

CITY OF SURREY

BY-LAW NO. 12804

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 NO. 36
(SURREY);

AND WHEREAS the Council may by by-law lease any property owned by the City pursuant to Section 542 of the "Municipal Act", being Chapter 290 R.S.B.C., 1979;

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 NO. 36
(SURREY), a body corporate, having an office at 14225 - 56th Avenue, in
the City of Surrey, Province of British Columbia, V3X 3A3

for a term of Five (5) years commencing on the Tenth (10th) day of April, 1996, or on the completion date of the transaction described in paragraph A of the preamble (the "Commencement Date") of Schedule "A" attached hereto to this by-law; and yielding and paying therefor during the term hereof the clear annual rent of One Dollar (\$1.00) payable on the following days and times, that is to say an aggregate rent of Five Dollars (\$5.00) for the term, on or prior to the Commencement Date, with a provision for five one-year renewal terms 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:

Lot 14 Except: Parcel "A" (Explanatory Plan 14309), Section 14, Block 5 North, Range 2 West, New Westminster District, Plan 5392; and

(13640 Hilton Road)

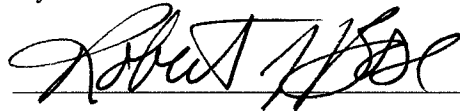
Parcel "A" (Explanatory Plan 14309), Lot 14, Section 14, Block 5 North, Range 2 West, New Westminster District, Plan 5392.

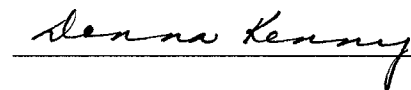
(13658 Hilton Road)

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 "School District No. 36 Land Leasing By-law, 1996, No. 12804."

PASSED THREE READINGS on the 11th day of March, A.D., 1996.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the 25th day of March, A.D., 1996.


_____ MAYOR


_____ CLERK

CLKBLW3222

THIS LEASE made as of the 10th of April , 1996.

BETWEEN:

CITY OF SURREY
7452 - 132nd Street
Surrey, B.C. V3W 4M7

(hereinafter called the "Landlord")

OF THE FIRST PART

AND:

THE BOARD OF SCHOOL TRUSTEES
OF SCHOOL DISTRICT NO. 36 (SURREY),
a body corporate, having an office at
14225 - 56th Avenue, Surrey, B.C. V3X 3A3

(hereinafter called the "Tenant")

OF THE SECOND PART

WHEREAS:

A. The Tenant has agreed to convey to the Landlord, effective the 10th day of April, 1996, all and singular that certain parcel or tract of land and premises, situate, lying and being in the City of Surrey, in the Province of British Columbia, commonly known as the Grosvenor Road Elementary School, and more particularly known and described as:

PID: 011-155-566
Lot 14 Except: Parcel "A" (Explanatory Plan 14309), Section 14
Block 5 North Range 2 West New Westminster District Plan 5392

and

PID: 011-155-531
Parcel "A" (Explanatory Plan 14309) Lot 14 Section 14
Block 5 North Range 2 West New Westminster District Plan 5392

(herein called the "Lands")

including the building or buildings (herein called the "Building") located on the Lands.

B. The parties have agreed that the Landlord will lease the Lands and Building to the Tenant;

1. LEASE OF PREMISES

1.1 Now therefore in consideration of the rents, covenants and agreements herein reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord does hereby demise and lease unto the Tenant the Lands and Building which are herein collectively called the "Premises".

2. TERM

2.1 The term of the Lease shall be five years commencing the 10th day of April, 1996, or on the completion date of the transaction described in paragraph A of the preamble (the "Commencement Date").

3. RENT

3.1 The Tenant covenants to pay to the Landlord or its appointed agent, without any prior demand therefore, the annual rent ("Rent") of ONE (1) DOLLAR, for an aggregate rent of FIVE (5) DOLLARS for the term, on or prior to the Commencement Date.

