

CITY OF SURREY

BY-LAW NO. 13597

A by-law to authorize the leasing of certain lands
and premises belonging to the City of Surrey.

.....

WHEREAS the lands and premises hereinafter described are the property of the City of Surrey
and it is deemed advisable to lease the same to:

THE BOARD OF SCHOOL TRUSTEES OF SCHOOL DISTRICT #36
(SURREY);

AND WHEREAS the Council may by by-law lease any property owned by the City pursuant to
Section 316 of the Municipal Act R.S.B.C. 1996, Chapter 323, as amended;

NOW, THEREFORE, the Council of the City of Surrey, in open meeting assembled, ENACTS
AS FOLLOWS:

1. The Council of the City of Surrey is hereby authorized to lease to:

THE BOARD OF SCHOOL TRUSTEES OF SCHOOL
DISTRICT #36 (SURREY), having an office at 14225 -
56 Avenue, in the City of Surrey, Province of British Columbia,
V3X 3A3

for a term of Five (5) Years commencing on 1st day of September, 1997 and ending on
the 31st day of August, 2002; and yielding and paying therefor during the term hereof the
annual rent of Three Thousand Dollars (\$3,000.00), payable on the first day of
September, in advance from commencement date and every September thereafter for the
full term of the Lease up to and including September 1, 2001 under the terms and
conditions set out in the Indenture;

ALL AND SINGULAR that certain parcel or tract of lands and premises, situate lying and being in the City of Surrey, in the Province of British Columbia and being more particularly known and described as:

5,440 square foot portion of Parcel Identifier:
017-234-701, Lot 4, Section 9, Township 2, New
Westminster District, Plan LMP21 shown outlined in bold
black on the sketch annexed hereto as Schedule "A" (herein
called the "Land")

(Portion of 14245 - 56 Avenue)

2. The Mayor and Clerk are hereby authorized to execute the said lease on behalf of the City of Surrey, in the form attached hereto and forming Schedule "A" to this By-law.
3. This By-law shall be cited for all purposes as "The Board of School Trustees of School District #36 (Surrey) Land Leasing By-law, 1998, No. 13597."

PASSED THREE READINGS on the 7th day of December, 1998.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the 14th day of December, A.D., 1998.

_____MAYOR

_____CLERK

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THIS LEASE MADE the _____ day of _____, 1998.

BETWEEN:

CITY OF SURREY,

A municipal corporation having its offices at 14245 - 56th Avenue,
in the City of Surrey, in the Province of British Columbia.

(hereinafter called the "Lessor")

OF THE FIRST PART

AND:

THE BOARD OF SCHOOL TRUSTEES OF SCHOOL DISTRICT #36 (SURREY)

14225 - 56th Avenue
Surrey, BC V3X 3A3

(hereinafter called the "Lessee")

OF THE SECOND PART

WITNESSETH that in consideration of the rents reserved and the covenants and agreements set forth below, the parties agree as follows:

ARTICLE I

GRANT OF LEASE

(1.01) The Lessor demises and leases to the Lessee that 505 square metre (±5,440 square foot) portion of the parcel of land legally described as follows:

Lot 4 Section 9 Township 2 New Westminster District Plan LMP21

and being more particularly shown outlined in bold black on the sketch annexed hereto as Schedule "A" (herein called the "Land").

ARTICLE II

TERM

(2.01) This Lease shall be for a five (5) year term commencing September 1, 1997 and ending on August 31, 2002.

ARTICLE III

RENT

- (3.01) The rent during the five (5) year term outlined in Article II (2.01) shall be the sum of Three Thousand Dollars (\$3,000.00) per annum, payable on the first day of September, in advance from commencement date and every September thereafter for the full term of the Lease up to and including September 1, 2001.

