



REQUEST FOR EXPRESSIONS OF INTEREST AND STATEMENTS OF QUALIFICATIONS

Title: **COFFEE AND SNACK BAR OPERATION
CITY CENTRE LIBRARY**

Reference No.: 1220-050-2016-002

(General Services)
June 27, 2016

TABLE OF CONTENTS

1. INTRODUCTION	3
1.1 Purpose	3
1.2 Definitions.....	3
1.3 Project Timelines	4
2. INSTRUCTIONS TO RESPONDENTS	4
2.1 Address For Submission Delivery	4
2.2 Date.....	5
2.3 Inquiries.....	5
2.4 Addenda	5
2.5 Status Inquiries.....	5
3. RFEI/SOQ SUBMISSION FORM AND CONTENT	6
3.1 Package (Hard Copy)	6
3.2 Form of Submission.....	6
3.3 Signature	9
4. EVALUATION AND SELECTION.....	9
4.1 Evaluation Team.....	9
4.2 Evaluation Criteria	9
4.3 Litigation	10
4.4 Additional Information	10
4.5 Interviews	10
5. GENERAL CONDITIONS	10
5.1 No City Obligation.....	10
5.2 Respondent's Expenses	11
5.3 No Contract	11
5.4 Conflict of Interest.....	11
5.5 Solicitation of Council Members and City Staff.....	11
5.6 Confidentiality	11

SCHEDULE A – SCOPE OF SERVICES

SCHEDULE B – SAMPLE LEASE AGREEMENT

REQUEST FOR EXPRESSIONS OF INTEREST AND STATEMENTS OF QUALIFICATIONS

1. INTRODUCTION

1.1 Purpose

The purpose of this request for expressions of interest and statements of qualifications (the “**RFEOI/SOQ**”) is to:

- (a) invite submissions (the “**Submission**”) from respondents (the “**Respondent**”) that describe the desire, relevant expertise, capability, reputation and resources of the Respondent to undertake the project as generally set out in Schedule A – Scope of Services; and
- (b) to select a Respondent or Respondents who may be invited to participate in the next stage of the competitive selection process, Request for Quotations (RFQ) stage when called.

This RFEOI/SOQ is not a solicitation of proposals; rather it is a non-binding invitation to qualified Respondents to make themselves known to the City by providing information and by demonstrating to the City their experience and capacity.

All interested parties should respond to this RFEOI/SOQ as the City does not guarantee that a RFQ will be issued following this RFEOI/SOQ and may elect to directly negotiate with one or more interested parties, or the City may at any time and at its sole discretion decide to cancel this process for any reason.

All information provided by Respondents shall be reviewed by the City. It shall be at the discretion of the City to accept or reject responses from any Respondent who elects to submit a response to this RFEOI/SOQ.

The coffee and snack bar operation facility is situated at the City Centre Library, 10350 University Drive, Surrey. The City’s intent is to enter into a five (5) year license agreement.

The City may at any time and at its sole discretion decide to cancel this process for any reason.

1.2 Definitions

In this RFEOI/SOQ the following definitions shall apply:

“**BC Bid Website**” means www.bcbid.gov.bc.ca;

“**City**” means the City of Surrey;

“**City Representative**” has the meaning set out in section 2.4;

“**City Website**” means www.surrey.ca;

“**Date**” has the meaning set out in section 2.3;

“**Evaluation Team**” means the team appointed by the City;

“**Preferred Respondent(s)**” means the Respondent(s) selected by the Evaluation Team;

“**Respondent**” means an entity that submits a Submission;

“**RFEOI/SOQ**” means this Request for Expressions of Interest and Statements of Qualifications;

“**Services**” has the meaning set out in Schedule A; and

“**Submission**” means a submission submitted in response to this RFEOI/SOQ.

1.3 Project Timelines

In order to assist Respondents, the following are key target dates and milestones with respect to stage 1 of this RFEOI/SOQ process.

The City intends to meet these dates but reserves the right to change any date at its sole discretion.

RFEOI/SOQ MILESTONES	TARGET DATES
Advertised	June 27, 2016
Closing Date	July 11, 2016
Evaluation & Selection Process	Week of July 11, 2016
Communication of Results	Week of July 25, 2016

2. INSTRUCTIONS TO RESPONDENTS

2.1 Address for Submission Delivery

A Submission should be labelled with the Respondent’s name, RFEOI/SOQ title and reference number. A Submission should be submitted in the form attached to this RFEOI/SOQ Section 3.2 – Form of Submission.

The Respondent may submit a Submission either by email or in a hard copy, as follows:

(a) Email

If the Respondent chooses to submit by email, the Respondent should submit the Submission electronically in a single pdf file to the City by email at: purchasing@surrey.ca. PDF emailed Submissions are preferred and the City will confirm receipt of emails. Note that the maximum file size the City can receive is 10Mb. If sending large email attachments, Respondents should phone to confirm receipt. A Respondent bears all risk that the City’s equipment functions properly so that the City receives the Submission.

(b) Hard Copy

If the Respondent chooses NOT to submit by email, the Respondent should submit one original unbound Submission and two (2) copies (three (3) in total) which should be delivered to the City at the office of:

Name: Richard D. Oppelt, Purchasing Manager
at the following location:

Address: Surrey City Hall
Finance & Technology Department – Purchasing Section
Reception Counter, 5th Floor West
13450 – 104 Avenue, Surrey, B.C., Canada, V3T 1V8

2.2 Date

The City would prefer to receive Submissions **on or before July 11, 2016**. The City's office hours are 8:30 am to 4:00 pm, except holidays.

2.3 Inquiries

All inquiries related to this RFEOI/SOQ should be directed in writing to the person named below (the "**City Representative**"). Information obtained from any person or source other than the City Representative may not be relied upon.

Name: Richard D. Oppelt, Purchasing Manager
Email: purchasing@surrey.ca
Reference: #1220-050-2016-002

2.4 Addenda

If the City determines that an amendment is required to this RFEOI/SOQ, the City Representative will issue a written addendum by posting it on the BC Bid Website at www.bcbid.gov.bc.ca (the "BC Bid Website") and the City Website at www.surrey.ca (the "City Website") that will form part of this RFEOI/SOQ. It is the responsibility of Respondents to check the BC Bid Website and the City Website for addenda. The only way this RFEOI/SOQ may be added to, or amended in any way, is by a formal written addendum. No other communication, whether written or oral, from any person will affect or modify the terms of this RFEOI/SOQ or may be relied upon by any Respondent. By delivery of a Submission, Respondent is deemed to have received, accepted and understood the entire RFEOI/SOQ including, any and all addenda.

2.5 Status Inquiries

All inquiries related to the status of this RFEOI/SOQ, including whether or not a Respondent has been selected, should be directed to the City Website and not to the City Representative.

3. RFEOI/SOQ SUBMISSION FORM AND CONTENTS

3.1 Package (Hard Copy)

If the Respondent chooses NOT to submit by email, the Respondent should submit a Submission in a particular submittal format, to reduce paper, encourage our recycled product expectations, and reduce package bulk. Bulk from binders and large packages are unwanted. Vinyl plastic products are unwanted. The City also has an environmentally-preferable purchasing commitment, and seeks a package format to support the green expectations and initiatives of the City.

Please do not use any plastic or vinyl binders or folders. The City prefers simple, stapled paper copies. If a binder or folder is essential due to the size of your submission, they should be fully 100% recycled stock.

The City seeks and prefers submittals on 100% Post Consumer Fibre (PCF) paper, consistent with the City's policy and the City environmental practices.

Please double-side any printed material in your Submission.

Submissions should be in a sealed envelope/package, marked on the outside with the Respondent's name, title of the Submission and reference number.