4. USE OF PREMISES

4.1 The Tenant shall use the Premises for the sole purpose of an elementary school and uses necessary and incidental thereto and for no other purpose without the prior written consent of the Landlord.

5. OBLIGATIONS OF THE TENANT

5.1 The Tenant shall pay directly to the party entitled to receive the same and discharge, as and when the same become due:

- (a) all business and other taxes, charges, duties, rates, license fees and assessments levied in respect of the Tenant's occupancy of the Premises or in respect of the personal property or business of the Tenant thereon, including but not limited to machinery tax;
- (b) all costs, charges and expenses for water, light and power, gas, telephone, waste removal, and all other utilities or services supplied to or used in or about the Premises; and,

- (c) all accounts for labour or material done or supplied for improvements, installations, partitions and fixtures, maintenance and repairs, or other work done by the Tenant in or on the Premises.

OPERATING COSTS

5.2 The Tenant shall pay all operating costs, charges or expenses in respect of the Premises, which operating costs, charges and expenses shall include, but not be limited to:

- (a) municipal, property, local improvement or school taxes payable upon the Building and Lands and any special tax (other than income and corporation capital) imposed or levied on the said property at any time during the term hereof;
- (b) the repair and maintenance of the parking lot situate upon the Lands;
- (c) the removal of snow or ice from the Building or from the parking lot situate upon the Lands, or from the sidewalks adjacent to the Lands;
- (d) the maintenance and upkeep of landscaping, lawns, cultivated areas and boulevards situate upon or adjacent to the Lands;
- (e) repairs or maintenance of the Building and the Lands including structural repairs of the Building and interior of the Building, including heating and mechanical systems, electrical systems, elevators and lobby, plumbing, air conditioning and interior walls.

ASSIGNMENT AND SUBLETTING

5.3 The Tenant shall not assign this Lease or sublet the Premises in whole or in part nor grant any concession or license within or with respect to the Premises.

TENANT'S REPAIRS

5.4 The Tenant shall do all repairs, including structural repairs, that the Tenant, in its discretion, determines are required with respect to the Premises, and shall maintain the interior of the Premises including its fixtures and equipment, and mechanical, electrical systems and plumbing contained within the Premises at its own expense. The parties acknowledge that the Tenant is not required by the Landlord to perform any repairs and maintenance because the Building will be removed by the Tenant at the end of the term of this Lease.

NUISANCE

5.5 The Tenant shall not use or permit the use of any part of the Premises for any dangerous, noxious, noisome or offensive act, trade, business occupation or calling and shall not permit, cause or maintain any annoyance, nuisance, damage, disturbance or interference with the occupiers or owners of adjoining lands and properties, or which may constitute a fire hazard, provided that the carrying on of the business for the uses detailed in Article 4.1 is deemed not to be a nuisance.

UNAUTHORIZED SIGNS

5.6 The Tenant shall not exhibit signs of any nature on walls, doors or windows nor install any window coverings without the prior written approval of the Landlord, such approval not to be unreasonably withheld.

TENANT'S MAINTENANCE OF PREMISES

5.7 The Tenant shall keep the Premises free from rubbish and debris at all times, shall provide proper receptacles for waste and rubbish and shall provide all janitorial services for the Premises for its own account.

COMPLIANCE WITH LAWS

5.8 The Tenant covenants to comply, promptly and at its own expense, with all laws, ordinances, regulations, requirements or orders of any and all federal, provincial, municipal, regional and other authorities and save harmless the Landlord from and against any and all causes of action, damages, loss, costs or expenses, which it may sustain, incur or be put to by reason of any neglect of same or non-compliance therewith or by reason of any defect, deficiency, disrepair, depreciation, damage or change in or to the Premises, or any injury or damage to any person or to any goods and chattels contained in, upon or about the Premises, however caused.

