerns and have also held numerous meetings which included all City staff to:

- o Explain the rationale behind the need for and the timing of implementation of an "Employee Code of Conduct"
- o Listen to their concerns, and
- o To directly answer questions and/or to provide explanations and interpretations of how the code and how it would be administered.

The revised version of the proposed "Employee Code of Conduct" attached to this memo is the end result of those meetings.

With this revised version, all of the concerns expressed in the Unions September 7, 2007 letter have been addressed to their satisfaction with the exception of "personal use of City property". This issue mainly revolves around the Public Works Yard and the use of the City's shop facilities for repairs to personal vehicle and other equipment outside of working hours and some borrowing of City tools for personal use. The Union views this as a benefit that they have been receiving that is now being taken away.

There is no doubt that "Council approved personal use of City facilities and equipment" would be an additional benefit to City employees and would be seen by City employees as a perk to help to make the City an employer of choice for retention for our employees during times of labour shortages such as we are currently experiencing.

### OPTIONS

1. Approve the revised policy as currently presented.
2. Provide staff with direction as to any changes required by Council.
3. Maintain the status quo.

### ANALYSIS

Adoption of an Employee Code of Conduct was one of the 2006 Audit recommendation made to Council by the City's auditor. Failure to adopt an Employee Code of Conduct may result in the Auditor providing a "qualified" audit report regarding the City's annual Financial Statements. The code also provides protection to both the City and employee as it clearly outlines what is expected of them as representatives of the City. The code when adopted would apply to all union and exempt employees. The code is not meant to

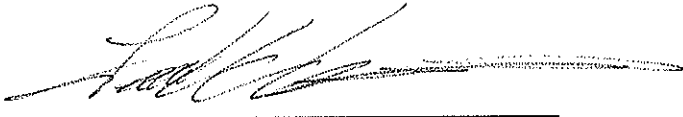
be onerous, it is meant to codify what most people would see as the common sense way that staff already conducts themselves while carrying out the business of the City.

**FINANCIAL IMPLICATIONS**

There are no foreseen financial implications.

**RECOMMENDATION**

That the report dated March 28, 2008 from the Chief Administrative Officer be received;  
AND THAT revised Policy No. 7.16 "Employee Code of Conduct" as attached to this report be approved.

A handwritten signature in black ink, appearing to read 'Fred C. Manson', is written over a horizontal line.

Fred C. Manson, C.G.A.

**INCAMERA COUNCIL REPORT**

August 14, 2007

**MEMO TO: FRED MANSON, CHIEF ADMINISTRATIVE OFFICER**  
**FROM: LAURIE TAYLOR, DIRECTOR OF ADMINISTRATIVE SERVICES**  
**SUBJECT: Employee Code of Conduct**

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**ISSUE**

Consideration of new Employee Code of Conduct.

**REFERENCES:**

*Policy No. 7.16 – Employee Code of Conduct*


**BACKGROUND**

At the June 18, 2007 Council meeting, the recommendations resulting from the 2006 audit were approved by Council. One of the recommendations was for the adoption of a Code of Conduct for employees to "provide management with tools to communicate the need for integrity and ethical values to the employees of the City". Council stipulated that the code be drafted for approval by August 31, 2007 and adopted for implementation no later than September 30, 2007.

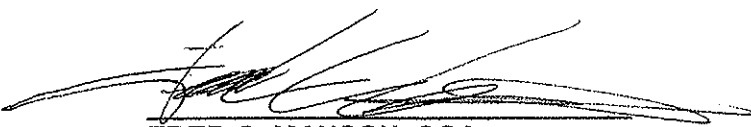
The Code addresses issues of conflict of interest, accepting gifts, employment of relatives, confidentiality, integrity and impartiality. There is also provision in the policy for the handling of complaints regarding employee misconduct.

We have provided this draft policy for information only at this time. In the interest of maintaining good labour relations, staff would also like an opportunity to present the policy to the union for their comments before adoption of the policy is considered by Council.

Respectfully submitted,

  
\_\_\_\_\_  
**LAURIE TAYLOR**  
Director of Administrative Services

**CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**

  
\_\_\_\_\_  
**FRED C. MANSON, CGA**  
Chief Administrative Officer



**CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 401**

11 / 12 - 1850 NORTHFIELD ROAD, NANAIMO, B.C. V9S 3B3 TEL: (250) 729-7557 FAX: (250) 729-0866 EMAIL: CUPE401@SHAW.CA

September 7, 2007

Council Members  
 City of Parksville  
 100 East Jensen Ave, Box 1390  
 Parksville, BC  
 V9P 2H3

Dear Council Members:

**RE: City of Parksville – Employee Code of Conduct**

The City of Parksville administration has informed your employee's that a new Code of Conduct will be implemented shortly. They have distributed this policy to employees with an accompanying explanation from Mr. Manson identifying the reasons for the policy and why the City has been asked to provide this to the City's Auditors along with his direction from Council to produce a policy by a certain date.

By way of background we would like you to know that employee representatives have been discussing this issue with administration since at least 1999. Mr. Roycroft produced the first Code of Conduct and began negotiations with Union representatives on the content of the policy. Both parties attempted to produce a policy which was acceptable to all and also gave the Employer and Employees a level of security in regard to fairness and also reflected the Employer's expectations of appropriate conduct for all employees of the City.

The current administration met with employee representatives several times over the last several years negotiating this policy. Due to these negotiations several changes were made to the policy and several other recommended changes were proposed by the Union and were not accepted but were, we believed, still on the table for discussion. Administration says that this Code "was informally adopted three years ago", we disagree. Both parties were negotiating and there was no conclusion to those negotiations.

This has been a multi year process and now the Employer has apparently disregarded staff input and is set to implement a policy which is neither fair nor the negotiated policy we thought we were in the process of negotiating. It is disheartening to have it forced on Employees in this manner.

Please do not misunderstand the position being taken by your employees; the policy has several sections which employees' take no issue with. However there are several areas of concern to us.