3.2 Form of Submission

The Submission should contain the following items:

- **Title Page**
Show the RFEOI/SOQ name, file reference number, Submission date, Respondent's name and address, telephone number, facsimile number, Email address, and the name of the contact person.
- **Letter of Introduction**
Introducing the firm, signed by the person or persons authorized to sign on behalf of, and bind the Respondent to, statements made in this Submission.
- **Table of Contents**
Show the page numbers of all major headings.
- **Executive Summary**
A short summary (preferably one or two pages) of the key features of the Submission.

TAB 1 RESPONDENT PROFILE

- (a) Provide a brief profile of the company including years in business and staffing levels including:
- office location;
 - company history, year established, regions served;
 - management structure and total staff employed; and

- overview of major contracts and clients.
- (b) Provide a brief summary as to why your company would be well suited for this project, including a portfolio of comparable project(s).
- an overview of the store opening team, menu developers or chefs, and trainers;
 - photographs;
 - leasing information, if applicable;
 - partnership arrangements;
 - marketing strategy; and
 - pricing strategy and related sales statistics.
- (c) Provide a summary on catering and special events management experience that would be relevant pertaining to the needs of the City and Library.

TAB 2 EXPERIENCE, REPUTATION AND RESOURCES

The Respondent should demonstrate the following in its Submission:

- (a) The experience related to the operation of food and beverage services. This experience should include involvement in marketing, product development, customer service and operations. The Respondent should be able to demonstrate a strong understanding of the current and future food and beverage sales in Library;
- (b) Respondents should describe the specific knowledge and experience in designing and operating similar food and beverage service operations comparable to that outlined in this RFEOI/SOQ;
- (c) Preferably provide a minimum of three (3) references for the purpose of evaluating the Respondent's experience and track record of success. Note that the City prefers references for services that are similar to the services being proposed in response to this RFEOI/SOQ. For example, services for similar operation for municipal public sector, projects of similar size, scale and complexity. Each reference should include:
- i. the identity of the reference client organization;
 - ii. a contact name and title, address and telephone number
 - iii. the number of years dealing with the client; and
 - iv. a description of the project;
- (d) Describe current quality control standards and controls for service and food preparation;
- (e) Provide an organizational chart and general overview of your company;
- (f) Provide a list of key personnel, onsite management personnel and staff outlining their expertise including their resume; and

- (g) Name of account manager(s) that would be assigned as a single point of contact to any potential contract.

TAB 3 TECHNICAL SERVICES

Provide a brief description on the following:

- (a) Service Delivery:
- i. Provide a narrative of your customer service philosophy and how this would complement the City's objective with respect to service and performance;
 - ii. Describe how you will address/respond to customer requests or complaints. How is customer feedback monitored?
 - iii. Describe how will you handle non-paying customers who utilize the seating area at the Coffee Shop premises specially during the peak hours and special events; and
 - iv. Provide a narrative and graphic presentation of uniforms to be worn by Respondent's staff.
- (b) Health and Wellness Plan:
- i. Menu Planning/Food Choices (Healthy Food and Beverage): demonstrate how Respondent can contribute to the management of a healthy food and beverage sales in the Library with innovative marketing and sales tools that could increase customer demand and sales revenues;
 - ii. Describe how you currently handle improvements to nutrition, health and wellness programs; and
 - iii. Provide variety of food menus (example: organic, etc.) Offer creative healthy choices at reasonable prices. Provide sample menu.
- (d) Performance Standards: Provide a narrative from Respondent of their willingness to participate in regular performance review programs, and experience in similar programs.
- (c) Health and safety programs: Describe the Respondent's first aid and food handling procedures including an example of an existing Food Safety Plan.
- (d) Sustainability:
- i. Practices for food left overs;
 - ii. Initiative to purchase locally grown, organic foods; and
 - iii. Describe if Respondent is engaged in practices that minimize land impact, reduce energy use and eliminate the generation of pollutants, toxins, and other hazardous materials.
- (e) Value Added: Provide an outline of additional value-added services that could become part of the relationship with the City creating opportunity for innovation and unique product and services.

TAB 4 FINANCIAL ABILITY

Respondents should provide information on financial strength (with evidence such as financial statements, bank references)

Note: Respondents can provide other information that is not requested here but which might support the City's evaluation process.

Upon submitting a response to this RFEOI/SOQ, Respondents consent to the City and their representatives checking and verifying the information provided. References may also be contacted.

3.3 Signature

The Submission should be signed by a person authorized to sign on behalf of the Respondent and include the following:

- (a) If the Respondent is a corporation then the full name of the corporation should be included, together with the names of authorized signatories. The Submission should be executed by all of the authorized signatories or by one or more of them provided that a copy of the corporate resolution authorizing those persons to execute the Submission on behalf of the corporation is submitted;
- (b) If the Respondent is a partnership or joint venture then the name of the partnership or joint venture and the name of each partner or joint venturer should be included, and each partner or joint venturer should sign personally (or, if one or more person(s) have signing authority for the partnership or joint venture, the partnership or joint venture should provide evidence to the satisfaction of the City that the person(s) signing have signing authority for the partnership or joint venture). If a partner or joint venturer is a corporation then such corporation should sign as indicated in subsection (a) above; or
- (c) If the Respondent is an individual, including a sole proprietorship, the name of the individual should be included.

4. EVALUATION AND SELECTION

4.1 Evaluation Team

The evaluation of Submissions will be undertaken on behalf of the City by an Evaluation Team. The Evaluation Team may consult with others including City staff members, third party consultants and references, as the Evaluation Team may in its discretion decide is required. The Evaluation Team will give a written recommendation for the selection of a Preferred Respondent or Preferred Respondents to the City.

4.2 Evaluation Criteria

The Evaluation Team will compare and evaluate all Submissions to determine the Respondent's strength and ability to provide the Services to the City, generally using the following criteria:

(a) Management (Experience, Reputation and Resources)

The Evaluation Team will consider the Respondent's responses to TAB 1 to TAB 2 in Section 3.2 – Form of Submission.

(b) Technical (Services)

The Evaluation Team will consider the Respondent's responses to TAB 3 and TAB 4 in Section 3.2 – Form of Submission.

The Evaluation Team will not be limited to the criteria referred to above, and the Evaluation Team may consider other criteria that the team identifies as relevant during the evaluation process. The Evaluation Team may apply the evaluation criteria on a comparative basis, evaluating the Submissions by comparing one Respondent's Submission to another Respondent's Submission. All criteria considered will be applied evenly and fairly to all Submissions.

4.3 Litigation

In addition to any other provision of this RFEOI/SOQ, the City may, in its absolute discretion, reject a Submission if the Respondent, or any officer or director of the Respondent submitting the Submission, is or has been engaged directly or indirectly in a legal action against the City, its elected or appointed officers, representatives or employees in relation to any matter, or if the City has initiated legal action against any officers or directors of the Respondent.

In determining whether or not to reject a Submission under this section, the City will consider whether the litigation is likely to affect the Respondent's ability to work with the City, its consultants and representatives and whether the City's experience with the Respondent indicates that there is a risk the City will incur increased staff and legal costs in the administration of an agreement if it is awarded to the Respondent.

4.4 Additional Information

The Evaluation Team may, at its discretion, request clarifications or additional information from a Respondent with respect to any RFEOI/SOQ, and the Evaluation Team may make such requests to only selected Respondents. The Evaluation Team may consider such clarifications or additional information in evaluating a Submission.

4.5 Interviews

The Evaluation Team may, at its discretion, invite some or all of the Respondents to appear before the Evaluation Team to provide clarifications of their Submissions. In such event, the Evaluation Team will be entitled to consider the answers received in evaluating Submissions.

5. GENERAL CONDITIONS

5.1 No City Obligation

This RFEOI/SOQ is not a tender and does not commit the City in any way to pre-qualify a Preferred Respondent(s), or to proceed to negotiations for an agreement, or to award

any agreement, and the City reserves the complete right to at any time reject all Submissions, and to terminate this RFEOI/SOQ process.