REMOVAL OF BUILDINGS

5.9 The Tenant covenants that at the termination of this Lease, whether by effluxion of time or any other reason, it shall, at its own expense, unless otherwise agreed between the parties hereto, remove any and all Buildings and improvements from the Lands within 180 days of the termination of the Lease and leave the Lands in a safe, clean and tidy condition, free of all building materials, waste or debris. In the event the

Tenant does not remove the Buildings and improvements from the Lands within the time stipulated, the Landlord, at its sole option, may effect such removal and restoration of the Lands and the costs thereby incurred by the Landlord shall be paid by the Tenant on demand.

6. OBLIGATIONS OF THE LANDLORD

QUIET ENJOYMENT

6.1 Upon the Tenant performing and observing the terms of this Lease, the Landlord covenants with the Tenant for quiet enjoyment.

7. INSURANCE

TENANT'S INSURANCE

7.1 The Tenant shall insure and keep insured while this Lease remains in force, with such companies and in such forms as are acceptable to the Landlord, at the Tenant's expense, the following insurance:

- (a) public liability insurance in respect of the Premises with limits of not less than \$5,000,000 for any one occurrence;
- (b) bodily Injury and Property Damage Liability Insurance for a limit of not less than \$5,000,000 each occurrence (the Landlord shall be named as an additional insured under this policy which shall contain a cross liability clause);

The Tenant shall cause the Landlord to be named as an insured on all policies of insurance.

All insurance and every renewal or replacement thereof required by this Section shall be on terms and conditions satisfactory to the Landlord, and shall provide (or the insurer or insurers shall agree) that no policy may be cancelled or its coverage reduced without ten (10) days written notice to the Landlord.

The Tenant shall keep on deposit with the Landlord certified copies of insurance policies and all renewals thereof and endorsements thereto sufficient to show at all times the current status of the insurance required to be effected under this Section, and without limiting the generality of the foregoing, shall furnish to the Landlord proof of the renewal or replacement of every such policy prior to the expiry of such policy.

The Tenant hereby releases the Landlord from all liability for any loss or damage however caused, in respect of which the Tenant shall have a right of recovery if it had complied with the provisions of this Section.

The Landlord hereby acknowledges that the Tenant will not and is not required to place insurance for fire or other risks. The parties acknowledge that the Tenant is building a school at a new site to replace the school located on the Lands and therefore will not replace the Building located on the Lands should the Building be destroyed or damaged by fire or other peril.

LANDLORD'S LIABILITIES

7.2 The Landlord shall not be liable or responsible in any way for:

- (a) any personal or consequential injury of any nature whatsoever, that may be suffered or sustained by the Tenant or any employee, agent, invitee, licensee or customer of the Tenant or any other person who may be in or upon the Building or the Premises, or
- (b) any loss or damage whatsoever, of or to any property belonging to the Tenant or to its employees or to any other person while such property is in or on the Building or the Premises; or
- (c) any loss, damage or injury, whether direct or indirect, to persons or property or loss of income or revenue resulting from any failure, howsoever caused, in the supply of utilities, services or facilities provided or to be provided or repairs made or to be made to the Premises or the Building under any of the provisions of this Lease or otherwise.

8. LANDLORD'S RIGHT TO PERFORM TENANT'S OBLIGATIONS

8.1 The Landlord shall not at any time incur any expense or liability by reason of the failure by the Tenant to observe or perform the covenants, provisos and conditions on the part of the Tenant to be observed and performed under this Lease.

9. TENANT'S INDEMNITY

9.1 The Landlord shall not be responsible for, and the Tenant shall indemnify the Landlord against, any claims and demands whatsoever by any person and whether in respect of damage to person or property, arising out of or occasioned by the maintenance, use or occupancy of the Premises or any part thereof, and the Tenant

shall further indemnify the Landlord against any claims and demands whatsoever arising by reason of or out of any act neglect or default of the Tenant or its agents, employees, contractors or workmen, in or about the Lands.