The Union called a meeting of your employees to discuss this policy and the implications it may have on them personally both at work and away from work. Without going into great detail we will give a couple examples of our concern and ask Council to instruct Administration to negotiate a fair policy. Examples of why employee's feel this policy is unfair are:

- 1 • Section 1. Does not convey the Collective Agreement rights Employees currently have.
- 2 • Section 2. Unnecessarily restricts staff and also creates a built in conflict when "some" employee's can collect more then one wage while working for the City. *OUTSIDE EMPLOYMENT*
- 3 • Section 3. Many Employee's feel that "any" gift is intended to recognize someone for a service they have or will provide. Some staff felt that Contractors who drop off doughnuts expect something and would thus fall under this policy. What one person perceives as a minimal gift may be perceived as "payment" to another. *CONF*
- 4 • Section 4. This is the normal practice today. *CONF*
- 5 • Section 5. May breach the Charter of Human Rights. Staff would like an answer to this question as it has already impacted certain employees. *CONF*
- 6 • Section 6. Is not required. All employees have this duty to their Employer and any breach is subject to the provisions contained in the Collective Agreement. *WHERE IS IT SAID IN C.A.*
- 7 • Section 7. Has been an issue since the first meeting on this matter. No employee has ever abused this privilege and never has it ever been shown that an employee has used consumables owned by the City. *CONF BY ONLY*
- 8 • Section 8. What is new in this provision is the statement that, "Employees are expected to show respect for the supervisors of the City". Needless to say courtesy, honesty and professionalism are the standards of communication one would expect from or toward a supervisor; we doubt any policy is going to force "respect". Staff asked how they would "show respect" and who would judge this? We understand the intent of this provision but the phrase is unacceptable to us. *I COMPLIANCE REMOVE RESPECT TO SUPERVISOR*
- 9 • Section 9. This is the norm. *CONF*
- 10 • Section 10. Again, this is the norm.
- 11 • Section 11. Requires much more time then a brief letter would permit. Employees' feel that this section violates their Privacy Rights and they genuinely feel the policy oversteps the bounds of reasonableness. *RE WORDS TO BE WORK REMOVE*
- 12 • Section 12. Employees would like to discuss the impact of this provision with Council. Certain staff felt that resigning their employment was the only way to avoid being in breach of this clause. *CONF*
- 13 • Section 13. This is the norm. *CONF*
- 14 • Section 14. This provision needs discussion. *CONF*
- 15 • Section 15. The scope of this provision is unclear and requires discussion.
- 16 • Section 16. Staff said "we will leave our keys at the door when we leave at night". "How could the Employer even consider this"? *RE WORDS*

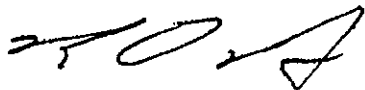
**Procedures**

Numbers (3) thru (7) are in direct conflict with Article 11 of our Collective Agreement. I'm sure Council is aware that the Collective Agreement supersedes this policy and the Employer may write policy but when they are not able to bargain penalties into the Collective Agreement at the negotiating table it is not acceptable to try to gain this right through policy.

The staff members of the City of Parksville are very concerned about this issue. Attached you will find a list of some of your employees who have serious concerns with the content of this policy. It has been many years since your employees have contacted Council members directly; we do not take this action lightly.

Your staff would appreciate an invitation from Council in order to directly present their concerns if you feel this measure is appropriate. In the alternative, the negotiations mentioned above should continue as soon as possible.

Yours truly,



Rodger Oakley,  
**PRESIDENT CUPE LOCAL 401.**

/do  
pc: K. Robillard H. Wright

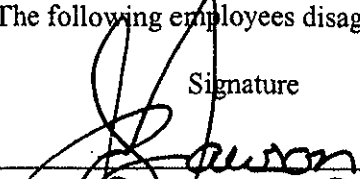
The following employees disagree with the proposed Code of Conduct:

<i>Herb Wright</i>	Herb Wright
<i>Stewart Whitworth</i>	Stewart Whitworth
<i>Peter Crawshaw</i>	Peter Crawshaw
<i>Geoff McMillan</i>	Geoff McMillan
<i>Scott Churko</i>	Scott Churko
<i>Kevin Campbell</i>	Kevin Campbell
<i>Carol Syverson</i>	Carol Syverson
<i>Andrew Gosau</i>	Andrew Gosau
<i>Terry Evoy</i>	Terry Evoy
<i>Warren Lindemann</i>	Warren Lindemann
<i>Sean Doll</i>	Sean Doll
<i>Fred Pakkala</i>	Fred Pakkala
<i>Roxey Edwards</i>	Roxey Edwards
<i>Keith Dumond</i>	Keith Dumond
<i>Paul Harvey</i>	Paul Harvey
<i>Barb Catto</i>	Barb Catto
<i>Randy Hall</i>	Randy Hall
<i>Steve Watkins</i>	Steve Watkins
<i>Kim Basara</i>	Kim Basara
<i>Tom Trica</i>	Tom Trica
<i>Rick Pearson</i>	Rick Pearson
<i>SUSAN HARBOTTLE</i>	SUSAN HARBOTTLE
<i>K PETERS</i>	K PETERS
<i>N. GRAY</i>	N. GRAY


The following employees disagree with the proposed Code of Conduct:

Signature

Printed Name



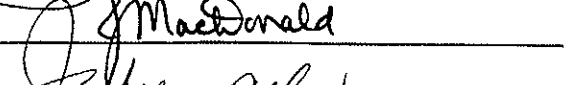
AARON DAWSON




Deanne Dieleman




TERRI HAYWOOD



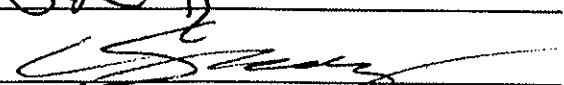
Jennifer Macdonald.



