

***PARK ISLAND PROPERTIES LTD.
160 Corfield/280 East Island Highway***

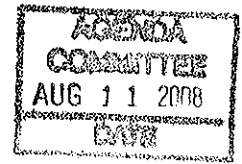
Development Permit

Work to be Undertaken by Developer

174/182 Corfield Proposed Development

- Install a new 200mm PVC watermain on Corfield frontage
- Install a new 250mm PVC main from Corfield to the new water meter chamber on Corfield Street
- Remove an existing 250mm AC sanitary sewer and replace with 250mm PVC sanitary on the Corfield frontage
- Extend underground hydro/tel/cable ducts from existing on north boundary of 174 Corfield to south boundary
- One ornamental streetlight near the north boundary of 174 Corfield
- Curb & Sidewalk and street trees as per treatments built on previous phases of Corfield street to be extended to the south boundary of 174/182 Corfield
- ½ road paving on Corfield frontage as per City specifications
- One new fire hydrant on-site
- One new access from Corfield street; in/out
- Leave existing access at 166 Corfield as in/out

COMMITTEE OF THE WHOLE REPORT



August 1, 2008

REPORT TO: F. C. MANSON, C.G.A., CHIEF ADMINISTRATIVE OFFICER

FROM: G. A. JACKSON, DIRECTOR OF COMMUNITY PLANNING

SUBJECT: CONSIDERATION OF AMENDMENT TO RS-2 AND RS-3 ZONE TO MAKE THE BONUS PROVISION FOR AFFORDABLE HOUSING MORE EFFECTIVE

Issue:

Consideration of amendment to RS-2 and RS-3 Zone to make the bonus provision for affordable housing more effective.

Executive Summary:

Council has discussed finding a method to ensure that "already zoned" multiple family sites contain affordable housing. Staff has done a draft amendment to both the RS-2 and RS-3 Zone to illustrate how this may be accomplished.

References:

October 25, 2007 Staff report
Resolution #07-321(10)
June 19, 2008 Staff report
Resolution #08-191(2)
July 15, 2008 Staff report – Council resolution to come out of August 6, 2008 meeting
Section 904 of the *Local Government Act*
Schedule A

Background:

The July 15, 2008 report addressed the topic of considering how to amend existing zoning to facilitate affordable housing within future multiple family developments. The possibility of amending all zones with a multiple family use was discussed, but the primary focus was on the RS-2 and RS-3 Zones; each which are the most prevalent multiple family zones and ones which are already structured with a bonusing provision.

The premise of such a change would be to reduce the base density to such a degree that the bonus provision would be attractive. A simple adjustment to two variables in each zone category (the base density and the percentage trigger for affordable housing) could accomplish this. The table on the attached Schedule A shows the impact of adjusting the zones.

Options:

Council may:

1. Direct Staff to amend the base densities of the RS-2 and RS-3 Zones by 50%¹; and
2. Direct Staff to amend the percentage of affordable units necessary to obtain the bonus provision for RS-2 to 5%; and
3. Direct Staff to amend the percentage of affordable units necessary to obtain the bonus provision for RS-3 to 10%.
4. Council may provide different direction.

Analysis:

Amending the base density by about 50% in the RS-2 Zone may be a sufficient reduction to ensure that a developer will want to provide 5% affordable units to increase the density. A 50% reduction to the RS-3 density will still leave what may be a viable density without affordable units, but, in combination with a 10% trigger for the bonus to increase density it may be a sufficient inducement.

In order to further increase the prospect of a developer including affordable housing to obtain the density bonus rather than using the "underground or concealed parking" bonus, the latter could be removed in both zones. This raises other issues which may confuse the topic at hand.

The *Local Government Act* offers few tools to a municipality to achieve or mandate affordable housing. Section 904 (the bonus section) is really the only one available. Attempts to adjust numbers to promote the effectiveness of bonusing may yield some results.

It should be noted that most existing RS-2 and RS-3 developments would become lawful non-conforming with these amendments.

Financial Implications:

Staff time for research and bylaw drafting and conducting the statutory report are the primary cost items for the City.

Sustainability/Environmental Analysis:

This initiative is compatible with the goal of having a diverse and affordable housing stock.

Recommendation:

That the report from the Director of Community Planning dated August 1, 2008 entitled "Consideration of Amendment to RS-2 and RS-3 Zone to make the bonus provision for affordable housing more effective" be received;

And That Staff amend the base densities of the RS-2 and RS-3 Zones by 50%²;

And Further That Staff amend the percentage of affordable units necessary to obtain the bonus provision for RS-2 to 5%;

And Further That Staff amend the percentage of affordable units necessary to obtain the bonus provision for RS-3 to 10%.




GAYLE A. JACKSON

GAJ/sh
Attachments

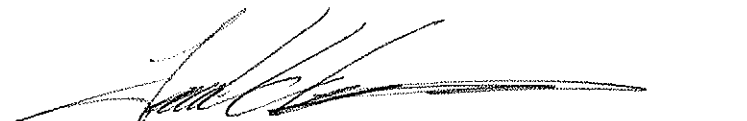
I/Users/Planning/5040-01/2008/Agenda/Report-4.