5.2 Respondent's Expenses

Respondents are solely responsible for their own expenses in preparing, and submitting a Submission, and for any meetings, negotiations or discussions with the City or its representatives and consultants, relating to or arising from this RFEOI/SOQ. The City and its representatives, agents, consultants and advisors will not be liable to any Respondent for any claims, whether for costs, expenses, losses or damages, or loss of anticipated profits, or for any other matter whatsoever, incurred by the Respondent in preparing and submitting a Submission, or participating in subsequent proposal requests, negotiations for an agreement, or other activity related to or arising out of this RFEOI/SOQ.

5.3 No Contract

By submitting a Submission and participating in the process as outlined in this RFEOI/SOQ, Respondents expressly agree that no contract of any kind is formed under, or arises from, this RFEOI/SOQ, prior to the signing of a formal written agreement. The Respondent may cancel or revoke its Submission at any time, until acceptance by the City.

5.4 Conflict of Interest

A Respondent shall disclose in its Submission any actual or potential conflicts of interest and existing business relationships it may have with the City, its elected or appointed officials or employees. The City may rely on such disclosure.

5.5 Solicitation of Council Members and City Staff

Respondents and their agents will not contact any member of the City Council or City staff with respect to this RFEOI/SOQ, other than the City Representative named in section 2.4, at any time prior to the award of an agreement or the cancellation of this RFEOI/SOQ.

5.6 Confidentiality

All Submissions become the property of the City and will not be returned to the Respondent. All Submissions will be held in confidence by the City unless otherwise required by law. Respondents should be aware the City is a "public body" defined by and subject to the *Freedom of Information and Protection of Privacy Act* of British Columbia.

SCHEDULE A – SCOPE OF SERVICES

1. THE OPPORTUNITY

The City is seeking experienced and eligible Respondents to provide food & beverage services, act as tenant, manager and operator of the proposed food services operation (the “Coffee Shop”) at City Centre Library located at 10350 University Drive, Surrey, BC V3T 4B8.

The City has an existing opportunity for the right supplier to operate a special coffee and snack bar with bakery and food option. The tenant would offer specialty coffee and tea drinks along with a variety of products including baking and light meal option that are reflective of current healthy and nutritious meals.

The successful Respondent will be responsible for managing the daily services of the Coffee Shop. There may be an opportunity for the successful Respondent to provide catering services on an “as and when required” basis for meetings, events, performances, and other similar functions.

2. BACKGROUND



The City Centre Library building is an 81,000 sq. ft. LEED Gold certified facility that forms part of the civic precinct that includes Surrey City Hall, public plaza and a premium boutique hotel currently under construction.

The following is a brief description of the Library:

First floor

- Welcome desk (get a library card, accounts, etc.)
- New book display area
- READ-Ability services for the visually impaired
- Children's section
- Coffee shop with large adjacent table seating area
- Large community multipurpose room (capacity 120 people)

Second floor

- World languages collection
- Study and reading spaces
- Four small group study rooms/ consultation rooms
- Meditation room
- Adult fiction collection
- Electronic classroom (computer training) with 14 computers

Third floor

- Living room reading lounge
- Quiet and silent study areas
- Non-fiction collection
- Teen lounge
- Two small study/consultation rooms
- Ask us information services and help with research

Fourth floor (Long-term plans)

- Continuation of the non-fiction collection
- 2 meeting rooms approx. capacity of 60/room
- Simon Fraser University Continuing Education Satellite Campus

The preference is for the Coffee Shop to operate year round within the Library's planned hours of operation:

Monday to Friday	9:00am – 9:00pm
Saturday	10:00am – 5:00pm
Sunday	1:00pm – 5:00pm

The Library is closed on statutory holidays

Days and hours of food service operations will be subject to market demand, the needs of the Library, and catering services that may be required outside of these times and on weekends and holidays. Sufficient notice will be provided.

3. SCOPE OF SERVICES

The City requires certain minimum standards be met in order to consider a Submission received under the RFEOI/SOQ. The City, in its sole discretion, shall determine if a Respondent meets the minimum standards for consideration. The City will base any decision on the information provided in the Submission and on information gathered as a result of the City's own due diligence.

The City anticipates that the Respondent is able to:

- (a) offer excellent food service and customer satisfaction;
- (b) offer quality, affordable and nutritious food with attention to healthy eating as set in the Canadian Food Guide;
- (c) offer a variety of in-season fresh fruits and vegetables;

- (d) provide meal content (ingredients and preparation methods) information to address needs such as diabetes, allergies, or food intolerances upon request and if information is available;
- (e) deliver prompt and efficient food and beverage services;
- (f) provide certified organic food products;
- (g) use locally BC grown organic food products;
- (h) provide dietary menu requests (ie Vegetarian, gluten free, etc.);
- (i) provide POS equipment to allow payment options of cash, debit and credit card transactions;
- (j) provide all janitorial services as required within the Coffee Shop;
- (k) must be fully licensed to operate a Snack Bar; and
- (l) meet all laws, regulations, and requirements related to food service operations.

On occasion, the City or Library may host meetings or special events for internal and external attendees. Persons attending these meetings and events in the meeting rooms or other areas of the Library are permitted to cater from external companies, although there may be the opportunity for the successful food and beverage operator to cater these functions if prior arrangements are made between the two parties.

The lease awarded to the food and beverage service operator would also include non-exclusive access to the lobby seating areas where customers can sit and consume their beverages or food purchase. Chairs and tables will be provided by the City if available.

The City may allow the service operator to install internal or external signage. The City and the successful Respondent will discuss signage locations within the facility and surrounding grounds. All signage, including menu boards, must be approved by the City.

The service operator is to supply all tenant improvement plans, if required, signed and sealed by professional engineers or architects to be approved by the City. Any required structural changes must be reviewed and approved by the City prior to the execution of such changes.

4. QUALIFICATION REQUIREMENTS

It is the City's preference that the qualified Respondent possesses:

- (a) More than five (5) years of successful operations experience in food service management, multi-outlet management, or related hospitality industry experience;
- (b) Competent management services with proven capability to operate and respond effectively in the City's operational needs and can provide a dedicated and stable work force with the necessary characteristics, knowledge, skills and ability for the service required and experience in the duties assigned to them, including FoodSafe certification as issued by the Provincial Health Authority and registered with the British Columbia Centre for Disease Control;

- (c) A proven ability in the provision of food and beverage services, including full service catering, concession services and non-alcoholic beverage services;
- (d) Qualified food service employees with proper and sufficient training in the area of food and beverages services and meet appropriate certifications;
- (e) Compliance with Food Safe Program, WorkSafeBC and applicable health and safety regulations, permits, licensing, etc.;
- (f) Will be a financially viable company and be able to provide evidence of adequate financial resources and investment to provide the services when requested;
- (g) Compliance with the City's established security and identification rules and regulations; and
- (h) References including name and contact from three (3) current food suppliers.

Additional Preferred Qualifications

- (a) Currently operating a successful multi-outlet franchise;
- (b) Formal education in hospitality management such as a certification or diploma; and
- (c) Experience with merchandising and marketing.

5. PERFORMANCE SERVICES

The Services shall be of the highest standard prevailing in the industry as to quality of service, with the intent that the Services should meet or exceed all reasonable requirements of users and City facilities on an efficient, courteous and competitive basis.

Responsibilities of the service operator may include but not limited to:

- (a) Speed and efficiency of service. Note: Throughout the day and during the noon hour, it is expected to be exceptionally busy with staff and visitors. Therefore, it is essential that service operator offer quick service to meet customer demand and efficiently. Options for processing orders and payment (with a credit/debit card) via phone, fax, or on-line submission or other express service mechanism(s) are highly desirable;
- (b) maintain and repair their own equipment;
- (c) sanitation - Maintain cleanliness and orderliness in the Library in accordance with provincial health regulations or requirements. Note: The City reserves the right, at its sole discretion to conduct quarterly inspections of the Coffee Shop premises (in addition to provincial health authority inspections).
- (d) new products and menu development;
- (e) work with the City to provide a sustainable food and beverage service.
- (f) deliver, pick-up and general cleanup for special events; and
- (g) provide all related equipment and accessories to provide these services.