ARTICLE IV

COVENANTS OF THE LESSEE

- (4.01) The Lessee covenants with the Lessor
- (a) to pay rent when due at the address of the Lessor first above written or at such other place as the Lessor may specify by notice in writing;
 - (b) to pay and discharge when due all taxes, rates, levies, duties, charges and assessments now or hereafter assessed, levied or charged by any governmental authority upon the Land or any improvements thereon (herein called "Realty Taxes") and if the Lessee defaults in the payment of any such sums, the Lessor may pay and discharge the same and the amounts so paid shall be added to the rent herein reserved and will be due and payable to the Lessor immediately;
 - (c) to pay and discharge when due all charges for electricity, gas, water, sewer and other utilities supplied to the Land;
 - (d) to observe, abide by and comply with all laws, by-laws, orders, directions, ordinances and regulations of any governmental authority in any way affecting the Land and improvement situate thereon, or their use and occupation, PROVIDED that if the Lessee contests the validity or applicability of such laws, by-laws, orders, directions, ordinances or regulations, he shall indemnify and save harmless the Lessor from all loss, damage, cost and expense suffered by the Lessor by reason of the Lessee contesting their validity and shall furnish the Lessor with such security as may be required by the Lessor;
 - (e) to keep the Land in a safe, clean and sanitary condition and to keep in good repair all buildings, structures and other works constructed on the Land satisfactory to the Lessor, and on written notice from the Lessor, to remove any improvements and make safe, clean and sanitary any portion of the Land or any improvement that, in the opinion of the Lessor, contravenes the provisions of this covenant;
 - (f) not to commit or suffer any willful or voluntary waste, spoil or destruction on the Land or do or suffer to be done thereon anything that may be or become a nuisance or annoyance to the owners or occupiers of adjoining land, and for the purpose of this covenant, the permitted use of the land in compliance with this Lease shall be deemed not to constitute a nuisance or annoyance.

- (g) not to use the Land for any purpose other than those related to School Board Administration offices;
- (h) to effect and keep in force at its own expense at all times throughout the term of this Lease, Commercial General Liability insurance on an occurrence basis, in an amount not less than Three Million Dollars (\$3,000,000) inclusive per occurrence, against bodily injury and property damage occurring by virtue of the Lessee's occupations of the Land or by virtue of this Lease. The Lessor is to be added as an additional insured under this policy. Such insurance shall include, but not limited to:
- products and completed operations;
 - blanket written contractual liability;
 - contingent employer's liability
 - personal injury liability;
 - non-owned automobile liability;
 - employees as additional insureds;
 - cross liability;
 - broad form property damage;

All required insurance shall be endorsed to provide the Lessor with thirty (30) days advance written notice of cancellation or material change;

The Lessee acknowledges that any requirement by the Lessor as to the amount of coverage under any policy of insurance will not constitute a representation by the Lessor that the amount required is adequate and the Lessee acknowledges that it is solely responsible for obtaining and maintaining policies of insurance in adequate amounts;

- (i) notwithstanding subsection (h) of section 4.01, the Lessor may from time to time notify the Lessee that the amount of insurance posted by the Lessee pursuant to that subsection be changed and the Lessee shall, within 60 days of receiving such notice, cause the amount of insurance posted pursuant to subsection (h) of section (4.01) to be changed to the amount specified in the notice and deliver to the Lessor written confirmation of the change;
- (j) to hereby waive any right of recourse it may have or obtain against the Lessor, its employees or agents, with regard to loss or damage to its property;
- (k) to provide the Lessor with evidence of all required insurance prior to the commencement of the Lease (such evidence shall be in the form of a completed City of Surrey Certificate of Insurance attached as Schedule B), and to provide certified copies of required insurance policies when requested by the Lessor;
- (l) to indemnify and save the Lessor, its officers and employees harmless, except where caused or contributed to by the wilful misconduct or negligence of the Lessor or those for whom the Lessor is in law responsible, against all losses, claims, damage, actions, costs and

expenses that the Lessor may sustain, incur, suffer or be put to at any time either before or after the expiration of this Lease, where the same or any of them are based upon, arise out of, or occur, directly or indirectly, from this Lease or the Lessee's occupation of the Land.