CORPORATE ADMINISTRATOR'S COMMENTS:



L. TAYLOR

CHIEF ADMINISTRATIVE OFFICER COMMENTS:



F. MANSON, C.G.A.

² Rounded as necessary.

SCHEDULE A

	Variables to grant density	Total units permitted under each scenario	Number of affordable units permitted under each scenario
RS-2	Current base density	30 units	-
	Current 30% bonus	40 units	12 units
	Proposed new base	15 units	-
	Proposed 5% bonus on new base	30 units	2 units
RS-3	Current base density	75 units	-
	Current 20% bonus	100 units	20 units
	Proposed new base	35 units	-
	Proposed 10% bonus on new base	75 units	8 units

***NB The above examples are based on a 1 ha site.**

This zone is intended to provide land for a mixture of low and medium density housing by allowing a diversity of housing types, and secondary suites in single family dwellings that meet all the requirements.

203.1 Permitted Land Uses**Minimum Lot Size**

Single Family Dwelling	560 m ²
Duplex Dwelling	800 m ²
Multiple Family Residential	1,000 m ²
Home Occupation	N/A
Secondary Suites (a)	N/A
Accessory Uses	N/A

- (a) Secondary suites shall conform to the requirements of Section 203.8(b) below.

203.2 Buildings and Structures**Maximum Number,
Size and Height**

Single Family or Duplex Dwelling	1 per lot
Multiple Family Residential (a)(b)	15 30 units per ha
Height of Principal Building	7.5 m
Height of Accessory Buildings and Structures	5.0 m

- (a) Where 80% or more of the required off-street parking spaces are provided underground or concealed within the building, the maximum number of multiple family residential units may be increased by 10 units per hectare.
- (b) Where 5% ~~30%~~ or more of the total number of units are affordable housing units, the maximum number of multiple family residential units may be increased by 15 ~~40~~ units per hectare; or,



203.3 Minimum Building Setbacks:

Use or Structure	Front Lot Line Setback	Rear Lot Line Setback	Exterior Lot Line Setback	Interior Lot Line Setback
Single Family or Duplex Dwelling	7.5 m	3.0 m	7.5 m	1.6m
Multiple Family Residential	6.0 m	6.0 m	6.0 m	6.0 m
Accessory Buildings and Structures (a)	N/A	1.2 m	3.0 m	0.6 m

- (a) Accessory buildings and structures shall be located to the rear of the front face of the principal building, not less than 3.0 metres from any portion of the principal building.

203.4 Landscaping and Screening:

Landscaping and screening shall comply with the requirements contained in Division 500 of this Bylaw.

203.5 Off-Street Parking and Loading:

Off-street parking and loading shall be provided according to Division 400 of this Bylaw.

203.6 Maximum Lot Coverage:

- (a) single family or duplex dwelling: 33%
- (b) multiple family residential: 40%

203.7 Play and Recreation Area Requirements:

Play and Recreation Area shall be provided as follows:

- (a) Every Multiple Family Residential development shall provide useable open space in the amount of:
- (i) 46 m² for each three (3) bedroom dwelling unit;
 - (ii) 28 m² for each two (2) bedroom unit;
 - (iii) 19 m² for each one (1) bedroom unit;
 - (iv) 9 m² for each bachelor unit.
- (b) Every Multiple Family Residential development containing thirty (30) or more dwelling units shall provide indoor recreation space in the amount of 2.3 m² for each dwelling unit.

203.8 Other Requirements:

(a) Maximum Floor Area Ratio: 0.70

(b) Secondary Suites:

Secondary suites are permitted within single family dwellings subject to Section 613 of this Bylaw.

This zone is intended to provide land for housing of various densities, including high density multiple family residential development.

204.1 Permitted Land Uses**Minimum Lot Size**

Single Family Dwelling	560 m ²
Duplex	800 m ²
Multiple Family Residential	2,000 m ²
Home Occupation	N/A
Secondary Suites (a)	N/A
Accessory Uses	N/A

- (a) Secondary suites shall conform to the requirements of Section 204.8 (b) below.

204.2 Buildings and Structures**Maximum Number,
Size and Height**

Single Family or Duplex Dwelling	1 per lot
Multiple Family Residential (a)(b)	35 75 units/ha
Height of Single Family Dwelling or Duplex	7.5 m
Height of Cluster Housing or Row Housing	11.0 m
Height of Townhouse, or Apartment	11.0 m
Height of Accessory Buildings and Structures	5.0 m
Combined Floor Area of Accessory Buildings	75 m ²

- (a) Where 80% or more of the required off-street parking spaces are provided underground or concealed within the building, the maximum number of multiple family residential units may be increased by 25 units per hectare.
- (b) Where 10 ~~20~~% or more of the total number of units are affordable housing units, the maximum number of multiple family residential units may be increased by 42 ~~25~~ units per hectare; or,



204.3 Building Setbacks:

Use	Front Lot Line Setback	Rear Lot Line Setback	Exterior Lot Line Setback	Interior Lot Line Setback
Single Family or Duplex Dwelling	7.5 m	3.0 m	7.5 m	1.6 m
Cluster or Row Housing	6.0 m	6.0 m	6.0 m	6.0 m
Townhouse, Condominium or Apartment	6.0 m	6.0 m	6.0 m	6.0 m
Accessory Buildings	7.5 m	1.2 m	7.5 m	0.6 m

204.4 Landscaping and Screening:

Landscaping and screening shall comply with the requirements contained in Division 500 of this Bylaw.