Jackie Allen



Warren Payne



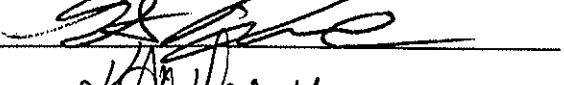
Joan Ferguson



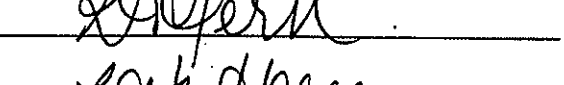
Chrystal Sawry



Aimee Hershey



Philip Merrick



Scott Baillie



Karen AlHern



Lori Henry



Philip Wilson





April 29, 2008

**MEMO TO: HER WORSHIP THE MAYOR AND MEMBERS OF COUNCIL**

**FROM: FRED MANSON, CHIEF ADMINISTRATION OFFICER**

**SUBJECT: LEASE AGREEMENT WITH THE PARKSVILLE LAWN  
BOWLING CLUB**

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**ISSUE**

Renewal of the lease for the land occupied by the Parksville Lawn Bowling Club.

**REFERENCE**

Proposed draft 2008 – 2013 Parksville Lawn Bowling Club Lease.  
Parksville Lawn Bowling Club April 18, 2008 lease renewal letter.

**BACKGROUND**

The Parksville Lawn Bowling Club has been occupying their current site since their incorporation as a society in 1991. The site was originally owned by School District 69, leased from SD69 by the City and sublet by the City to the Parksville Lawn Bowling Club. As part of the PCTC project the subject property was acquired by the City and then directly leased to the Parksville Lawn Bowling Club.

The current lease which expires August 31, 2008 includes an option in the favor of the Parksville Lawn Bowling Club for one five year renewal with the same terms and conditions contained in the original lease (assuming they have not been in default of any provision within the lease).

Notwithstanding the above, staff has reviewed the lease and did suggest some changes to the lease which have been discussed with the Lawn Bowling Club. These changes included:

1. The addition of section 3.5 which clarifies the provisions for the consumption of alcohol.
2. A change to the option for renewal which would move the option from the discretion of the Lawn Bowling Club to the discretion of Council. This and the addition of the termination clause outlined below are as a result of the direction given to staff on this subject regarding the Shelly Park Center Operating Agreement.

3. The addition of section 17.8 which provides Council and the Tenant the option to terminate the lease at any time with 6 month notice.

The remaining changes to the agreement were all minor housekeeping items needed to ensure clarification of definitions, the correct sections were being referenced and the correct dates were used.

As outlined in the above referenced April 18<sup>th</sup> letter from the Parksville Lawn Bowling Club, the Lawn Bowling Club agrees to the housekeeping and changes regarding liquor consumption but do not agree to the changes to the renewal section or the addition of the termination clause.

## **OPTIONS**

1. Renew the lease in accordance with renewal section of the current lease for the renewal period of 5 years.
2. Renew the lease in accordance with the proposed draft 2008 – 2013 Parksville Lawn Bowling Club Lease as attached excluding the renewal and termination changes.
3. Refer the lease back to staff with specific direction regarding renewal, termination and/or any other changes.

## **ANALYSIS**

Council's options are relatively limited in that the current agreement includes an option for renewal at the discretion of the Parksville Lawn Bowling Club with the same terms and conditions of the existing lease.

If Council were to push the issue regarding the renewal and the termination clause, the Lawn Bowling Club could insist on no changes to the agreement. That would be a short term solution for them, in that it would only guarantee their occupation of the site for the 5 year renewal term at which point all conditions would be up for negotiation.

The main motivation for the Parksville Lawn Bowling Club not agreeing to the renewal and termination clause changes is for their certainty of the ongoing and continuing operation for their club. I have not heard anything from Council to lead me to believe otherwise in relation to the lawn bowling club so I am not aware that excluding these changes would be an issue.

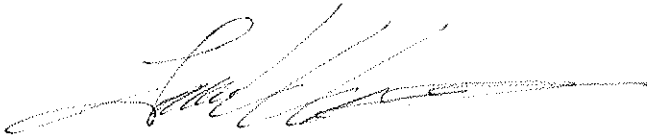
## **FINANCIAL IMPLICATIONS**

There are no financial implications other than the staff time for negotiations as the annual rent is \$1 per year for the term of the lease.

## RECOMMENDATION

That the proposed draft 2008 – 2013 Parksville Lawn Bowling Club Lease for Lot 1, District Lot 13, Nanoose District, Plan VIP 71491 (149 E. Stanford Avenue) for the period September 1, 2008 and ending August 31, 2013 as attached to the April 29, 2008 memo to Council from the Chief Administrative Officer titled "Lease Agreement with the Parksville Lawn Bowling Club" be amended to exclude section 17.8 and that section 17.7 be amended to remove the proposed change to "may" from "will";

AND THAT the mayor and Clerk be authorized to sign the proposed draft 2008 – 2013 Parksville Lawn Bowling Club Lease for lot 1, District Lot 13, Nanoose District, Plan VIP 71491 (149 E. Stanford Avenue) for the period September 1, 2008 and ending August 31, 2013 as amended.



Fred C. Manson, C.G.A.  
Chief Administrative Officer

# Draft

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THIS LEASE AGREEMENT made the \_\_\_day\_\_\_\_\_ of 2008.

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BETWEEN:

**THE CITY OF PARKSVILLE**

a municipal corporation  
100 E. Jensen Avenue  
P.O. Box 1390  
Parksville, B.C.  
V9P 2H3

(hereinafter called the "Landlord")  
OF THE FIRST PART

AND:

**THE PARKSVILLE LAWN BOWLING CLUB**

149 E. Stanford Avenue  
Parksville, B.C.  
V9P 1M4

(hereinafter called the "Tenant")  
OF THE SECOND PART

WHEREAS:

- A. The Landlord presently owns certain lands in the City of Parksville, in the Province of British Columbia, legally described as:

Parcel Identifier 024-906-123  
Lot 1, District Lot 13, Nanoose District, Plan VIP71491  
149 E. Stanford Avenue (the "Lands")

- B. The Landlord has agreed to lease to the Tenant the Lands and improvements legally described as Lot 1, District Lot 13, Nanoose District, Plan VIP71491 (149 E. Stanford Avenue) as shown outlined in red on the plan attached hereto as Schedule "A" on the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the rents, covenants and conditions hereinafter contained, the Landlord and the Tenant covenant and agree as follows:

**1. BASIC TERMS AND DEFINITIONS**

**1.1 Basic Terms**

The following Basic Terms are hereby approved by the parties and each reference in this Lease to any of the Basic Terms shall be construed to include the provisions set forth above

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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.