10. DEFAULT

10.1 The Tenant further covenants with the Landlord that if the Tenant shall violate or neglect any covenant, agreement or stipulation herein contained on its part to be kept, performed or observed and any such default on the part of the Tenant shall continue for 30 days after the written notice thereof to the Tenant by the Landlord, or in case the Premises shall be vacated or become vacated or remain unoccupied for 7 days, except for those periods of school vacations when the Premises are not in use, or be used by any person or persons or for any other purpose than as hereinbefore provided without the written consent of the Landlord, then and in any such case the Landlord in addition to any other remedy now or hereafter provided by law may at its option cancel and annul this lease forthwith and the Landlord may re-enter and take possession immediately by force if necessary without any previous notice of intention to re-enter and may remove all persons and property therefrom and may use such force and assistance in making such removal as the Landlord may deem advisable to recover at once full and exclusive possession of the Premises 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 or any covenant or agreement on its part to be performed.

TERMINATION OF LEASE

10.2 If the term hereby granted or any of the goods or chattels of the Tenant shall be at any time seized or taken in execution or attachment by any creditor of the Tenant or if a writ of execution shall issue against goods or chattels of the Tenant or if the Tenant shall make any assignment for the benefit of creditors or becoming bankrupt or insolvent shall take the benefit of any Act for bankrupt or insolvent debtors it shall be lawful for the Landlord at any time thereafter to re-enter into or upon the Premises or any part thereof in the name of the whole and the same to have again, repossess and enjoy as of its former state, anything herein contained to the contrary notwithstanding.

11. REMEDIES CUMULATIVE

11.1 No right or remedy herein conferred upon or reserved to either party is intended to be exclusive of any other right or remedy and every right and remedy shall be cumulative and not alternative. The failure of either party to insist upon the strict performance of any covenant or agreement or exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or relinquishment

thereof for the future. A receipt by the Landlord of any Rent, or other sum payable hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not constitute a waiver of such breach, and no waiver by either party of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by that party. Either party shall be entitled to injunctive relief in the case of the violation, or attempted or threatened violation, of any covenant, agreement, condition or provision of this Lease or to a decree compelling performance of any covenant, agreement, condition or provision of this Lease, or to any other remedy allowed by law.

12. REGISTRATION

12.1 Notwithstanding any provision in the Property Law Act or other relevant statute, the parties agree that this Lease shall not be registered without the Landlord's written consent and only then at the sole cost and expense of the Tenant (including the cost of any relevant surveys and plans), provided further however that the Tenant covenants and agrees with the Landlord that upon written request of the Landlord and at the Landlord's cost and expense (including the cost of preparation of any necessary plans), the Tenant will cause this Lease to be registered in the appropriate Land Title Office in the Province of British Columbia.

13. GOVERNMENTAL REGULATIONS

13.1 The Tenant will abide by all laws, by-laws, legislative and regulatory requirements of any competent authority relating to the business conducted on the Premises by the Tenant and will save harmless the Landlord from all costs or charges incidental thereto, or damages or penalties by reason of the Tenant's respective breach thereof.

14. RENEWAL

14.1 The parties agree that, should the replacement school at the new site not be ready for occupancy at the end of the term of this Lease, the Landlord will renew this Lease on the same terms as set out herein for 5 successive terms of one year each.

15. GENERAL

OVERHOLDING

15.1 Subject to Section 14 of this Lease, if the Tenant shall continue to occupy the Premises after the expiration of this Lease without any further written agreement, there shall be no tacit renewal of this Lease or the term hereby granted, and the Tenant shall be deemed to be occupying the Premises as a tenant from month to month at a monthly rental payable in advance on the first day of each month equal to the annual rentals payable by the Tenant during the last year of the term hereof.

ENTIRE AGREEMENT

15.2 This Lease sets forth all of the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein or therein set forth. No alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless made in writing and signed by each of them.

TERMS, COVENANTS AND CONDITIONS INVALID

15.3 If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be declared invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant 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, covenant or condition of this Lease shall be valid and enforced to the fullest extent permitted by law.