204.5 Off-Street Parking and Loading:

Off-street parking and loading shall be provided according to Division 400 of this Bylaw.

204.6 Maximum Lot Coverage:

1. Single Family Dwelling or Duplex: 33%
2. Multiple Family Residential: 45%

204.7 Play and Recreation Area Requirements:

Play and Recreation Area shall be provided as follows:

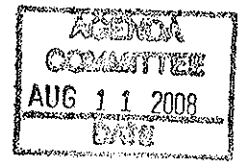
- (a) Every Multiple Family Residential development shall provide useable open space in the amount of:
 - (i) 46 m² for each three (3) bedroom dwelling unit;
 - (ii) 28 m² for each two (2) bedroom unit;
 - (iii) 19 m² for each one (1) bedroom unit;
 - (iv) 9 m² for each bachelor unit.
- (b) Every Multiple Family Residential development containing thirty (30) or more dwelling units shall provide indoor recreation space in the amount of 2.3 m² for each dwelling unit.

204.8 Other Requirements:

(a) Secondary Suites:

Secondary suites are permitted within single family dwelling units subject to Section 613 of this Bylaw.

(b) Maximum Floor Area Ratio: 1.50



COMMITTEE OF THE WHOLE

August 5, 2008

MEMO TO: MAYOR HERLE AND COUNCIL

FROM: FRED MANSON, CHIEF ADMINISTRATION OFFICER

SUBJECT: LEASE AGREEMENT - 183 McVickers Street

ISSUE

Lease of City-owned property at 183 McVickers Street

EXECUTIVE SUMMARY

The building at 183 McVickers Street was purchased by the City in 2006 and is currently not being used. Two groups have expressed an interest in renting the building for a one year term, which will allow the City time to finalize the subdivision process so that the building can be sold.

REFERENCE

Proposed draft 2008 – 2009 for 183 McVickers Street

BACKGROUND

The property at 183 McVickers Street (aka the "Karate Club") was purchased by the City in 2006 as it is needed for the completion of the planned ring road that will involve the extension of Jensen Avenue from Corfield Street to McVickers Street. The building has not been occupied since the building was purchased by the City. Staff is currently in the process of subdividing the property in preparation for the construction of the ring road which is slated for 2012. Once the property has been subdivided it is the City's intention to sell off the surplus properties including the portion on which the old Karate Club is located. Staff anticipates that the subdivision and lot consolidation process will take approximately a year and feel that in the meantime the building could be used.

In May interested user-groups were invited to submit a bid to rent the building with an indication that consideration would be given to user-groups who can provide the most social and community benefit to the City. The City received the two following submissions in response to the ads:

1. HCYC Enterprises Inc. – for use as a hot and cool yoga club to serve a clientele ranging in age from children to seniors. Rent proposed is \$1 per month with a commitment of the lessee spending at least \$2500 per month in fixing up the building and its surroundings. Lessee would be responsible for all utilities and maintenance costs.
2. German Ju Jutsu Systems and Family Resource Association – provide a venue and service for at risk and high risk youth to participate in a specialized martial arts concept. Rent proposed is \$500 per month plus lessee responsible for painting and interior and exterior upgrades. Lessee would be responsible for all utilities and maintenance costs.

Both interested parties have toured the facility and are aware of the current state of the building. Staff recommends that the building only be leased for a one year period so there is no option in the lease for early termination. The lessee would be responsible for all repairs, maintenance, utilities and taxes.

OPTIONS

1. Lease the property to HCYC Enterprises Inc
2. Lease the property to German Ju Jutsu Systems and Family Resource Association
3. Not lease out the building.

ANALYSIS

Leasing the property will allow the City to receive some revenue and any repairs to the building will add to the resale value of the property once the City is in a position to sell it. Staff recommends leasing the property to German Ju Jutsu Systems and Family Resource Association as they are offering the higher rent.

SUSTAINABILITY/ENVIRONMENTAL IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

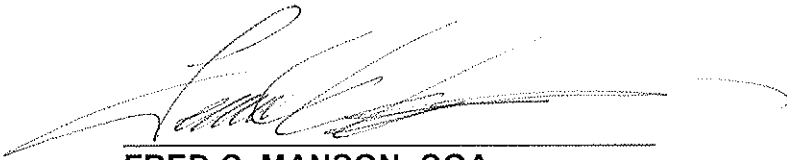
City will receive rental revenue in the amount of \$6000.

STAFF RECOMMENDATION

THAT the report dated August 5, 2008 from the Chief Administrative Officer regarding the lease agreement for 183 McVickers Street, be received;

AND THAT the Mayor and Director of Administrative Services be authorized to execute the Lease Agreement, on behalf of the City, with German Ju Jutsu Systems and Family Resource Association, for the property legally described as East Half of Lot 11, District Lot 4 Nanoose District Plan 6725 (183 McVickers Street) for the period September 1, 2008 to and including August 31, 2009 at an annual rent of six thousand (\$6,000.00) dollars.