6. PRODUCT OFFERINGS

MENU

All menu items are subject to approval by the City. At a minimum, the menu must include:

- Espresso
- Coffee drinks
- Teas
- Sodas
- Juices
- Bottled water
- Pre-packaged foods
- Sandwiches
- Salads

RETAIL ITEMS

A list of non-food, retail products to be held for sale at the Coffee Shop should be included in your submission. All such items are subject to approval by the City.

7. TENANT IMPROVEMENTS

The service operator may need to provide improvements/changes to the Coffee Shop in order to meet the Library's needs. Tenant improvements may include but not limited to the following:

- (a) Outfitting, painting, installing retail counters, partitioning, and replacing flooring;
- (b) Expected to supply all equipment needed to sufficiently run the Coffee Shop including, but not limited to, coffee machines, refrigerator, shelving, signage, microwave, display coolers, etc. tables and chairs, in compliance with City standards;
- (c) Ensure that any plans for tenant improvements are coordinated with the City's representative(s);
- (d) Obtain and maintain throughout the term of an agreement a valid City of Surrey (or multi-jurisdictional) business license and food permits necessary to carry on the business of Coffee Shop operations;
- (e) The tenant will be responsible for the costs to correct any deficiencies;
- (f) Tenant will be required to perform and contract for its own cleaning and janitorial maintenance services for the premises. The City will arrange for cleaning and janitorial maintenance services throughout the facilities; and
- (g) Tenant will be responsible to maintain or cause to be maintained all kitchen equipment and fixtures located within the Coffee Shop premises.

8. GENERAL MAINTENANCE

- (a) The service operator will be required to perform and contract for its own cleaning and janitorial maintenance services for the premises. The City will arrange for cleaning and janitorial maintenance services throughout the facilities; and
- (b) For waste disposal, the service operator will provide their own waste receptacles and related disposable items used for waste collection and pay its share of all costs for waste collection services as allocated by the City and determined by the City's sole discretion

9. BROKER REPRESENTATION

The City will not be held responsible for any fees, commission, or any other expenses related to any Respondent's brokers or other agents. Any broker representation or relationship on a Respondent's behalf during the RFEOI/SOQ process should be disclosed to the City.

10. NON-EXCLUSIVITY

The City intends to contract with food and beverage service operator, on a non-exclusive basis. The City reserves the right, depending on the requirements, availability and/or special needs, to utilize alternative operator(s) to meet its operational requirements.

11. FLOOR PLAN – COFFEE SHOP SPACE

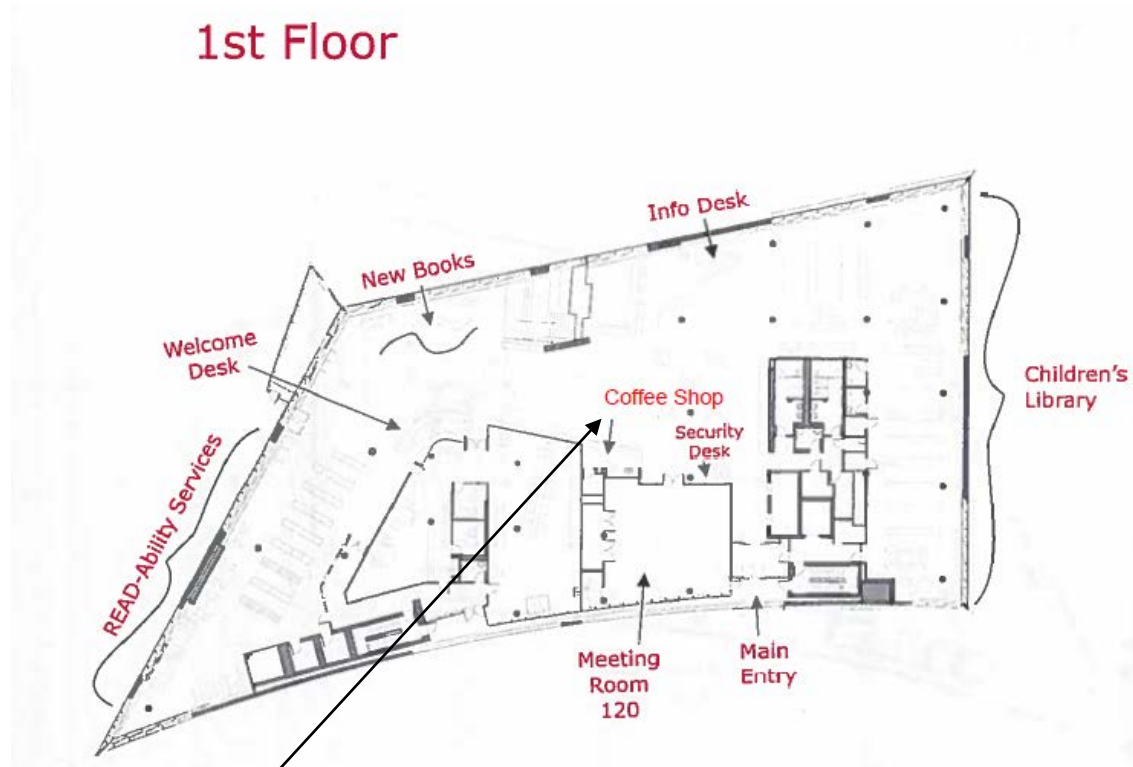


Figure 1 - COFFEE SHOP

SCHEDULE B
SAMPLE LEASE AGREEMENT



LEASE OF COFFEE SHOP PREMISES

LOCATED AT

CITY CENTRE LIBRARY
10350 UNIVERSITY DRIVE, SURREY, BC V3T 4B8

BETWEEN

CITY OF SURREY

AND

(NAME OF CONTRACTOR)

LEASE OF COFFEE SHOP PREMISES

THIS LEASE dated _____ day of _____, 20____, is

BETWEEN:

CITY OF SURREY, having a business address at
13450 – 104 Avenue, Surrey, BC V3T 1V8

(the “**Landlord**”)

AND:

_____, a company
incorporated pursuant to the British Columbia *Business
Corporations Act* (Reg. No. _____), having a business
address at _____, _____, B.C.

V _____

(the “**Tenant**”)

BACKGROUND

- A. The Landlord is the registered owner of the lands situate in the City of Surrey on which the Landlord has constructed a Civic Facility.
- B. The Landlord has agreed to lease a portion of the Civic Facility to the Tenant on the terms and conditions set out below.

AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties covenant and agree as follows:

1. DEFINITIONS/APPENDICES

1.1 Defined Terms

In this Lease:

- (a) “**Additional Rent**” means all sums of money to be paid by the Tenant, whether to the Landlord or otherwise, under this Lease except Minimum Rent and Percentage Rent.
- (b) “**Architect**” means the architect from time to time named by the Landlord.