- (a) (i) Landlord  
THE CITY OF PARKSVILLE.
- (ii) Head Office  
100 E. Jensen, P.O. Box 1390, Parksville, British Columbia, V9P 2H3
- (b) (i) Tenant  
THE PARKSVILLE LAWN BOWLING CLUB
- (ii) Head Office  
149 E. Stanford Avenue, Parksville, British Columbia, V9P 1M4.
- (c) (i) Term  
Five (5) years  
Commencing on the 1<sup>st</sup> day of September ~~2008~~ and ending on the 31<sup>st</sup> day of August ~~2013~~. Deleted: 2003  
Deleted: 2008
- (ii) First Day of Term  
The 1<sup>st</sup> day of September ~~2008~~. Deleted: 2003
- (iii) Last Day of Term  
The 31<sup>st</sup> day of August ~~2013~~. Deleted: 2008
- (iv) Options to Renew  
One (1) period of five (5) years as set out in paragraph 17.7
- (d) Basic Rent  
One Dollar (\$1.00) per year of the Term.
- (e) Renewal Terms
  - (i) First Day of First Renewal Term  
The 1<sup>st</sup> day of September ~~2013~~. Deleted: 2008
  - (ii) Last Day of First Renewal Term  
The 31<sup>st</sup> day of August ~~2018~~. Deleted: 13
  - (iii) Basic Rent for Renewal Term  
To be negotiated.
- (f) Permitted Use of Premises  
Lawn bowling greens, clubhouse and club and necessarily ancillary activities thereto.

1.2 This Lease is made pursuant to the Land Transfer Form Act, Part II.

1.3 Defined Terms

In this Lease:

- (a) "Basic Terms" means the terms provided in paragraph 1.1.
- (b) "First Day of Term" and "First Day of First Renewal Term" mean the days so described in the Basic Terms.
- (c) "Insurance Costs" means the total costs of insuring the Lands pursuant to this Lease, and such public liability, property damage, loss of rental income and other casualty and risk insurance as the Landlord may consider appropriate or its advisors recommend, on such terms and in such amounts as the Landlord, in its sole discretion, may consider appropriate.
- (d) "Landlord" means CITY OF PARKSVILLE.
- (e) "Last Day of Term" and "Last Day of Renewal Term" mean the days so described in the Basic Terms.
- (f) "Permitted Use of the Premises" means the use described in the Basic Terms.
- (g) "Premises" means the Land, lawn bowling greens, clubhouse, ancillary and parking areas.
- (g) "Renewal Term" means the term so described in the Basic Terms.
- (h) "Tenant" means THE PARKSVILLE LAWN BOWLING CLUB

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2. **INTERPRETATION**

2.1 Headings and Captions

The table of contents, article numbers, article headings, clause numbers and clause headings are inserted for convenience of reference only and are not to be considered when interpreting this Lease.

2.2 Obligations as Covenants

Each obligation of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

3.0. **DEMISE OF PREMISES**

3.1 Demise

The Landlord does hereby demise and lease the Premises to the Tenant for the Term on the terms and conditions herein set forth.

### 3.2 Parking

The Tenant, its servants, agents, members, licensees and invitees shall park no motor vehicles on the Premises save in the parking areas that the Landlord and the Tenant agree upon from time to time.

### 3.3 Club Membership

The Tenant agrees with the Landlord that membership in the lawn bowling club operated on the Premises shall be open to, but not limited to, all residents of the City of Parksville regardless of race, creed, colour, religion, nationality, ancestry, place of origin and sexual orientation, subject only to the right of the Tenant to restrict the number of club members.

### 3.4 Liquor Primary or Liquor Club License

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The Tenant agrees with the Landlord that the Landlord reserves the right to approve or reject the terms of any application for a liquor license in respect of the Premises and reserves the right to restrict the hours of the day and the days of the week that liquor may be sold or consumed on the Premises. The Tenant hereby agrees to cooperate with the Landlord in such connection and agrees to so consult with the Landlord before making any application for a liquor license and before setting times of consumption or sale of liquor on the Premises. The Landlord agrees to exercise its discretion referred to in this paragraph reasonably but bearing in mind at all times the existence and geographic proximity of schools to the Premises.

### 3.5 Special Occasion Liquor Licence

In the event the Tenant does not obtain a liquor primary license or a liquor primary club license, the Tenant agrees that the consumption of alcohol will only be allowed on the Premises under special occasion liquor licences, issued to and controlled by a member of the Parksville Lawn Bowling Club holding a valid "Serving it Right Certificate".

## 4. **RENT**

### 4.1 Basic Rent

The Tenant will pay to the Landlord at such place as the Landlord may designate in writing from time to time, in lawful money of Canada and without deduction or set off or abatement whatsoever, a basic rent in the amount specified in the Basic Terms payable in the amount specified in the Basic Terms, in advance, on the first day of the Term.

## 5. **USE OF PREMISES**

The Tenant shall not use or permit the Premises to be used for any purpose other than the purpose of conducting the use which is the Permitted Use of the Premises.

6. REPAIR AND MAINTENANCE

6.1 Repair by the Landlord

The Landlord shall not be responsible for repairs of any kind or nature to the Premises and the Landlord shall not be liable for any damages, direct, indirect or consequential (including damages for personal discomfort, illness or inconvenience of the Tenant, or the Tenant's servants, members, employees, invitees or other persons) by reason of the failure of any equipment, facilities or systems.

6.2 Repair by the Tenant

The Tenant shall, at its own cost and expense:

- (a) keep the Premises in a good and substantial state of repair including all leasehold improvements and all trade fixtures therein, all glass and utilities and all heating, air conditioning and ventilating equipment operated by the Tenant on the Premises and shall keep the Premises free of garbage, debris, unsightly building materials and unsightly other materials;
- (b) permit the Landlord during normal business hours and on ninety six (96) hours' notice (except in the case of emergencies when the Landlord may enter and view the Premises at any time) to enter and view the state of repair of the Premises, and will repair the Premises as requested by the Landlord within a reasonable time thereafter and will leave the Premises in a good and substantial state of repair; and
- (c) if part of the Premises falls into disrepair or is damaged or destroyed through the negligence or wilful act of the Tenant, its agents, officers, members, employees or invitees, reimburse the Landlord for the cost of repairs or replacements promptly upon demand except to the extent that the Landlord has recovered such costs under any insurance policy.