Respectfully submitted,

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

FRED C. MANSON, CGA
Chief Administrative Officer



COMMITTEE OF THE WHOLE

July 31, 2008

MEMO TO: FRED MANSON, CHIEF ADMINISTRATION OFFICER

FROM: LAURIE TAYLOR, DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: LEASE AGREEMENT RENEWAL WITH PARKSVILLE CHRYSLER LTD.

ISSUE

Lease Agreement renewal with Parksville Chrysler Ltd. for an area of land approximately 10 metres (33 ft.) x 60.6 metres (198.8 ft.) abutting the southerly property line of 230 Shelly Road.

EXECUTIVE SUMMARY

Renewal of a lease agreement with Parksville Chrysler Ltd for an area of land abutting the south boundary of their property. Lease was originally entered into in 1998. Lease renewal would run until 2013

REFERENCE

Proposed draft 2008 – 2013 Parksville Chrysler Ltd. Lease

BACKGROUND

For many years there existed a large ditch at the intersection of Shelly Road and Stanford Avenue, abutting the south boundary of the Parksville Chrysler property which, over time, had become troublesome for both motorists and the owners of the properties on either side. The area was used as a dumping ground for waste and required City maintenance to keep it clean. On several occasions requests were received from adjacent neighbours for the City to fill in the ditch.

In 1998 Parksville Chrysler requested a lease agreement be considered for this area for the purpose of storing vehicles in conjunction with the operation of the vehicle dealership. In return, Parksville Chrysler cleaned the ditch, installed a storm sewer and provided fill for the backfilling of the area at no cost to the municipality. The lease was renewed in 2003. The current lease will expire on August 31, 2008, and the tenant has requested the agreement be renewed.

Staff have reviewed the lease and the only amendment recommended is to increase the liability insurance from Two million dollars (\$2,000,000) to the now standard Five million dollars (\$5,000,000).

OPTIONS

1. Renew the lease in accordance with renewal section of the current lease for the renewal period of 5 years, with the increase of liability insurance from Two million dollars (\$2,000,000) to Five million dollars (\$5,000,000).

2. 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. While the agreement does not generate any revenue, there has been no cost to the municipality in terms of maintenance of the area. The agreement also contains a clause that the City may, at its sole discretion, terminate the lease on 30 days written notice in the event the municipality requires the property for any purpose.

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.

STAFF RECOMMENDATION

THAT the report dated July 31, 2008 from the Director of Administrative Services regarding the Parksville Chrysler Ltd. Lease Agreement, be received;

eAND THAT the Mayor and Director of Administrative Services be authorized to execute the Lease Agreement, on behalf of the City, with Parksville Chrysler Ltd. for a 33 ft. x 198.8 ft. portion of the unopened roadway abutting the south property line of Lot A, District Lot 3, Nanoose District, Plan VIP73833 (230 Shelly Road) for the period September 1, 2008 to and including August 31, 2013 with an option to renew for a further term.

Respectfully submitted,



LAURIE TAYLOR
Director of Administrative Services

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:



FRED C. MANSON, CGA
Chief Administrative Officer

THIS LEASE AGREEMENT made the day of 2008.

BETWEEN:

CITY OF PARKSVILLE

100 E. Jensen Avenue
PO Box 1390
Parksville, BC
V9P 2H3

(the "City")
OF THE FIRST PART

AND:

PARKSVILLE CHRYSLER LTD.

230 Shelly Road
Parksville, B.C.
V9P 1V6

(the "Tenant")
OF THE SECOND PART

WHEREAS:

- A. The City is the owner of those lands described as Stanford Avenue.
- B. The Tenant wishes to lease that portion of the Lands abutting the south property line of 230 Shelly Road, Parksville, B.C. (Lot A, District Lot 3, Nanoose District, Plan VIP73833) which is approximately 10 metres (33 ft.) x 60.6 metres (198.8 ft.) in size outlined in green on the sketch plan attached hereto as Schedule "A" (the "Premises") for the purpose of storing vehicles and parking and the City wishes to grant by lease the Premises for the same purpose on the terms and conditions herein contained.

NOW THEREFORE in consideration of the rents, covenant and Agreements herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. **TERM OF THE LEASE**

- 1.01 **TERM OF THE LEASE:** The City hereby leases the Premises to the Tenant for a term of five (5) years commencing on the 1st day of September 2008 and ending on the 31st day of August 2013 (the "Term") provided that this lease may be terminated earlier by the City as provided by clause 1.02 of this Agreement. This agreement may be considered for a further renewal period at the sole discretion of the City.
- 1.02 **EARLIER TERMINATION:** This Agreement may, at the sole discretion of the City, be terminated on 30 days written notice to the Tenant in the event that the City requires the Premises for any purpose.

2. **RENT**

2.01 The Tenant shall pay to the City a rent of ONE (\$1.00) DOLLAR per year the receipt of which is hereby acknowledged.

3. **TENANT'S COVENANTS**

3.01 **RENT**: To pay Rent in the manner and at the time herein specified.