- (c) **“Building”** means the building and other improvements erected, or to be erected, on the Land, and includes any other buildings, structures, facilities, and improvements constituting an expansion of the Civic Facility.
- (d) **“Capital Tax”** means the tax or excise imposed upon the Landlord on account of the capital of the Landlord as such amount is allocated by the Landlord to the Land and the Building.
- (e) **“Civic Facility”** means the Land, the Building, and the Common Areas and Facilities.
- (f) **“Commencement Date”** means the earlier of:
 - (i) the day immediately following the day on which the Fixturing Period expires; and
 - (ii) the day on which the Tenant carries on business in or from the Premises.
- (g) **“Common Areas and Facilities”** means any areas, facilities, utilities, improvements, equipment and installations designated for common or shared use in the Building or on the Lands;
- (h) **“Fixturing Period”** means the period commencing on the day that is 30 days following the date the Landlord or the Architect notifies the Tenant in writing that the Premises are or will be ready for occupancy by the Tenant for the purpose of the Tenant completing the Tenant’s Work and ending on the earlier of 30 days following such notice from the Landlord and the date upon which the Premises are opened for business.
- (i) **“Goods and Service Tax”** or “GST” means the tax presently levied under Part IX of the *Excise Tax Act* (Canada) or as may be amended or substituted from time to time.
- (j) **“Gross Sales”** means the aggregate (without duplication) of all revenues, whether in cash, accounts receivable, or other consideration from all business conducted on or from the Premises by the Tenant or any other party without reserve or deduction for uncollected or uncollectible accounts with the full selling price or charge being considered to be received when a sale or lease is made or services are rendered, and, without limitation, includes:
 - (i) the selling price of all goods sold;
 - (ii) the charges for all services rendered;
 - (iii) charges to customers in the nature of carrying charges, finance charges, or interest; and
 - (iv) the revenue from all orders placed by means of electronic, telephone, video, computer, or other technology-based systems, including the Internet, whether existing now or developed in the future.

- (k) **“Hazardous Substance”** means any substance that, when released into the Civic Facility or any part thereof, or into the natural environment, is likely to cause, at any time, material harm or degradation to the Civic Facility or any part thereof, or to the natural environment or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls, chlorofluorocarbons, hydro chlorofluorocarbons, urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or other toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, or any substance declared to be hazardous or toxic under any laws now or hereafter enacted, which affect or apply to the Civic Facility, the Landlord, the Tenant, or any of them.
- (l) **“Land”** means the land legally described in Appendix 2.
- (m) **“Landlord”** means the City of Surrey.
- (n) **“Leasable Area”**, applied to premises set aside by the Landlord for leasing to a tenant of the Civic Facility, means the area expressed in square feet, as determined and certified by a B.C. Land Surveyor or other qualified professional selected by the Landlord, of the premises, measured from the centre line of all walls separating the premises from adjacent leasable premises and from the exterior surfaces of exterior walls, without deduction for any space occupied or used for columns, stairs, or other interior construction or equipment, but if part of a wall or the front of the premises is recessed from the line of the building or the line of a wall of the building, as the case may be, in which the premises are situate, the last-mentioned lines are considered to be the outer surface of the outside walls of the premises.
- (o) **“Lease”** means this Lease and all its Appendices, as amended from time to time.
- (p) **“Lease Year”** means, in the case of the first Lease Year, the period beginning on the Commencement Date and terminating 12 months from the last day of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall terminate on the day prior to the first anniversary of the Commencement Date) and, in the case of each subsequent Lease Year, means each 12-month period after the first Lease Year;
- (q) **“Leasehold Improvements”** means all fixtures, trade fixtures, improvements, installations, alterations, and additions from time to time made, erected, or installed by, or on behalf of, the Tenant in the Premises, with the exception of furniture and equipment not of the nature of fixtures, but includes all partitions however fixed (including floor-to-ceiling moveable partitions) and includes all wall-to-wall carpeting with the exception of carpeting laid over vinyl tile or other finished floor and affixed so as to be readily removable without damage.
- (r) **“Minimum Rent”** means the minimum rent specified in paragraph 4.2(a) (i).
- (s) **“Percentage Rent”** means the percentage rent specified in paragraph 4.2(a) (ii).

- (t) **“Permitted Business”** means the permitted business described in clause 6.1.
- (u) **“Premises”** means the premises forming part of the Civic Facility shown in bold black outline on Appendix 1.
- (v) **“Prime Rate”** means the annual rate of interest announced at the relevant time by the *[name of bank]* as a reference rate in effect for determining interest rates on Canadian dollar commercial loans made by it in Canada.
- (w) **“Rent”** means Minimum Rent, Percentage Rent (if any), and Additional Rent.
- (x) **“Security Deposit”** means the deposit defined in clause 4.6.
- (y) **“Taxes”** means all taxes, rates, duties, levies, and assessments whatsoever, whether municipal, regional district, federal, provincial, or otherwise, levied, imposed or assessed by any competent authority against the Civic Facility or any part of it or upon the Landlord in respect of the Premises or in respect of the use and occupation of it.
- (z) **“Term”** means the period of time specified in clause 3.2.
- (aa) **“Unavoidable Delay”** means a delay in performance of an act or compliance with a covenant caused by any event beyond the reasonable control of the party obligated to perform or comply, except a delay caused by lack of funds or other financial reason.

1.2 Appendices

The following Appendices form part of this Lease:

- Appendix 1—Plan of Premises
- Appendix 2—Legal Description of the Land
- Appendix 3—Rules and Regulations

2. INTENT

2.1 Net Lease

The Tenant will pay to the Landlord duly and punctually all Rent without any deduction, abatement, or set-off whatsoever, so that this Lease is to be a completely carefree net lease to the Landlord. All expenses, costs, payments, and outgoings incurred in respect of, or relating to, the Premises whether or not referred to in this Lease, and whether or not within the present contemplation of the Landlord or the Tenant, will be borne by the Tenant so that Rent will be absolutely net to the Landlord except as otherwise specifically provided in this Lease.

3. PREMISES AND TERM

3.1 Demise

The Landlord leases the Premises to the Tenant for the Term, and the Tenant leases the Premises from the Landlord, on and subject to the covenants and agreements contained in this Lease.

3.2 Length and Commencement of Term

The Term of this Lease is for 5 years and will commence on the Commencement Date.

3.3 Extension of Term

If the Term commences on a day other than the first day of a month, the Term will be extended by the period from the Commencement Date of this Lease to and including the last day of the month in which the Commencement Date occurs.

4. RENT AND ADDITIONAL RENT

4.1 Covenant to Pay Rent

The Tenant covenants to pay when due Rent and all other costs and charges payable by it under this Lease.

4.2 Minimum Rent and Percentage Rent

- (a) During the Term, the Tenant will pay to the Landlord, at the office of the Landlord or at such other place in Canada as the Landlord designates from time to time in writing, in lawful money of Canada and without deduction, set-off, or abatement, the aggregate of:
- (i) Minimum Rent of \$ _____ per year payable in equal consecutive monthly installments of \$ _____ each in advance on the first day of each calendar month;
 - (ii) a Percentage Rent equal to the amount by which _____% of the Gross Sales for the relevant Lease Year exceeds the Minimum Rent paid during that Lease Year. The Percentage Rent will be payable (on a cumulative basis) in consecutive monthly installments in arrears within 15 days after the end of each month of the Term, equal to:
 - A. the amount by which _____% of the Gross Sales for the period from the beginning of the Lease Year to the end of the immediately preceding month exceeds the Minimum Rent paid for the same period; less
 - B. an amount equal to the installments of Percentage Rent already paid or payable for the same period;
 - (iii) Additional Rent as specified in clause 4.4; and

- (iv) all GST assessed upon or as a direct result of the payment of Rent under this Lease and such GST will not be considered to be Rent, but the Landlord will have the same rights and remedies for non-payment of GST as it has for non-payment of Rent.