GOVERNING LAW

15.4 This Lease shall be construed and governed in accordance with the laws of the Province of British Columbia and the Tenant hereby submits to the jurisdiction of any court of competent jurisdiction for such Province in any action or proceeding whatsoever by the Landlord to enforce such rights hereunder.

TIME OF ESSENCE

15.5 Time shall be of the essence of this Lease.

NOTICE

15.6 Any notices herein provided or permitted to be given to the Landlord or the Tenant shall be given or made by delivery or by mailing the same by registered, first-class mail, postage prepaid, addressed to the other party at the address set forth below or such other addresses as may from time to time be designated by notice given in the manner herein provided:

To the Landlord:

Attention:
7452 - 132nd Street
Surrey, B.C. V3W 4M7

To the Tenant:

Attention: Secretary Treasurer
14225 - 56th Avenue
Surrey, B.C. V3X 3A3

Each notice shall be deemed to have been received, if delivered, on the day of delivery or, if mailed, on the third business day next following the day on which it was mailed. If there should be at the time of mailing or occur between the time of mailing and the time of deemed receipt, a postal strike, slow down or other labour dispute which might adversely affect delivery of registered mail, then such notice shall only be effective if it is actually delivered.

MARGINAL NOTES AND CONDITIONS

15.7 The captions, paragraph or section numbers, headings and marginal notes appearing in this Lease are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of this Lease nor any part hereof.

LANDLORD AND TENANT RELATIONSHIP

15.8 No act of the parties hereto nor any other provision contained herein shall create any relationship between the parties hereto other than that of Landlord and Tenant and it is recorded and agreed that neither the Landlord nor the Tenant, in any way or for any purpose, becomes a partner of the other in the conduct of its business, or a joint venturer or a member of a joint enterprise with the other.

SUCCESSORS AND ASSIGNS

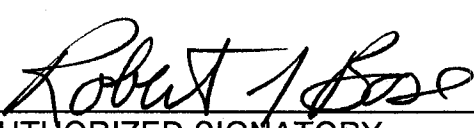
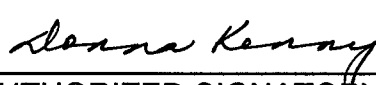
15.9 Except as otherwise provided in this Lease, references herein to the Landlord shall be deemed to include successors and assigns, and references herein to the Tenant shall be deemed to include the successors and permitted assigns of the Tenant; and the covenants herein contained shall apply to, bind and enure to the benefit of the Landlord and its successors and assigns and the Tenant and its successors and assigns.

BUILDER'S LIEN

15.10 The Tenant shall promptly pay all its contractors and materialmen and shall do any and all things necessary so as to minimize the possibility of a lien attaching to the Premises or to the Building or any part or parts thereof and should any such lien be made or filed, the Tenant shall discharge the same forthwith (after notice thereof is given to the Tenant), at the Tenant's expense.

In the event that the Tenant shall fail to cause any such lien to be discharged as aforesaid, then in addition to any other right or remedy of the Landlord, the Landlord may, but it shall not be so obliged to discharge the same by paying the amount claimed to be due into Court or directly to any such lien claimant and the amount so paid by the Landlord and all costs and expenses including solicitors fees (on a solicitor and his client basis) incurred for the discharge or release of such lien shall be due and payable by the Tenant to the Landlord on demand.

IN WITNESS WHEREOF the parties hereto have executed this Agreement duly on the day and year first above written.

CITY OF SURREY by its authorized)
signatories)
)
)
_____ AUTHORIZED SIGNATORY)
MAYOR)
)
)
_____ AUTHORIZED SIGNATORY)
CLERK)

THE BOARD OF SCHOOL TRUSTEES OF)
SCHOOL DISTRICT NO. 36 (SURREY))
by its authorized signatories:)


_____)
BOARD CHAIRPERSON)


_____)
SECRETARY - TREASURER)