6.3 Notice of Damage

The Tenant shall promptly give the Landlord written notice of any damage to the Premises or any part thereof, however caused, including but not limited to, any accident or damage to or defect in the plumbing, drainage system, water pipes, heating, air conditioning apparatus, electrical equipment, conduits or wires.

6.4 Default of Tenant to Repair

If the Tenant fails to repair in accordance with the provisions of paragraph 6.2 (or fails to leave the Premises in accordance with paragraph 6.2(a)) the Landlord, its

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agents or employees, may enter the Premises at any reasonable time on ninety six (96) hours' notice to make the required repairs and the costs thereof plus a supervision charge equal to fifteen percent (15%) of such costs may be charged as additional rent. In conducting such repairs, the Landlord, its agents or employees, may bring and leave upon the Premises any materials, tools and equipment, and the Landlord shall not be liable for any inconvenience, annoyance, loss of business, or injury suffered by reason of the making of such repairs.

6.5 Right of Landlord to Repair

Notwithstanding the provisions of paragraph 6.4, the Landlord shall be entitled to enter the Premises on ninety six (96) hours' notice at any time during normal business hours for the purpose of effecting such maintenance and repairs as the Landlord, in its sole discretion, may deem necessary for the purpose of protecting or preserving the Premises, and the expense of such maintenance and repairs shall be paid by the Tenant.

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7. **UTILITIES AND SERVICES**

7.1 Utility and Service Charges

The Tenant is solely responsible for and will promptly pay all charges for gas, electricity, janitor service, window cleaning, municipal utilities and any other utility or service used or consumed with respect to the Premises. The Landlord will not be liable to the Tenant in damages or otherwise for an interruption or failure in the supply of utilities or services to the Premises unless caused by the gross negligence of the Landlord or another person for whose negligence the Landlord is responsible in law.

7.2 Tenant not to Overload Utility and Service Facilities

The Tenant will not install equipment that will exceed or overload the capacity of utility or service facilities and agrees that if equipment installed by the Tenant requires additional facilities, they will be installed at the Landlord's direction and at the Tenant's expense in accordance with plans and specifications approved in writing by the Landlord prior to installation.

8. **MORTGAGE BY TENANT**

8.1 Mortgage

The Tenant shall not mortgage or charge its interest in the Premises or the Lands granted hereunder.

9. **INSURANCE AND INDEMNITY**

9.1 Landlord's Insurance

The Landlord will throughout the Term:

- (a) insure the Lands (excluding the property for which the Tenant is obliged to take out insurance under paragraph 9.2) against damage by fire and extended peril coverage, in such amount as would be carried by a prudent owner;
- (b) maintain policies of general public liability insurance insuring the Landlord, its servants, customers, agents, invitees and licensees against all claims for bodily injury, death or property damage arising out of the use or occupancy of the Premises or the Lands; and
- (c) such other forms of insurance as the Landlord considers advisable from time to time.

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No insurable interest is conferred upon the Tenant under any policies of insurance carried by the Landlord.

#### 9.2 Tenant's Insurance

The Tenant will take out and keep in force throughout the Term and during such other time as the Tenant occupies the Premises or a part thereof:

- (a) comprehensive general liability insurance including, without limitation, tenant's legal liability, contractual liability and non-owned automobile liability, in an amount of not less than \$5,000,000.00 (or such other amount as the Landlord may from time to time require) for any one claim, against claims for personal injury, death or property damage arising in respect of the Premises including operations of the Tenant and subtenants, concessionaires, licensees and other persons conducting business on or from the Premises and otherwise in respect of the Premises and shall contain a severability of interest clause and a cross-liability clause;
- (b) "all risks" insurance covering all the contents of the Premises including, but not limited to, merchandise, inventory, furniture, plate glass, fixtures and improvements and all parts of the Premises which the Tenant is obliged to keep in repair under paragraph 6.2 to the full replacement value thereof;
- (c) owned automobile insurance with respect to all motor vehicles owned by the Tenant and operated in its business; and
- (d) any other insurance in amounts and upon terms as determined from time to time by the Landlord.

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#### 9.3 Insureds

Each insurance policy referred to in paragraph 9.1 and paragraph 9.2 will name the Landlord and any persons, firms or corporations designated by the Landlord as additional named insured as their interests may appear, will contain a waiver of all

rights of subrogation against the Landlord and a cross liability clause protecting the Landlord and any other insured designated by it against claims by the Tenant as if the Landlord and such other insured designated by the Landlord were separately insured, and will contain a clause that the insurer will not cancel, change or refuse to renew the insurance without first giving the Landlord and insured parties so designated thirty (30) days' prior written notice. All policies of insurance will be with insurers acceptable to the Landlord and in form satisfactory to the Landlord and the Tenant will promptly deliver to the Landlord copies or certificates of such policies. If the Tenant fails to take out or keep in force any policy of insurance referred to in paragraph 9.2, the Landlord may do so and pay the premium and in that event the Tenant will pay to the Landlord the amount so paid together with fifteen percent (15%) thereof for administration costs all as additional rent which shall be due and payable by the Tenant to the Landlord on demand.

#### 9.4 Increase in Landlord's Insurance Premiums

The Tenant covenants and agrees that nothing will be done, omitted to be done, kept, used, sold or offered for sale on or from the Premises that may contravene any of the Landlord's policies insuring any part of the Lands or which may prevent the Landlord from procuring policies with companies acceptable to the Landlord. The Tenant will pay all increases in premiums for all policies of insurance obtained by the Landlord including repair or replacement and rental income coverage and such other insurance as is customary for prudent owners of properties similar to the Lands to carry against loss of or damage to the Lands or liability arising therefrom that may be charged during the Term for insurance carried by the Landlord insuring any part of the Lands, resulting from the type of merchandise sold on or from the Premises or anything done or kept thereon or any use to which they may be put, whether or not the Landlord has consented to them.