4.3 Reports of Gross Sales

- (a) The Tenant will deliver to the Landlord statements in the form and containing the detail required from time to time by the Landlord, as follows:
 - (i) not later than the 5th day of each calendar month of the Term, a statement signed by the Tenant, or by the auditor of the Tenant, certifying the Gross Sales for the last preceding calendar month; and
 - (ii) not later than 60 days after the end of each Lease Year and after the expiration or termination of this Lease a written statement of Gross Sales for the last preceding Lease Year signed by the Tenant together with a written certification opinion of an independent Chartered Accountant or other licensed accountant acceptable to the Landlord.
- (b) If the Tenant fails to deliver a statement referred to in subclause 4.3(a) within the stated time, the Landlord, in addition to any other rights and on not less than 10 days' prior written notice to the Tenant, may employ an independent Chartered Accountant qualified to practice and practicing in the Province of British Columbia, to examine the books and records of the Tenant and others necessary to enable him or her to report on and certify the amount of Gross Sales for the applicable period, and the Tenant promptly will pay to the Landlord the cost of that examination and report as Additional Rent.
- (c) Within 60 days after:
 - (i) delivery of each statement of Gross Sales referred to in paragraph 4.3(a)(ii); or
 - (ii) the date upon which the Landlord receives a report from a Chartered Accountant appointed under subclause 4.3(b),

the Landlord will establish the amount of Percentage Rent or installment of it, as the case may be, required to be paid by the Tenant for the applicable period under clause 4.2, and if that amount is more than the amount of Percentage Rent already paid by the Tenant, the Tenant will immediately pay the deficiency to the Landlord without interest, but if that amount is less than the amount of Percentage Rent already paid by the Tenant, the excess will, at the option of the Landlord, be credited to the next installment of Percentage Rent or refunded by the Landlord without interest.

4.4 Additional Rent

- (a) In each Lease Year, the Tenant will pay to the Landlord as Additional Rent, in addition to the Minimum Rent and Percentage Rent and other sums due hereunder:
 - (i) the amount of all real property, municipal and other property taxes and rates, whether general or special, of any nature whatsoever, including school or local improvement taxes and rates, levied or assessed by any lawful authority against the Premises, or against the Landlord on account of its ownership thereof. The tax year of any lawful authority commencing during any Lease Year shall be deemed to correspond to such Lease Year. The Additional Rent provided for in this subclause shall be paid within 20 days after demand therefor by the Landlord. The copy of the tax bill submitted by the Landlord to the Tenant shall be sufficient evidence of the amount of taxes assessed or levied against the Premises to which such bill relates.
 - (ii) all taxes, rates, duties and assessments and other charges that may be levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on the Lands, and every tax and license fee in respect of every activity carried on thereat or in respect of the use or occupancy thereof by the Tenant (and any and every sub-tenant or licensee), [other than such taxes as corporate, income, profits or excess profits taxes assessed upon the income of the Landlord,] and any and all taxes, rates, duties, assessments, license fees and other charges which may in future be levied in lieu of the same.
 - (iii) all other sums of money required under this Lease to be paid to the Landlord by the Tenant whether or not designated as Additional Rent, other than Minimum Rent and Percentage Rent.
- (b) If any of the amounts referred to in subclause 4.4(a) is not paid at the time required under this Lease, it will be collectible as Additional Rent with the next installment of Rent falling due, but nothing in this Lease suspends or delays the payment of any amount of money when it becomes payable, or limits any other remedy of the Landlord.
- (c) The Tenant will pay to the Landlord applicable GST either at the same time and in the same manner as monthly payments of Rent are payable, or at the time the taxing authority in respect of GST requires them to be paid by the Landlord or the Tenant, whichever is earlier.

4.5 Pre-authorized Payment Plan

The Tenant, at the request of the Landlord, will authorize the financial institution at which the Tenant maintains an account to pay the Landlord and debit the account of the Tenant amounts equal to the monthly payments for Minimum Rent and Additional Rent, as estimated by the Landlord, such payments to be made on the dates that they accrue due under this Lease.

4.6 Security Deposit

The Landlord acknowledges receipt from the Tenant of a security deposit in the amount of \$ _____, to be held by the Landlord, without interest, and returned to the Tenant upon the expiry of the Term or any extension of the Term, provided that the Tenant vacates the Premises by no later than the expiry date of this Lease and leaves the Premises in good order, condition, and repair, in accordance with the Tenant's obligation to repair and maintain, and free and clear of all encumbrances, and that the Tenant has paid all amounts due to the Landlord under this Lease. If at any time during the Term the Tenant fails to observe or perform any of its obligations under this Lease, the Landlord may, in addition to its other rights under this Lease or at law or in equity, apply the deposit, or so much of it as is necessary, to compensate the Landlord on account of loss or damage the Landlord has incurred by reason of the Tenant's breach. If the Landlord so applies the whole or part of the deposit during the Term or any extension of the Term, the Tenant will promptly remit to the Landlord a sum equal to the amount so applied by the Landlord.

5. RECORDS, BOOKS OF ACCOUNT, AND AUDITS

5.1 Tenant's Records

- (a) For the purpose of ascertaining the amount payable as Percentage Rent and permitting verification by the Landlord, the Tenant will keep on the Premises, or at its principal office in Canada, for a period of not less than three complete calendar years following the end of each Lease Year, original or duplicate books and records showing all information required to properly ascertain and verify Gross Sales for the Lease Year, including but not limited to, inventory records and receipts of merchandise at the Premises and all sales and other transactions on or from the Premises by the Tenant and any other person conducting business on or from the Premises.
- (b) The Landlord and the Landlord's authorized representatives may examine the records of the Tenant and all other persons conducting business on or from the Premises during business hours at the Premises or at the Tenant's principal office in Canada to check, ascertain, tabulate, and verify Gross Sales, but the foregoing will not unreasonably interfere with the conduct of the Tenant's business or cause embarrassment to the Tenant's customers.

6. USE OF PREMISES

6.1 Permitted Business

The Tenant will use the Premises solely for the purpose of conducting the business of retail sale of coffee, tea, soft drinks, juices, non-alcoholic beverages, and pre-made and/or pre-packed food, including but not limited to pastries, sandwiches and related items and providing a seating area for the use of visitors to and staff of the Civic Facility and the Tenant will not use the Premises or permit them to be used for any other purpose without the Landlord's prior written consent.

6.2 Conduct of Business

- (a) the Tenant will conduct its business in, and use the whole of the Premises, continuously throughout the Term in an up-to-date, first-class, and reputable manner befitting the Civic Facility and on the days and during the hours that the Landlord from time to time designates;
- (b) at the request of the Landlord, the Tenant will immediately discontinue any business practice by the Tenant whether through advertising, selling procedures, or otherwise that, in the opinion of the Landlord, may harm the business or reputation of the Landlord or reflect unfavourably on the Civic Facility, the Landlord or other tenants of premises in the Civic Facility, or that may confuse, mislead, or deceive the public;
- (c) All articles, and the arrangement, style, colour, and general appearances of them, in the interior of the Premises including, without limitation, window displays, advertising matter, signs, merchandise, and store fixtures will be in keeping with the character and standards of the improvements within the Civic Facility, as determined by the Landlord. The Landlord reserves the right to require the Tenant to correct any non-conformity. The Tenant will keep the display windows and signs (if any) on or in the Premises well lit during the hours that the Landlord from time to time designates.

6.3 Storage and Office Space

The Tenant will warehouse, store, or stock on the Premises only merchandise that the Tenant intends to offer for sale on or from the Premises. This does not preclude occasional emergency transfers of merchandise to or from other stores of the Tenant. The Tenant will not use any part of the Premises for storage or office purposes other than is reasonably required to carry on the Permitted Business in the Premises.

6.4 Name of Business

The Tenant will conduct the Permitted Business on or from the Premises only under the name of _____ and will not change the advertised name of the Permitted Business without the prior written consent of the Landlord. The Tenant covenants that it has the exclusive right to use the name set out above.

6.5 Outside Display of Goods

The Tenant will not display merchandise outside the Premises without the prior written consent of the Landlord, which may be arbitrarily withheld.