3.02 **TAXES**: That it shall pay promptly as the same become due all rates, and taxes, that may at any time during the existence of this Term be lawfully imposed, or become due and payable, upon, or in respect of the business of the Tenant, the Premises and the operations of the Tenant, or any part thereof.

3.03 **BUSINESS LICENCES AND PERMITS**: That it shall procure and maintain, at the sole cost and expense of the Tenant, such licenses, permits, or approvals from any Federal, Provincial, Municipal, or other Government authorities, and such private permits as may be necessary to enable the Tenant to furnish the services and conduct the operations provided for in this Agreement.

3.04 **REPAIR**: To repair all damage to the Premises, except for damage caused by fire, lightning or tempest, and to leave the Premises in good repair, all repairs being made in a good and workmanlike manner to the approval of the City.

3.05 **ALTERATIONS BY TENANT**: The Tenant agrees not to make any alterations, additions, or improvements in or to the Premises without obtaining the City's prior written consent and without first posting notices in two conspicuous places on the Premises in compliance with the *Builders Lien Act* stating in writing that the City will not be responsible for the improvements, and all such work shall be done only by contractors or tradesmen or mechanics approved in writing by the City and at the Tenant's sole expense, and at such time in such manner as the City may approve.

3.06 **LIENS**: The Tenant shall not permit any liens or charges to be filed against or to otherwise encumber the title to the Lands. The Tenant shall promptly discharge any lien or charge that may be filed against or otherwise encumber the Lands, and if the Tenant fails to do so, the City may cause the lien or charge to be discharged and all amounts paid by the City to obtain such discharge, including disbursements and actual legal costs, shall be immediately due and payable by the Tenant to the City.

3.07 **NUISANCE AND NEGLIGENCE**: Not to do, suffer or permit any act which may in any manner, directly or indirectly, cause injury or damage to the Premises or which may be or become a nuisance to or interfere with anyone who occupies or has access to any part of the Premises or which may render the Premises or any part of it less desirable or injure the reputation of it.

3.08 **ASSIGNMENT**: Not to assign this Lease or sub-let the Premises in whole or in part or allow or permit any other person to occupy the Premises or any part of it without

the City's prior written consent, which consent may be withheld without reason. The Tenant also agrees to reimburse the City for all costs that it may incur to effect any assignment or sub-let agreement at the Tenant's request. The minimum amount for such assignment shall be \$300.00.

- 3.09 **ABIDE BY LAWS**: To abide by and comply with at its own expense all laws, rules, requirements, regulations and orders of every authority which in any manner relates to or affects the business or profession of the Tenant or the use of the Premises by the Tenant and to save harmless the City from all costs, charges, or damages to which the City may be put or suffer by reason of any breach by the Tenant of any such law, rule, requirement, regulation or order.
- 3.10 **INDEMNITY AND HOLD HARMLESS**: The Tenant accepts and shall use the Premises at its own risk, and agrees that neither the City nor its officers, employees, servants, agents, heirs, successors and assigns have made any warranties or representations respecting the suitability or condition of the Premises. The Tenant further agrees to reimburse the City for all expenses, damages, loss or fines incurred or suffered by the City by reason of any breach, violation or non-performance of the Tenant of any covenant or provision of this Agreement or by reason of damage to the Premises, persons, or property caused by the Tenant, its employees or agents or persons visiting or doing business with the Tenant. The Tenant further agrees that it shall indemnify, hold and save harmless the City and its officers, employees, servants, agents, heirs, successors and assigns from and against all claims, losses, damages, costs, actions and other proceedings, including but not limited to Workers Compensation Legislation, made, sustained, brought or prosecuted in any manner, based upon, occasioned by or attributable to any injury, including death, property damage, infringement or damage arising from any act or omission of the Tenant, their employees, officers, volunteers, servants or agents or persons from whom the Tenant has assumed responsibility in the performance or purported performance of this Agreement or in the exercise by the Tenant of any rights arising from this Agreement including the use, possession and occupancy of the Premises.
- 3.11 **GENERAL INSURANCE PROVISIONS**: At its own expense, maintain and keep in force during the term of this agreement, the insurance coverage listed in this article. The "deductible or reimbursement" for any insurance policy required under this section shall not exceed FIVE HUNDRED DOLLARS (\$500.00) per claim.

The Tenant shall at the time the contract is signed and prior to taking occupancy under this Lease, submit to the City certificates for all insurance policies or certified copies of the insurance policies (if requested) required under this article, and shall also provide to the City from time to time, as may be required, satisfactory proof that such policies are still in full force and effect.

The policies shall include, but not necessarily be limited to, the following coverage, including all premises and operations necessary or incidental to the performance of this Agreement:

1. Contingent Employers Liability
2. Owners Protective Liability
3. "Broad Form" Property Damage on an occurrence basis, including loss of use of the property
4. Contractual Liability assumed under this Agreement
5. Cross Liability
6. Non-Owned Auto
7. Products and Completed Operations Liability

Each insurance policy required under this clause shall contain an endorsement to provide all named insureds with prior notice of changes and cancellations. Such endorsement shall be in the following form:

"It is understood and agreed that the coverage provided by this policy will not be changed or amended in any way or cancelled until thirty (30) days after written notice of such change or cancellation shall have been given or sent by registered mail to all named insureds."