#### 9.5 Cancellation of Insurance

If an insurance policy upon part of the Lands is cancelled or threatened by the insurer to be cancelled, or the coverage thereunder reduced or threatened to be reduced by the insurer because of the use and occupation of the Premises, and if the Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation, reduction, or threatened reduction of coverage within forty-eight (48) hours after notice thereof by the Landlord, the Landlord may either:

- (a) re-enter the Premises whereupon Article 13 will apply, or
- (b) enter the Premises and remedy the condition giving rise to the cancellation, threatened cancellation, reduction or threatened reduction, and the Tenant will pay to the Landlord the cost thereof on demand as additional rent, and the Landlord will not be liable for damage or injury caused to property of the Tenant or others located on the Premises as a result of the re-entry.

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#### 9.6 Indemnification of the Landlord

Except to the extent that the loss of life, personal injury or damage to property referred to in this sentence is caused by the negligence of the Landlord or another person for whose negligence the Landlord is responsible in law, the Tenant will indemnify and save the Landlord harmless from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property arising from any occurrence on the Premises or the occupancy or use of the Premises or occasioned wholly or in part by an act or omission of the Tenant, its officers, employees, members, agents, customers, contractors or other invitees, licensees or concessionaires or by anyone permitted by the Tenant to be on the Premises. In case the Landlord, without actual (as opposed to merely vicarious) fault on its part, is made a party to litigation begun by or against the Tenant, excepting a bona fide action by the Tenant against the Landlord, the Tenant will indemnify and hold the Landlord harmless and will pay all costs, expenses and reasonable legal fees and costs incurred or paid by the Landlord in connection with the litigation.

9.7 Loss and Damage

Unless caused by the negligence of the Landlord or another person for whose negligence the Landlord is responsible in law, the Landlord shall not be liable for the death of or injury to the Tenant or others on the Premises, or for the loss of or damage to property of the Tenant or others by theft or otherwise. Without limiting the generality of the foregoing, the Landlord shall not be liable for the death, injury, loss or damage of or to persons or property resulting from construction, alteration or repair of the Premises or Lands or any portion thereof or from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow, seepage, leaks or overflow from any part of the Premises or Lands or from the pipes, appliances or plumbing works or from the roof, street or sub-surface or from any other place or by dampness or by other cause of any kind. The Landlord shall not be liable for the death, injury, loss or damage caused by other tenants or occupants or other persons on the Premises or in any other part of the Lands. All property of the Tenant kept or stored on the Premises will be kept or stored at the risk of the Tenant only and the Tenant will indemnify and hold the Landlord harmless from all claims arising out of loss or damage to it, including subrogation claims by the Tenant's insurers.

10. **ASSIGNMENT AND SUBLETTING**

10.1 Consent Required

The Tenant will not assign this Lease in whole or in part or sublet, license or otherwise part with possession or occupation of the Premises or any part thereof or permit occupation or possession of the Premises by any other party (a "Disposition") without first obtaining the written consent of the Landlord. Such consent may be unreasonably or arbitrarily withheld. Any such consent by the Landlord will not constitute a waiver of the requirement of the Landlord's consent to a subsequent Disposition. The prohibition herein against a Disposition includes a prohibition against a Disposition by operation of law. If there is a Disposition without the written consent of the Landlord, the Landlord may collect rent from such person and

apply the net amount collected to the rent herein reserved, but no such Disposition will be considered a waiver of this covenant or the acceptance of such person as a tenant. Notwithstanding a Disposition, the Tenant remains fully liable under this Lease. Any assignment of this Lease where consented to by the Landlord will be prepared by the Landlord or its solicitor and all legal costs in respect thereof will be paid by the Tenant. In the event of a Disposition by virtue of which the Tenant receives a rent in the form of cash, goods or services from a transferee which is greater than the rent payable hereunder to the Landlord, the Tenant will pay any such excess to the Landlord in addition to all rent payable under this Lease, and such excess rent shall be deemed to be further additional rent.

## 11. WASTE AND GOVERNMENTAL REGULATIONS

### 11.1 Waste or Nuisance

The Tenant will not commit or permit to be committed waste upon the Premises or a nuisance or other thing that may unreasonably disturb any other neighbour of the Premises.

### 11.2 Governmental and Insurance Underwriters Regulations

The Tenant, at the Tenant's cost, will comply with the requirements of all municipal, provincial, federal and other governmental authorities now in force or which may hereafter be in force pertaining to the Tenant's occupancy or use of the Premises and will observe in the occupancy and use of the Premises all municipal by-laws and provincial and federal statutes and regulations now in force or which may hereafter be in force, and will comply with all regulations and requirements of insurance underwriters.

## 12. SIGNS, FIXTURES AND ALTERATIONS

### 12.1 Installations and Changes by Tenant

The Tenant shall install on the Premises only those fixtures which are of first class quality. The Tenant will not make or cause to be made any changes, repairs, additions or improvements or install any trade fixture, exterior sign, exterior lighting (including light standards), or mechanical or electrical system or fixture, or awning to any part of the improvements on the Premises or to the Premises or bring onto the Premises any object which would, in the reasonable opinion of the Landlord, overload the floors, or attach any other fixture or move material amounts of the soil or sub-soil of the Premises without first obtaining the Landlord's written approval. The Tenant will present to the Landlord plans and specifications for the work at the time approval is sought. The Landlord shall act reasonably in determining whether or not to grant approval and, if approved, the work will be done in a good and workmanlike manner with first class materials by contractors or other workers or tradesmen approved by the Landlord, and the Tenant shall ensure that such work shall be accommodated with proper and workmanlike drainage facilities connected to the municipal drainage works.