- (m) For the purposes of this subsection of section (4.01) of the Lease, the following terms shall have the following meanings:

"Contaminants" means any pollutants, contaminants, deleterious substances, underground or aboveground tanks, asbestos materials, urea formaldehyde, dangerous substances or goods, hazardous, corrosive or toxic substances, special waste or waste of any kind or any other substance which is now or hereafter prohibited, controlled or regulated under Environmental Laws, and

"Environmental Laws" means any statutes, laws, regulations, orders, by-laws, standards, guidelines, permits and other lawful requirements of any governmental authority having jurisdiction over the Land now or hereafter in force relating in any way to the environment, health, occupational health and safety, product liability or transportation of dangerous goods, including the principles of common law and equity.

- (i) not to use or permit to be used all or any part of the Land for the sale, storage, manufacture, disposal, handling, treatment, use or any other dealing with any Contaminants, without the prior written consent of the Lessor, which may be unreasonably withheld. Without limiting the generality of the foregoing, the Lessee shall in no event use, and does not plan or intend to use, the Land to dispose of, handle or treat any Contaminants in a manner that, in whole or in part, would cause the Land or any adjacent property to become a contaminated site under Environmental Laws;
- (ii) to strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Land;
- (iii) to promptly provide to the Lessor a copy of any environmental site investigation, assessment, audit or report relating to the Land conducted by or for the Lessee at any time before, during or after the Term. The Lessee shall, at its own cost and at the Lessor's request from time to time, obtain from an independent environmental consultant approved by the Lessor an environmental site investigation of the Land or an environmental audit of the operations at the Land, the scope of which shall be satisfactory to the Lessor and shall include any additional investigations that the environmental consultant may recommend;
- (iv) to maintain all environmental site investigations, assessments, audits and reports relating to the Land in strict confidence and not to disclose their terms or existence to any third party (including without limitation, any governmental authority) except as required by law, to the Lessee's professional advisers and lenders on a

need to know basis or with the prior written consent of the Lessor, which consent may be unreasonably withheld;

- (v) to promptly provide to the Lessor on request such written authorizations as the Lessor may require from time to time to make inquiries of any governmental authorities regarding the Lessee's compliance with Environmental Laws;
- (vi) to promptly notify the Lessor in writing of any release of a Contaminant or any other occurrence or condition at the Land, or any adjacent property which could contaminate the Land, or subject the Lessor or the Lessee to any fines, penalties, orders, investigations or proceedings under Environmental Laws;
- (vii) on the expiry or earlier termination of this Lease or at any time if requested by the Lessor or required by any governmental authority pursuant to Environmental Laws, to remove from the Land all Contaminants, and to remediate any contamination of the Land or any adjacent property resulting from Contaminants, in either case brought onto, used at or released from the Land by the Lessee or any person for whom it is in law responsible. The Lessee shall perform these obligations promptly at its own cost and in accordance with Environmental Laws. All such Contaminants shall remain the property of the Lessee, notwithstanding any rule of law or other provision of this Lease to the contrary and notwithstanding the degree of their affixation to the Land; and
- (viii) to indemnify the Lessor and its directors, officers, shareholders, employees, agents, successors and assignees, from any and all liabilities, actions, damages, claims, remediation cost recovery claims, losses, costs, orders, fines, penalties and expenses whatsoever (including all consulting and legal fees and expenses on a solicitor-client basis and the cost of remediation of the Land and any adjacent property) arising from or in connection with any breach of or non-compliance with the provisions of this Article by the Lessee, or any release or alleged release of any Contaminants at or from the Land related to or as a result of the use and occupation of the Land or any act or omission of the Lessee or any person for whom it is in law responsible.

The obligations of the Lessee under this subsection (m) of section (4.01) shall survive the expiry or earlier termination of this Lease. The obligations of the Lessee under this subsection are in addition to, and shall not limit, the obligation of the Lessee contained in other provisions of this Lease.