LIABILITY INSURANCE: The Tenant shall take out and maintain comprehensive general liability insurance providing coverage for death, bodily injury and property loss and damage and all other losses arising out of the occupation and use of the Premises, in the amount of not less than FIVE MILLION DOLLARS (\$5,000,000) per occurrence, and on other terms satisfactory to the City, and agrees that the City shall at all times be named as co-insured in the policy of insurance. The policy shall preclude subrogation claims by the insurer against anyone insured thereunder. In addition, such insurance policy shall include the following "Cross Liability" clause:

"The insurance afforded by this policy shall apply in the same manner, as though separate policies were issued, to any action brought against any of the named insured by or on behalf of any other named insured."

Further the Tenant shall at the request of the City deliver to the City evidence satisfactory to the City that all insurance required by this clause has been taken out and remains in effect.

- 3.12 **NOT TO VOID INSURANCE:** Not to do or permit anything to be done which would render any other policy of insurance on the Premises or any part of it void or voidable or which would cause an increase in the insurance premiums. In the event that the Tenant does anything that would cause an increase in the insurance premiums on the Premises, the Tenant shall be solely responsible for the increase in the insurance premium by virtue of the Tenant's use or occupation of the Premises.
- 3.13 **RULES AND REGULATIONS:** That the Tenant and its agents and employees and all persons visiting or doing business with the Tenant shall comply strictly with such reasonable rules and regulations as the City may from time to time adopt, and of which written notice shall have been given to the Tenant. The rules and regulations

shall be consistent with this Agreement and shall be deemed to be incorporated into and form part of this Agreement.

- 3.14 **CLEANLINESS**: Not to permit the Premises to become untidy, unsightly or hazardous or to permit unreasonable quantities of waste or refuse to accumulate on the Premises, and at the end of each business day to leave the Premises in a clean and neat condition, to the satisfaction of the City. The Tenant will be responsible for litter control in the area surrounding the Premises.
- 3.15 **USE OF PREMISES**: Not to use the Premises for any purpose other than the storing of vehicles and parking of vehicles or such other activity as may be properly authorized, in writing, by the City and in accordance with any conditions or requirements as may from time to time be detailed by the City.
- 3.16 **PROVISION OF EQUIPMENT**: That to provide, at the Tenant's expense, all equipment required.
- 3.17 **CONDUCT OF BUSINESS**: It is recognized that it is in the best interests of the City and Tenant that the Tenant should have exclusive use of the Premises only for the purpose described in Clause 3.15 above.
- 3.18 **NO OTHER AGREEMENT**: No verbal agreements or conversations with any officer, agent or employee of the City, either before or after the execution of this agreement, shall affect or modify any of the terms or obligations herein contained.
4. **PROVIDED ALWAYS AND IT IS HEREBY AGREED AS FOLLOWS:**
- 4.01 **PROVISO FOR RE-ENTRY ON DEFAULT**: If and whenever the rent is not paid in full when due or in case of breach of, or non-observance or non-performance by the Tenant of any of the provisions of this agreement, and if the default continues for TEN (10) days after written notice to the Tenant, or if the Premises are vacated or remain unoccupied for TEN (10) days, or if the term shall be taken in execution or attachment for any cause whatever, then, in every such case, the City, in addition to any other remedy now or hereafter provided by law, may, at its option, cancel this agreement and re-enter and take possession of the Premises or any part of it by force if necessary, without any previous notice of intention to re-enter and may remove all persons and property from it and may use such force and assistance in making such removal as the City may deem advisable and such re-entry shall not operate as a waiver or satisfaction in whole or in part of any right, claim, or demand arising out of or connected with any breach or violation by the Tenant of any covenant or agreement on its part to be performed.
- 4.02 **REMOVAL OF TENANT'S PROPERTY**: All articles of personal property and all business and trade fixtures, machinery and equipment owned by the Tenant or installed by the Tenant on the Premises at the Tenant's expense shall remain the property of the Tenant and may be removed by the Tenant at any time during the term of this Agreement PROVIDED that the Tenant, at its own expense, shall repair any damage to the Premises caused by such removal or by the original installation.

The Tenant shall at its sole expense upon expiry of the Term, or upon earlier termination of this Lease remove and dispose of all improvements to the Premises including any concrete or other impervious surface placed over the soil provided that the City at its option may require the Tenant to leave undisturbed any landscaping planted and growing on the Premises.