12.2 Removal of Installations and Restoration by Tenant

All alterations, decorations, additions and improvements made by the Tenant or made by the Landlord on the Tenant's behalf shall become, on affixation, the property of the Landlord without compensation to the Tenant. The Tenant will not remove any alteration, decoration, addition or improvement from the Premises before the end of the Term without prior consent in writing from the Landlord. Upon termination of this Lease the alterations, decorations, additions and improvements (excepting the Tenant's fixtures) will remain the property of the Landlord as part of the reversion, but if and to the extent requested by the Landlord, the Tenant will remove all or some of the alterations, decorations, additions, and improvements and restore the Premises as provided in paragraph 6.2(a). Every installation or removal by the Tenant of its fixtures and any restoration of the Premises will be done at the sole expense of the Tenant and the Tenant promptly will pay the cost thereof and make good or reimburse the Landlord for the cost of making good all damage caused thereby relating to the Premises, or its heating, ventilating, air conditioning, plumbing, electrical or other mechanical systems. Notwithstanding the foregoing, if the Tenant is in default under any covenant or agreement contained herein the Landlord shall have a lien on the Tenant's fixtures as security for loss or damage resulting from such default, and such fixtures shall not be removed by the Tenant until such default is cured unless otherwise directed in writing by the Landlord.

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12.3 Tenant to Discharge All Liens

The Tenant will promptly pay all its contractors and material men and do all things necessary to avoid the possibility of a lien attaching to the Premises and should a claim for lien be deposited for registration, the Tenant will cause it to be discharged at the Tenant's expense within seven (7) days after it is brought to the attention of the Tenant. The Landlord shall have the right to post or keep posted on or about the Premises notices of non-responsibility for any construction, alteration or repair by the Tenant.

12.4 Tenant's Signs, Awnings and Canopies

The Tenant will not place or maintain or permit to be placed or maintained on the exterior of the Premises (or in any place visible from the exterior of the Premises) any sign, decoration, lettering, advertising matter or thing of any kind and will not place or maintain any decoration, lettering, advertising matter or thing of any kind on the glass of any window or door of the Premises without first obtaining the Landlord's written consent, such consent not to be unreasonably withheld.

13. **DEFAULT OF TENANT**

13.1 Default

If and whenever:

- (a) the Tenant shall be in default in the payment of any rent or additional rent, whether hereby expressly reserved or deemed as such, or any part thereof;
- (b) the Term or part thereof or any of the goods and chattels at the Premises are at any time seized or taken in execution or attachment by any creditor of the Tenant, or the Tenant makes an assignment for the benefit of creditors or takes the benefit of any statute now or hereafter in force relating to bankrupt or insolvent debtors, or makes a bulk sale from the Premises other than a bulk sale to an assignee or sublessee pursuant to an assignment or sublease which under paragraph 10.1 was consented to or did not require a consent, or any application, petition, certificate or order is made or granted for the winding up or dissolution of the Tenant, voluntarily or otherwise, or a receiver or receiver-manager of the Tenant is appointed;
- (c) the Premises, without the written consent of the Landlord, become and remain vacant for a period of twenty five (25) days or more for any reason, or the Tenant, without the written consent of the Landlord, abandons or attempts to abandon the Premises or sells or disposes of goods or chattels of the Tenant or removes any of them from the Premises so there would not be, in the event of abandonment, sale or disposal, sufficient goods on the Premises subject to distress to satisfy all rentals due or accruing due hereunder, or the Premises are used by any persons other than those entitled to use the Premises under the terms of this Lease or the Premises are used for any purpose other than as herein provided without the prior written consent of the Landlord; or
- (d) the Tenant does not within the period of time specified in the notice in writing received from the Landlord, rectify or correct any non-observance or non-performance of any other terms, conditions or covenants of this Lease to be observed or performed by the Tenant;

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then, and in each of such cases, the Landlord may without notice or any form of legal process forthwith re-enter and take possession of the Premises and the Lease, at the option of the Landlord, forthwith will become forfeited and determined. No payment or acceptance of rent subsequent to any event of default aforesaid shall give the Tenant the right to continued occupation of the Premises, or in any way affect the remedies of the Landlord as herein provided, or have the effect of reinstating this Lease.

### 13.2 Landlord May Perform Tenant's Obligations

If the Tenant fails to perform any of its obligations under this Lease the Landlord may perform the obligation and for that purpose may enter upon the Premises on not less than ninety six (96) hours' prior notice to the Tenant or without notice in the case of an emergency and do such things upon or in respect of the Premises as the Landlord considers necessary. The Tenant will pay, as additional rent, all expenses incurred by or on behalf of the Landlord under this clause plus fifteen percent (15%) thereof for administration costs upon presentation of an invoice therefor. The

Landlord will not be liable to the Tenant for loss or damage resulting from such action by the Landlord unless caused by the negligence of the Landlord or another person for whose negligence the Landlord is responsible in law.

13.3 Rights on Re-entry

If the Landlord re-enters as herein provided, it may terminate this Lease or, from time to time without terminating this Lease, make alterations and repairs considered by the Landlord necessary to facilitate a reletting and relet the Premises or any part thereof as agent of the Tenant for such term or terms and at such rental or rentals and upon such other terms and conditions as the Landlord in its discretion considers advisable and as agent of the Tenant take possession of any furniture or other property at the Premises and sell the same at private or public sale without notice and apply the proceeds of such sale after deducting the costs thereof on account of rent or additional rent under this Lease. Upon each reletting all rent and other moneys received by the Landlord from the reletting will be applied firstly to the payment of indebtedness other than rent due hereunder from the Tenant to the Landlord, secondly to the payment of costs and expenses of the reletting including brokerage fees and legal costs and costs of the alterations and repairs and thirdly to the payment of rent due and unpaid hereunder. The residue, if any, will be held by the Landlord and applied in payment of the rent as it becomes due and payable. If the rent received from the reletting during a month is less than the rent to be paid during that month by the Tenant, the Tenant will pay the deficiency to the Landlord. The deficiency will be calculated and paid monthly upon demand. No re-entry by the Landlord will be construed as an election on its part to terminate this Lease unless written notice of that intention is given to the Tenant. Notwithstanding a reletting without termination, the Landlord may elect at any time to terminate this Lease for a previous breach.