- (n) to pay all accounts and expenses as they become due for labour performed on, or material supplied to, the Land, save and except for monies that the Lessee is required to retain or hold back under the Builders Lien Act, and with respect to the amounts so retained or held back to pay and deal with the same in compliance with that Act or legislation and to place written notice immediately after the commencement of any construction on the Land, in at least two conspicuous places, pursuant to the Builders Lien Act or other legislation of like effect in force from time to time, giving notice that the Lessor shall not be responsible for the cost of labour, services or materials performed on or supplied to the Land, and to permit the Lessor to enter on the Land for the purpose of placing such notices;
- (o) to permit the Lessor, his servants and agents, at all times to enter on and inspect the Land and any improvements thereon;
- (p) not to carry out any work of construction, clearing of land, cutting of trees, replacement or improvement without the written consent of the Lessor which shall not be unreasonably withheld;
- (q) not to deposit on the Land or any part of it, any earth, fill or other material for the purpose of filling in or raising the level of the Land without the written consent of the Lessor, and then only in accordance with the Lessor's terms and conditions.

ARTICLE V

ASSIGNMENT

- (5.01) The Lessee shall not assign, sublet or transfer this Lease without the prior written consent of the Lessor.

ARTICLE VI

COVENANTS OF THE LESSOR

- (6.01) The Lessor covenants with the Lessee for quiet enjoyment.

ARTICLE VII

PROVISOS

- (7.01) PROVIDED always and it is hereby agreed as follows:
- (a) if after the termination by the passage of time of this Lease or any extension thereof the Lessor permits the Lessee to remain in possession of the Land and accepts rent in respect thereof, a tenancy from year to year shall not be created by implication of law and the Lessee shall be deemed to be a monthly tenant only subject to all terms and conditions of

this Lease, except as to duration in the absence of a written agreement to the contrary;

- (b) the Lessor is under no obligation to provide access to the Land or to maintain or improve existing access roads;
 - (c) that this Lease and all the terms and conditions of it may be inspected by the public at such times and at such places as the Lessor may determine;
- (7.02) (a) In the event the structures of the demised Land or other works erected or hereafter to be erected by the Lessee upon the Land shall at any time be destroyed or partially destroyed by fire or the elements so as to render the same unfit for the purpose of the Lessee then the Lessee shall have the option to either:
- (i) declare that the Lease shall cease and become null and void from the date of such damage or destruction and in such case the Lessee shall immediately vacate and surrender the Land to the Lessor and the Lessor may re-enter and repossess the Land discharged of this Lease and may remove all persons and goods therefrom; or
 - (ii) rebuild or repair the said structures or other works PROVIDED that such rebuilding or repairs shall commence within ninety (90) days of the date of such damage or destruction and shall continue to completion with all reasonable speed and diligence.
- (b) If a dispute arises as to whether or not an improvement on the Land has been destroyed by fire or other causes, the dispute shall be referred to arbitration under the Commercial Arbitration Act of BRITISH COLUMBIA, and amendments thereto, or any like statute in effect from time to time, and the decision of such arbitrator shall be final and binding upon the parties. Such arbitrator shall not be restricted to charging the fees provided for in the said Arbitration Act. The cost of such arbitration shall be borne equally by the parties. Except as otherwise provided for herein, the provisions of the said Commercial Arbitration Act shall apply.

ARTICLE VIII

EVENTS OF DEFAULT

- (8.01) PROVIDED ALSO that this Lease and the term and estate hereby granted are subject to the limitation that
- (a) if the Lessee shall default in the payment of any installment of rent, or the payment of any other sum payable hereunder, and such default shall continue for 30 days after the giving of written notice by the Lessor to the Lessee;
 - (b) if the Lessee shall fail to perform or observe any of the covenants, agreements, provisions, conditions or provisos contained in this Lease on the part of the Lessee to be performed or observed (other than the

payment of rent or other sums of money) and such failure shall continue for, or shall not be remedied within, the period of 60 days next after the giving of written notice by the Lessor to the Lessee of the nature of such failure;