- 4.03 **NO WARRANTY OF SERVICES BY CITY:** The City does not warrant that any service or facility provided by it in accordance with the provisions of this Agreement will be free from interruption caused by any cause beyond the City's reasonable care and control. No such interruption shall be deemed to be a disturbance of the Tenant's enjoyment of the Premises nor render the City liable for injury to or in damages to the Tenant nor relieve the parties from their obligations under this Agreement. The City shall without delay take all reasonable steps to remove the cause of any such interruption.
- 4.04 **CITY NOT LIABLE FOR INTERFERENCE:** The City shall not be liable to the Tenant for any interference or inconvenience caused by any labour dispute or by damage to the Premises or by repairs, alterations, improvements or construction in or adjacent to the Premises, or by failure or interruption of any supply of any utility.
- 4.05 **CITY NOT LIABLE FOR INJURY TO TENANT:** The City shall not be liable for any injury or damage to the Tenant, the Tenant's agents, employees, customers or invitees as to any of their property while in the Premises, regardless of the cause of such injury or damage, except such injury or damage which may be caused by the negligence of the City, its agents, servants or employees.
- 4.06 **ENTIRE AGREEMENT:** The provisions of this agreement constitute the entire agreement between the parties and supersede all previous communications, representations, warranties, covenants and agreements whether verbal or written between the parties with respect to the subject matter hereof.
- 4.07 **ABATEMENT OF RENT:** If the Premises are damaged by any cause for which the City is responsible by virtue of some act or neglect by the City, its servants or agents, then the rent shall be abated in whole or in part according to the portion of the Premises which is not usable by the Tenant until such damage is repaired.
- 4.08 **DAMAGE OR DESTRUCTION OF PREMISES:** Subject to the provisions of Clause 4.09, if the Premises shall be damaged by fire or other casualty against which the City is insured, the damage to the Premises shall be repaired by the City with reasonable diligence at its expense, except that repairs to alterations, additions, or improvements made by the Tenant shall be performed by the City at the sole expense of the Tenant and the Tenant shall, at its own expense, make all repairs and replacements of property which belongs to the Tenant.
- 4.09 **PREMISES RENDERED UNTENABLE:** If the Premises are rendered untenable by fire or other casualty against which the City is insured and if the City should decide not to restore the same, the City shall, within THIRTY (30) days after such

fire or other casualty, give the Tenant written notice immediately of such decision and the term of this Agreement shall immediately expire forthwith and the Tenant shall vacate the Premises and surrender it to the City. Upon the termination of this Agreement under the provisions of this clause, the Tenant's liability for rent shall cease as of the day following the fire or other casualty.

- 4.10 **RIGHT OF ENTRY TO MAKE REPAIRS:** The Tenant agrees that the City shall have the right to enter the Premises at all reasonable times to examine the same and make such repairs, alterations, improvements or additions as the City may deem necessary or desirable or as the City may be required to make by law or in order to repair and maintain the Premises. The City 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, improvements or additions were being made by reason of interruption of the business of the Tenant. The City will exercise reasonable diligence so as to minimize the disturbance or interruption of the Tenant's operations.
- 4.11 **DISTRAINT:** The City may levy distress for breach of covenant to pay, if the City levies distress against the goods and chattels of the Tenant, such force as may be deemed necessary for the purpose and for gaining admission to the Premises may be used without the City being liable to any action in respect thereof or for any loss or damage occasioned thereby and the Tenant hereby expressly releases the City, its employees and agents from all actions, proceedings, claims or demands whatsoever for or on account or in respect of any such forcible entry or any loss or damage sustained by the Tenant in connection therewith.
- 4.12 **COSTS OF RECOVERY:** If the City shall consider it desirable to retain the services of a lawyer or any other person reasonably necessary for the purpose of assisting the City in enforcing any of its rights hereunder in the event of default on the part of the Tenant, it shall be entitled to collect from the Tenant the cost of all such services as if the same were rent.
- 4.13 **INTEREST ADDED TO COSTS OF DEFAULT:** Without prejudice to any other remedy of the City, any money payable by the Tenant to the City hereunder, other than the Rent referred to in Article 3.01 of this Agreement, shall be deemed to be owing to the City and may be subject to an interest penalty after 30 days from the date it became payable to the City.
- 4.14 **NO WAIVER:** The failure of the City to insist upon strict performance of any covenant or condition in this Agreement or to exercise any right or option hereunder shall not be construed or operate as a waiver or relinquishment for the future of any such covenant, condition or option and no waiver shall be inferred from or implied by anything done or omitted by the City save only express waiver in writing. The acceptance of any rent or the performance of any obligation hereunder by a person other than the Tenant shall not be construed as an admission by the City 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.

- 4.15 **OVERHOLDING**: If the Tenant shall continue to occupy the Premises after the expiration of the term hereby granted and the City shall accept rent, the new tenancy thereby created shall be deemed to be a monthly tenancy and shall be subject to the covenants and conditions contained in this Agreement insofar as the same are applicable to a tenancy from month to month save and except that the rent payable shall be as determined by the City.
- 4.16 **INUREMENT**: This Agreement and everything herein contained shall inure to the benefit of and be binding upon the parties and their heirs, executors, administrators, successors and permitted assigns.
- 4.17 **INTERPRETATION**: Wherever the singular or masculine is used the same shall be construed as meaning the plural or feminine or body corporate or politic as the context may require.
- 4.18 **LAW TO THE CONTRARY**: This Agreement shall inure to the benefit of and be binding on all parties hereto notwithstanding any rule of law or equity to the contrary.
- 4.19 **SEVERANCE**: If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement.
- 4.20 **GOVERNING LAW**: This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 4.21 **CAPTIONS**: The captions appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision thereof.
- 4.22 **TIME OF ESSENCE**: Time is of the essence in this Agreement.
- 4.23 **TERMS**: Reference herein to Agreement, agreement, Lease or lease shall mean this Lease Agreement.
- 4.24 **GOODS AND SERVICES TAX**: The Tenant shall pay to the City promptly as it becomes due any Goods and Services Tax ("G.S.T.") that may during the existence of the Term be lawfully imposed, or become due and payable, in respect of the rent or other payments payable to the City under this Lease, and any G.S.T. so payable shall be in addition to such rent or other payments.