13.4 Distress

The Tenant waives and renounces 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. Whenever the Landlord shall be entitled to levy distress against the goods and chattels of the Tenant it may use such force as it may deem necessary for that purpose and for gaining admission to the Premises without terminating this Lease and without such entry constituting illegal distress and without being liable for any action in respect thereof for any loss or damage occasioned thereby and the Tenant hereby expressly releases the Landlord from any and all actions, proceedings, claims or demands in respect of any such forcible entry and any loss or damage sustained by the Tenant in connection therewith.

14. **REMEDIES OF LANDLORD AND WAIVER**

14.1 Remedies Cumulative



No exercise of a specific right or remedy by the Landlord precludes it from or prejudices it in exercising another right or pursuing another remedy or maintaining an action to which it may otherwise be entitled either at law or in equity.

14.2 Waiver

The waiver by the Landlord of a breach of a term, covenant or condition of this Lease will not be considered to be a waiver of a subsequent breach of the term, covenant or condition or another term, covenant or condition. The subsequent acceptance of rent by the Landlord will not be considered to be a waiver of a preceding breach by the Tenant of a term, covenant or condition of this Lease, regardless of the Landlord's knowledge of the preceding breach at the time of acceptance of the rent. No covenant, term or condition of this Lease will be considered to have been waived by the Landlord unless the waiver is in writing signed by the Landlord.

15. **LANDLORD'S COVENANTS AND OBLIGATIONS**

15.1 Quiet Enjoyment

Subject to the provisions of this Lease, the Landlord covenants with the Tenant for quiet enjoyment.

16. **OVERHOLDING**

16.1 No Tacit Renewal

If the Tenant remains in possession of the Premises after the end of the Term and without the execution and delivery of a new lease or a written renewal or extension of this Lease, there will be no tacit or other renewal of this Lease, and the Tenant will be considered to be occupying the Premises as a Tenant from month to month at a monthly rental payable in advance without deduction on the first day of each month equal to twice the monthly instalment of fixed minimum rent payable for the last month of the Term, and otherwise upon the terms and conditions set forth in this Lease, so far as same are applicable.

17. **MISCELLANEOUS**

17.1 Severability

If a term, covenant or condition of this Lease or the application thereof to any person or circumstance is held to any extent invalid or unenforceable, the remainder of this Lease or the application of the term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable will not be affected.

17.2 Registration of Lease

The Tenant shall not register or permit to be registered this Lease at the Land Title Office or any other office of public record, without the prior written consent of the Landlord.

17.3 Notice

A notice, demand, request, statement or other evidence required or permitted to be given under this Lease must be written and will be sufficiently given if delivered to the Landlord or the Tenant at its head office as specified in the Basic Terms, or to an officer of the Landlord or of the Tenant, as the case may be, or mailed in the Province of British Columbia by registered mail addressed to the said head office address specified in the Basic Terms. A notice, demand, request, statement or other instrument shall be deemed to have been given, if sent by post, on the expiration of seventy two (72) hours after it is posted provided that in the event of a labour dispute prior to actual receipt of such notice then such notice shall only be effective if actually delivered. A party at any time may give notice to the other party of a change of its address, and after the giving of notice the address therein specified will be considered to be the address of the party which gave the notice.

17.4 Lease Entire Agreement

The Tenant acknowledges that there are no covenants, representations, warranties, agreements or conditions, expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Lease or the Premises save as expressly set out in this Lease and that this Lease, including the Schedules attached, constitutes the entire agreement between the Landlord and the Tenant and may not be modified except as herein explicitly provided or except by subsequent agreement in writing of equal formality hereto executed by the Landlord and the Tenant.

17.5 Successors and Assigns

This Lease binds and benefits the parties and their respective heirs, executors, administrators, successors and assigns. No rights, however, benefit an assignee of the Tenant unless under paragraph 10.1 the assignment was consented to in writing by the Landlord or did not require a consent.

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17.6 Time

Time shall be of the essence hereof.

17.7 Renewal

If the Tenant duly and regularly pays rent, keeps and performs all of the covenants, provisos and agreements on the part of the Tenant to be paid, kept and performed pursuant to this Lease and if the Landlord shall not have become entitled to terminate this Lease pursuant to paragraph 13.1 the Landlord may at the expiration of the Term and on written request of the Tenant delivered to the Landlord not later than six (6) months before the expiration of the Term, grant to the Tenant a renewal

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of the term for the number of years specified in the Basic Terms upon the same terms, covenants and conditions as are herein contained that there shall be no further right of renewal beyond the rights of renewal set out in the Basic Terms. The rent payable by the Tenant during the Renewal Term shall be negotiated as set out in the Basic Terms. In the event the Tenant fails to meet its obligations required to renew this Lease at any time or fails to meet all the requirements of this paragraph, all succeeding rights to renew shall be deemed void.

17.8 Termination

The Landlord or the Tenant may terminate this lease at any time upon the provision of six (6) months written notice.

IN WITNESS WHEREOF the parties hereto have caused this Lease to be executed as of the date and year first above written.

**SIGNED AND DELIVERED BY THE  
PARKSVILLE LAWN BOWLING CLUB**  
in the presence of:



\_\_\_\_\_  
Witness

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Address

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Occupation

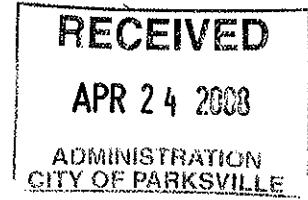
THE CORPORATE SEAL OF THE  
CITY OF PARKSVILLE  
Was affixed in the presence of:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

08-0-11

Parksville Lawn Bowling Club  
149 East Stanford  
Parksville, B.C. V9P 1M4



To the City of Parksville  
Attn: Fred Manson  
April 18, 2008

Re: Lease between the City of Parksville and the Parksville Lawn Bowling Club

Dear Fred,

We accept for the most part the Lease agreement. However we would like, under 17.7 Renewal, ....the Landlord *may* at .... the word 'may' changed back to the original 'will'. We would also prefer that all of article 17.8 be removed.

Thank you for your consideration of these requests.

Yours truly,

Ben Thomas, President, Parksville Lawn Bowling Club

bt:sm