- (c) if the term hereby granted shall be taken in execution or attachment by any person or the Lessee commits an act of bankruptcy, becomes insolvent or is petitioned into bankruptcy or voluntarily enters into an arrangement with his creditors;
- (d) if the Lessor discovers that the Lessee either in his application for this Lease or otherwise has, in the opinion of the Lessor, misrepresented or withheld any fact material to the application; or
- (e) if, in the opinion of the Lessor, the Lessee fails to make reasonable and diligent use of the Land for the purposes permitted herein, and such failure shall continue for a period of 60 days next after the Lessor gives written notice of the failure to the Lessee;

it shall then be lawful for the Lessor to enter upon the Land or any part thereof in the name of the whole, and this Lease shall at the option of the Lessor, and with or without entry, terminate, and all the rights of the Lessee with respect to the Land shall be absolutely forfeited and shall lapse. If the condition complained of (other than the payment of rent or other sums of money) reasonably requires more time to cure than 60 days, the Lessee shall be deemed to have commenced remedying or curing the condition within the 60 day period and diligently thereafter completes the same.

ARTICLE IX

CANCELLATION

- (9.01) It is hereby understood and agreed that this Lease may be cancelled by either the Lessor or the Lessee on three months written notice.

ARTICLE X

EXPROPRIATION

- (10.01) If the whole or any part of the Land, or any fixtures or improvements on the Land are expropriated during the term of this Lease.
- (a) the expropriation shall not constitute a breach of the Lessor's covenant for quiet enjoyment,
 - (b) the rental shall not abate, but in the case of a partial expropriation, the rent shall be decreased by the same proportion that the land expropriated bears to the whole of the property leased herein,
 - (c) the Lessee shall only be entitled to exercise those rights or remedies that are available to him under the statute that authorized the expropriation.

- (10.02) If
- (a) the whole of the Land is expropriated, this Lease shall terminate on the effective date of the expropriation.
 - (b) a part of the Land is expropriated, this Lease shall continue in effect respecting that part of the Land that is not expropriated.

ARTICLE XI

ARBITRATION

- (11.01) Any dispute required to be determined by arbitration in accordance with the provisions of this Lease shall be determined under the Arbitration Act by reference to a single arbitrator. The cost of any arbitration shall be borne equally by the parties.

ARTICLE XII

NOTICE

- (12.01) Any written notice to be served upon or given to either the Lessor or the Lessee pursuant to this Lease shall be sufficiently served and given if delivered or mailed, prepaid and registered, in the case of the Lessor, addressed to:

The City of Surrey
Manager, Facilities & Realty Services Division
7452 - 132 Street
Surrey, BC V3W 4M7

and in the case of the Lessee, addressed to him at:

School District #36 (Surrey)
Attention: Secretary Treasurer
14225 - 56 Avenue
Surrey, BC V3X 3A3

and if the notice is mailed the date of receipt shall be deemed to be 96 hours after the hour of mailing.

- (12.02) Either party may, by notice in writing to the other, specify another address for services of notices under this Lease and where another address is specified under this section, notices shall be mailed to that address in accordance with this Article.
- (12.03) Notwithstanding section (12.01), any written notice to be served or given by the Lessor to the Lessee under this Lease shall be effectively given or served by posting the same on a conspicuous place on the Land.

ARTICLE XIII

EXPIRY

- (13.01) Removal of Chattels. The Lessee shall within seven (7) days of the expiration or sooner determination of this Lease in any other manner, except re-entry by Lessor, at Lessee's expense and to the reasonable satisfaction of Lessor, forthwith remove from the Land all equipment, articles, materials, effects and things at any time brought or placed thereon by Lessee and that is not fixed to the Land and is a removable chattel and Lessee shall also to the satisfaction of Lessor repair all and every damage and injury occasioned to the Land by reason of such removal, or in the performance thereof, but Lessee shall not, by reason of any action taken or things performed or required under this clause, be entitled to any compensation whatever.
- (13.02) Improvements. After the seven (7) day removal period on the expiration or sooner determination of this Lease, all buildings and erections put, erected or placed on the Land by Lessee during the term by these presents created or any renewal thereof shall be and become the property of Lessor, at Lessor's discretion.