Notwithstanding any other provision of this Lease, any G.S.T. payable by the Tenant to the City shall not be rent, but the City shall have all the remedies for and rights of recovery of such G.S.T. as it has for the recovery of rent.

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

SIGNED BY
CITY OF PARKSVILLE
(Authorized signatories)

Mayor

Director of Administrative Services

PARKSVILLE CHRYSLER LTD.
(authorized signatories)

Authorized Signatory

Authorized Signatory



SCHEDULE "A"

REFERENCE PLAN OF AMENDED LOT 2 (DD77942N), PLAN 7455, LOT A, PLAN 19236 AND LOT 1, PLAN 50803, ALL OF DISTRICT LOT 3, NANOOSE DISTRICT. (PURSUANT TO SECTION 100 (1) (b) OF THE LAND TITLE ACT.)

PLAN VIP 73833

Deposited in the Land Title Office at Victoria, B.C. this 17th day of June, 1981.

Registered Surveyor W. J. ...

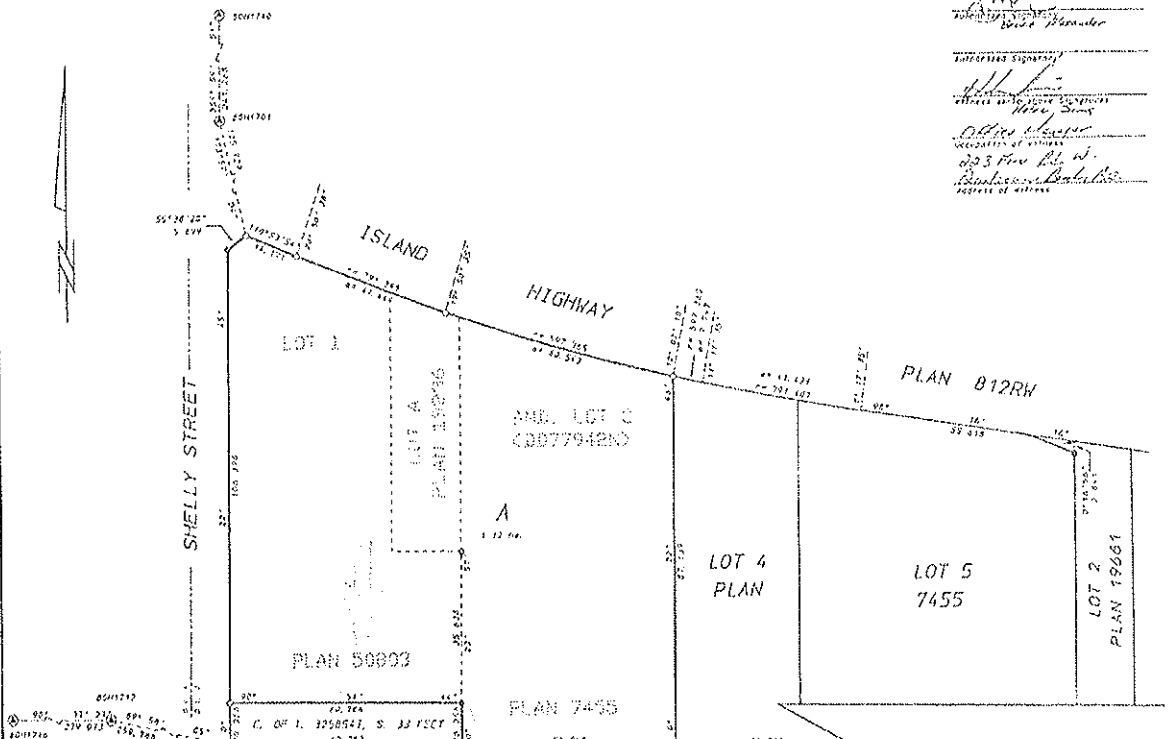
This plan lies within the Registered District of Nanoose

B.C.G.S. 92F.039 SCALE 1:750

10 5 0 10 20 30 Metres

LEGEND

All distances are in METRES. Civil Bearings are derived from observations between Control Monument nos. 40M1201 and 40M1213, Integrated Survey Area 30-32, Parksville ...



WEST 1/2 D. L. 42

LOT 1 PLAN 34430

REGISTERED SURVEYOR ...

BUSINESS DEVELOPMENT BANK ...

REGISTERED SURVEYOR ...

REGISTERED SURVEYOR ...

REGISTERED SURVEYOR ...

REGISTERED SURVEYOR ...

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REGISTERED SURVEYOR ...

I, Michael A. Stok, a British Columbia Land Surveyor, of the City of Victoria ...

The said survey was completed on the 24th day of April, 1981.

REGISTERED SURVEYOR ...

SIMS ASSOCIATES

1150 ... 222 ... 250 ...