6.6 Operations by Tenant

- (a) Without limiting the generality of its other obligations under this Lease, the Tenant will operate the Premises in a good, efficient, and business-like manner and will keep the Premises neat, clean, and sanitary.
- (b) The Tenant will comply with all laws, ordinances, rules, and regulations of government authorities concerning or related to the Civic Facility or the Premises, or

both, including without limitation, those dealing with any Hazardous Substance, and the construction, repair, maintenance, operation, use, and occupancy of the Premises, and the Tenant will comply with all rules and regulations and policies established by the Landlord from time to time that will apply generally to all retail tenants in the Civic Facility.

- (c) The Tenant will refrain and cause all those under its control to refrain from any business or activity that, in the Landlord's opinion, is in breach of the provisions of any of the leases or agreements of any other tenants or occupants of the Civic Facility or any part of it.

- (d) To operate the Leasable Area in accordance with the following terms:
 - i. to complete all preparation within one half hour before opening for business;
 - ii. to complete all clean up prior to the closing of the Library;
 - iii. to operate the Leasable Area continuously during the Library's operating hours, with the exception if statutory holidays and other scheduled days of closure which the Licensor will provide to the Licensee annually and during such hours as mutually agreed upon from time to time;
 - iv. to clean the tables and wipe any spills in License Area B during operating hours and to wipe any spills which occur in License Area A; and
 - v. to provide janitorial services for License Area A.

7. USE OF COMMON AREAS AND FACILITIES

7.1 Non-exclusive Use

The Tenant and its officers, employees, customers, and other invitees, in common with others designated by the Landlord, or otherwise entitled, will have the non-exclusive license to use the Common Areas and Facilities for the purposes from time to time permitted or designated by the Landlord, acting reasonably, but subject to the exclusive management and control of the Common Areas and Facilities by the Landlord.

7.2 Management and Control by Landlord

The Landlord has the exclusive right to manage and control the Civic Facility, and from time to time to establish, modify, and enforce reasonable rules and regulations regarding the use, maintenance, and operation of the Civic Facility generally, and the Common Areas and Facilities specifically, and the Tenant, its officers, employees, customers, and other invitees will observe the rules and regulations in all respects.

7.3 Parking

- (a) The Landlord may impose reasonable charges for the use by anyone of parking facilities in the Civic Facility.

8. REPAIR

8.1 Landlord's Repair

The Landlord will, subject to the Tenant's compliance with this Lease, receipt by the Landlord of insurance proceeds under its various policies of insurance in respect of the Civic Facility, and the provisions of clause 8.4, at all times during the Term, keep the Common Areas and Facilities in a reasonable state of repair, as a prudent owner of a reasonably similar commercial development would do, having regard to the size, age, and location of the Civic Facility, including but not limited to foundations, roofs, exterior walls (excluding fronts of premises and glass in premises set aside by the Landlord for leases to tenants of the Civic Facility), structural sub-floors, bearing walls, columns, beams, and other structural elements of the Civic Facility, and the systems provided for bringing utilities to the Premises (to the extent not located within the Premises or other tenant premises).

8.2 Tenant's Repair

The Tenant will at its cost, subject to clause 8.4:

- (a) keep the Premises in good and substantial state of repair to the standards of first-class premises, including all Leasehold Improvements, furniture, equipment, and other facilities (including, without limitation, wiring, piping, lighting and plumbing fixtures and operating equipment) located on, in, under, above, or which directly serve the Premises, the front of the Premises, all glass and utilities in the Premises, but with the exception of structural elements of the Premises;
- (b) permit the Landlord to enter and view the state of repair, and repair as required above, according to notice in writing, and leave the Premises in a good and substantial state of repair as required above; and
- (c) if any part of the Civic Facility, including, without limitation, structural elements of it and any part of the Common Areas and Facilities, becomes damaged or destroyed through the willful act, negligence, or omission of the Tenant or any of its officers, employees, customers, or other invitees, reimburse the Landlord for the cost of repairs or replacement promptly upon demand.

8.3 Abatement of Rent

If there is damage to the Premises, or the Building, that prevents use of or access to the Premises or the supply of services essential to the Premises and if the damage is such that the Premises, or a part of the Premises, is rendered not reasonably capable of use by the Tenant for the conduct of its business for a period exceeding five consecutive days, unless the damage was caused by the negligence of the Tenant or an assignee, subtenant, concessionaire, licensee, or an officer, employee, customer, or other invitee of any of them, the Minimum Rent for the period beginning on the occurrence of the damage until at least a substantial part of the Premises is again reasonably capable of use and occupancy for the stated purpose will abate in the proportion that the area of the part of the Premises rendered not reasonably capable of use by the Tenant for the conduct of its business bears to the Leasable Area of the Premises but not exceeding the amount of rental income insurance proceeds received by the Landlord for the period.

8.4 Termination in Event of Damage

- (a) The Landlord, by written notice to the Tenant given within 60 days of the occurrence of damage to the Building, may terminate this Lease:
 - (i) if the Building is damaged by any cause and in the reasonable opinion of the Landlord either cannot be repaired or rebuilt with reasonable diligence within 6 months after the occurrence of the damage or the cost of repairing or rebuilding it would exceed by more than \$75,000 the proceeds of the Landlord's insurance available for that purpose; or
 - (ii) if the Premises are damaged by any cause and the damage is such that the Premises or a substantial part of the Premises are rendered not reasonably capable of use by the Tenant for the conduct of its business and in the reasonable opinion of the Landlord cannot be repaired or rebuilt with reasonable diligence by four months before the end of the Term.
- (b) If this Lease is terminated under subclause 8.4(a) above, neither the Landlord nor the Tenant will be bound to repair as provided in clauses 8.1 and 8.2, and the Tenant will deliver up possession of the Premises to the Landlord with reasonable speed.

8.5 Certificate of Architect

If the Premises or the Building are damaged and there is a dispute as to the length of time required to repair or rebuild the Building or the Premises, or as to the cost of repairing or rebuilding the Building, or as to whether the Premises or a substantial part of the Premises are rendered not reasonably capable of use by the Tenant for the conduct of its business or have once again become capable of such use, the dispute will be settled, at the cost of the Tenant, by the Architect and his or her certificate will be conclusive.

8.6 Landlord's Approval

Before commencing any repairs, replacements, maintenance, alteration, decoration, or improvements set out above, or elsewhere referred to in this Lease, that are reasonably estimated by the Tenant to cost in excess of \$5,000, the Tenant will obtain the Landlord's written approval and will, if reasonably required by the Landlord to do so, submit plans and specifications for the Landlord's review. The Tenant will pay to the Landlord a charge for review of its plans and specifications.

8.7 Landlord's Right to Do Tenant's Repair

If the Tenant refuses or neglects to repair properly as required under this Lease and to the reasonable satisfaction of the Landlord, the Landlord may make such repairs without liability to the Tenant (including the Landlord's negligence and the negligence of other parties for whom the Landlord is responsible in law) for any loss or damage that may accrue to the Tenant's merchandise, fixtures, or other property or to the Tenant's business by reason of the repairs, and upon completion of the repairs, the Tenant will pay the Landlord's actual reasonable costs in the circumstances plus 15% of such costs, for making such repairs, immediately upon presentation of an invoice for such costs.

9. UTILITIES AND SERVICES—PREMISES

9.1 Utility and Service Charges

- (a) The Tenant will pay all property taxes applicable to the operation of the Coffee Shop as they become due annually;
- (b) The removal of garbage generated by the Licensee to the main garbage receptacle, cleaning of spills and pick up of litter in Leasable Area, and any other like service rendered to the Leasable Area for the benefit of the Licensee and paid by the Licensor; and
- (c) The Tenant will pay when due all costs for all other utilities and services provided to the Premises, including window cleaning and janitorial service (if any).

9.2 Limitation of Liability

The Landlord will not be liable to the Tenant in damages or otherwise for an interruption or failure in the supply of utilities or services to the Premises but the Landlord will use diligent efforts to secure the re-supply of that utility or service.