ARTICLE XIV

MISCELLANEOUS

- (14.01) No term, condition, covenant or other provision herein shall be considered to have been waived by the Lessor unless such waiver is expressed in writing by the Lessor. The waiver by the Lessor of any breach by the Lessee of any term, condition, covenant or other provision herein shall not be construed as or constitute a waiver of any further or other breach of the same or any other term, condition, covenant, or other provision and the consent or approval of the Lessor to any act by the Lessee requiring the consent or approval of the Lessor shall not be considered to waive or render unnecessary such consents or approvals to any subsequent same or similar act by the Lessee.
- (14.02) No remedy conferred upon or reserved to the Lessor is exclusive of any other remedy herein or provided by law, but such remedy shall be cumulative and shall be in addition to any other remedy herein or hereafter existing at law, in equity, or by statute.
- (14.03) The Lessor hereby reserves the right to grant other dispositions of the Land by way of statutory right-of-way for any purpose necessary for the operation and maintenance of the grantee's undertaking and the Lessee agrees that a grant made under this paragraph shall not constitute a breach of the Lessor's covenant for quiet enjoyment, and the Lessee hereby consents to any such grant and will forthwith execute and deliver to the Lessor such instrument as may be necessary to any such grant.

(14.04) If any term or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of this Lease and the application of that term or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and condition of this Lease shall be valid and enforced to the fullest extent permitted by law.

ARTICLE XV

INTERPRETATION

(15.01) In this Lease, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

(15.02) The captions and headings contained in this Lease are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of the provisions hereof.

IN WITNESS WHEREOF the said parties have hereunto set their hands and seals the day and year first above written.

OFFICERS SIGNATURES EXECUTION DATE PARTY SIGNATURE(S)

Y	M	D
98	10	30

**CITY OF SURREY by its
authorized signatories**

DOUG MCCALLUM -Mayor

DONNA KENNY - City Clerk

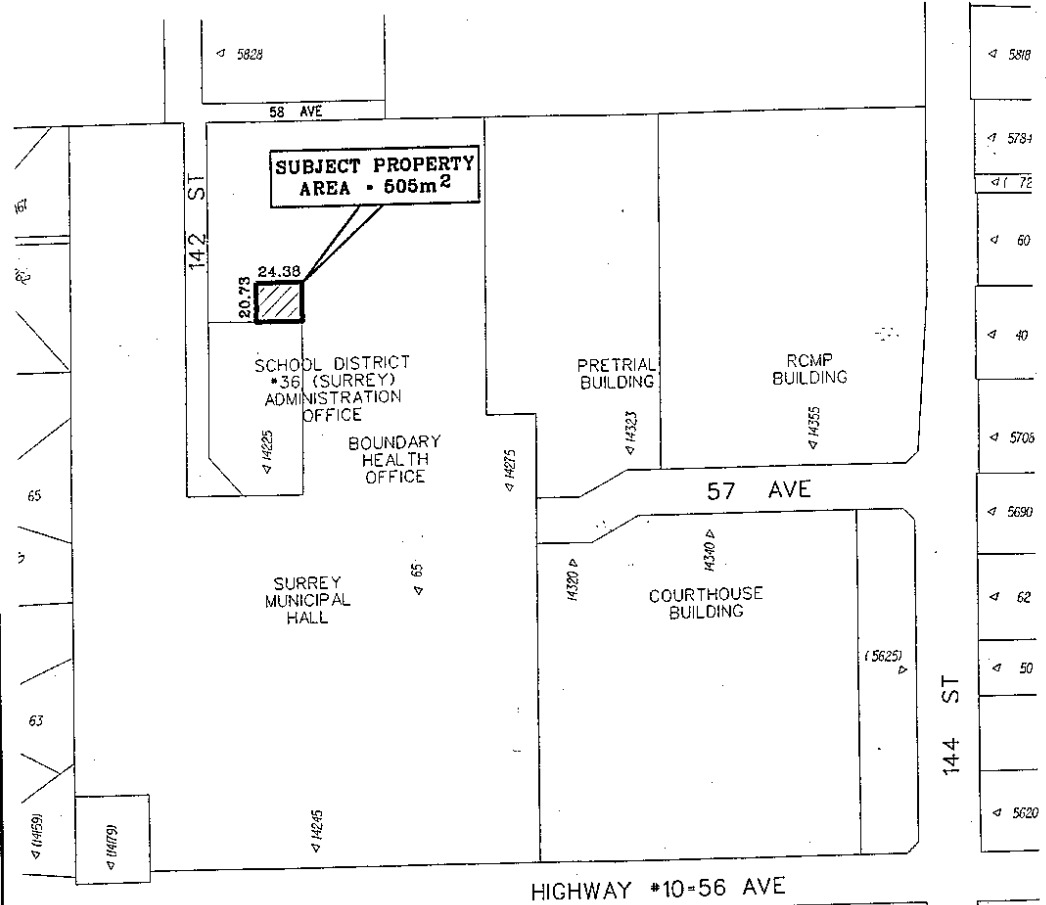
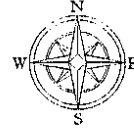
**THE BOARD OF SCHOOL
TRUSTEES OF SCHOOL
DISTRICT #36 (SURREY) by its
authorized signatory**

W. A. JEFFERSON
SECRETARY - TREASURER

L. McCuaig
c/o 14225-56 AVE.
SURREY, BC V3V 3A3

A Commissioner for taking Affidavits END OF DOCUMENT
within British Columbia

SCHEDULE "A"



PRODUCED BY ENGINEERING DRAFTING March 2, 1998



Portion of LOT 4 Section 9
Township 2, NWD

REAL
ESTATE
DIVISION

G:\CAD\DRP\DRP\PROPERTY\14225-56Ave.dwg

SCHEDULE "B"

CERTIFICATE OF INSURANCE

Certificate No. L98-082

THAT COVERAGE AS HEREIN DESCRIBED HAS BEEN ARRANGED FOR THE SCHOOL DISTRICT OR UNIVERSITY/COLLEGE/INSTITUTE NAMED BELOW AND WE HEREBY CERTIFY THAT SUCH COVERAGE IS IN FORCE AT THIS DATE.

THIS IS TO CERTIFY TO:	The City of Surrey
NAME AND ADDRESS OF SCHOOL DISTRICT OR UNIVERSITY/COLLEGE/INSTITUTE:	School District No. 36 14225 - 56 th Avenue, Surrey, B.C. V3X 3A3
ACTIVITY:	Lease of Property - Lot 4, Section 9, Township 2 New Westminster District Plan LMP21
COVERAGE:	Comprehensive General Liability and Non-Owned Automobile Liability coverages as provided under the Protection Program sponsored by the Provincial Government of British Columbia on behalf of the Ministry of Education, Skills and Training.
LIMITS OF LIABILITY:	\$3,000,000
EXPIRY:	June 30, 1999
ADDITIONAL INTERESTS:	Persons, firms, partnerships, companies or corporations but only in so far as: (i) their legal liability arises out of the negligent use or operation by the School District of their property, facilities or equipment and; (ii) the School District has agreed in writing to provide coverage.
CONDITIONS:	Coverage as used herein means the indemnification provided under the Ministry of Education, Skills and Training. The coverage described above is subject to the Limitations, Exclusions and Conditions contained in the Protection Program.
DATE:	August 7, 1998


.....
Authorized Representative

AON REED STENHOUSE INC
900 Howe Street, P.O. Box 3228, Vancouver, B.C. V6B 3X8 / Telephone 604-688-4442 / Fax 604-682-4026

cc: Ms. Laura Hughes
Risk Management Branch
Ministry of Finance & Corporate Relations