9.3 Tenant Not to Overload Utility and Service Facilities

The Tenant will not install equipment that will exceed or overload the capacity of utility or service facilities, and if, in the opinion of the Landlord, equipment installed by the Tenant requires additional facilities, they will be installed at the Tenant's expense in accordance with plans and specifications approved by the Landlord prior to installation. The Landlord reserves the right to install such additional equipment at the Tenant's expense, which will not exceed 15% of the cost of the additional equipment.

10. STATUS STATEMENT BY TENANT

10.1 Status Statement

When requested by the Landlord, the Tenant will promptly provide a certificate in writing as to the status of the Lease, including whether it is in full force and effect, is modified or unmodified, confirming the rental payable and the state of accounts between the Landlord and the Tenant, the existence or non-existence of default, and any other matters pertaining to this Lease as may be reasonably required.

11. INSURANCE AND INDEMNITY

11.1 Landlord's Insurance

The Landlord will take out and keep in force all risks, property insurance on the Building, and such other forms of insurance as the Landlord reasonably considers necessary. The Tenant is relieved of any liability arising from its acts, fault, negligence, or omissions, to the extent losses are covered by such insurance. The Tenant does not have the right to receive any proceeds under the policies.

11.2 Tenant's Insurance

The Tenant at its expense will provide and maintain in force during the Term the following insurance:

- (a) commercial general liability insurance concerning the Premises and the Tenant's business of not less than \$5,000,000 or in such other amount as may be reasonably required by the Landlord; the insurance will include, without limitation, liability for personal injury or death, contractual liability, property damage, and contingent employer's liability and will name the Landlord as additional insured;
- (b) all risks (including flood, sewer, and drain back-up) property insurance on insurable property including merchandise, furniture, fixtures, and leasehold improvements, to the full replacement value, on a stated amount coinsurance basis, with a deductible approved by the Landlord;
- (c) insurance for all glass and plate glass on the Premises, whether installed by the Landlord or the Tenant;
- (d) all risks tenant's legal liability insurance in an amount not less than \$1,000,000;
- (e) business interruption insurance providing coverage for 12 months' loss of insurable gross earning or profit; and
- (f) any other form of insurance and with whatever higher limits that the Landlord or its Mortgagee may reasonably require.

11.3 Insurance Terms

Any policy of insurance under clause 11.2 shall be endorsed to add the Landlord as an additional insured and shall include a cross liability provision such that the Landlord and Tenant are each insured as if each had purchased the policy of insurance. Property policies will contain a waiver of subrogation against the Landlord and its elected and appointed officials, servants, agents, successors, and assigns. Liability policies will contain a cross-liability clause and severability of interest endorsement in favour of the Landlord where it is named. All insurance policies will be in a form and with insurers satisfactory to the Landlord, and contain a clause requiring the insurer not to cancel or change the insurance without first giving the Landlord 15 days' prior written notice. The Tenant hereby waives its right of subrogation against the Landlord and the Landlord's elected and appointed officials, servants, agents, successors, and assigns, and further provides the Landlord with copies of the insurance policies required by this Lease.

11.4 Tenant's Contractor's Insurance

The Tenant will require any contractor performing work on the Premises to carry and maintain, at no expense to the Landlord, commercial general liability insurance and other insurance in amounts and on terms reasonably determined by the Landlord, and to provide the Landlord with satisfactory proof of that insurance from time to time.

11.5 Landlord's Right to Insure

If the Tenant does not provide or maintain in force the insurance required under this Lease or provide proof of the insurance when requested by the Landlord, the Landlord may take out the necessary insurance and pay the premiums, and the Tenant will pay to the Landlord as Additional Rent the amount of such premium on the next succeeding rental payment date.

11.6 Acts Conflicting with Insurance

The Tenant will not do or permit to be done any act or thing that may render void or conflict with any policy of insurance, including any applicable regulations of fire insurance underwriters, by which the Premises or the Building are insured. If any such policies are cancelled or reduced, or threatened to be cancelled or reduced, by reason of any act or omission of the Tenant, the Landlord will have the right at its option to place such insurance at the expense of the Tenant and to remedy the circumstances that may prevent the issuance of the insurance. If the premium paid in respect of any policy is increased by any act or omission of the Tenant, the Tenant will pay to the Landlord at the Landlord's option on the next succeeding rental payment date the amount by which the premium has been increased as Additional Rent. All of the remedies of the Landlord in this Article 12 may be taken without limiting or affecting any other right or remedy in this Lease.

11.7 Indemnity

The Tenant will indemnify the Landlord and save it harmless from and against all claims, actions, damages, liabilities, costs, and expenses in connection with loss of life, personal injury, or damage to property arising from any occurrence on the Premises, or occupancy or use of the Premises, or occasioned wholly or in part by an act or omission of the Tenant, its officers, employees, agents, customers, contractors, or other invitees. The provisions of this clause will survive the expiry or sooner termination of this Lease.

12. WORKERS' COMPENSATION BOARD COVERAGE

The Tenant will, at its own expense, procure and carry full Workers' Compensation Board coverage for itself and all workers, employees, servants and others engaged in the Tenant's occupancy or use of the Premises.

- (a) The Tenant will provide the Landlord with the Tenant's Workers' Compensation Board registration number and a letter from the Worker's Compensation Board confirming that the Tenant is registered in good standing with the Workers' Compensation Board.
- (b) The Tenant agrees that it is the prime contractor for the purposes of the Workers Compensation Act. The Tenant will have a safety program in place that meets the requirements of the Workers' Compensation Board Occupational Health and Safety Regulation and the Workers Compensation Act. As prime contractor, the Tenant will be responsible for appointing a qualified coordinator for insuring the health and safety activities for the location of the Services. The qualified coordinator is:

Name: _____
Contact No. _____

The Tenant will advise the Landlord immediately in writing if the name or contact number of the qualified coordinator changes.

- (c) Without limiting the generality of any other indemnities granted by the Tenant in this Lease, the Tenant will indemnify and save harmless the Landlord from and against all claims, demands, causes of action, suits, losses, damages, costs, liabilities, expenses, judgments, penalties and proceedings (including all actual legal costs) which the Landlord incurs, suffers or is put to arising out of or in any way related to unpaid Workers' Compensation Board assessments owing from any person or corporation engaged in the performance of this Lease or arising out of or in any way related to the failure to observe safety rules, regulations and practices of the Workers' Compensation Board, including penalties levied by the Workers' Compensation Board.
- (d) The Tenant will ensure compliance with and conform to all health and safety laws, by laws or regulations of the Province of British Columbia, including without limitation the Workers Compensation Act and Regulations pursuant thereto.
- (e) The Landlord may, on twenty four (24) hours written notice to the Tenant, install devices or rectify any conditions creating an immediate hazard existing that would be likely to result in injury to any person. However, in no case will the Landlord be responsible for ascertaining or discovering, through inspections or review of the operations of the Tenant or otherwise, any deficiency or immediate hazard.
- (f) The Tenant understands and undertakes to comply with all the Workers' Compensation Board Occupational Health and Safety Regulations for hazardous materials and substances, and in particular with the "Workplace Hazardous Materials Information System (WHIMS)" Regulations.

13. BUSINESS LICENSE

The Tenant will obtain and maintain throughout the Term of this Agreement a valid City of Surrey business license.

14. ACCEPTANCE OF PREMISES

14.1 Acceptance of Premises

The Tenant will notify the Landlord of any defects in the Premises, including environmental hazards, that prevent or diminish their use, within 10 days after the date when the Tenant is given occupancy by the Landlord, and failing the giving of notice, the Tenant will be considered for all purposes to have accepted the Premises in their then existing condition.

15. LEASEHOLD IMPROVEMENTS AND TRADE FIXTURES

15.1 Installation and Changes by Tenant

- (a) The Tenant will, during the Fixturing Period, complete all of the Tenant's Work in compliance with the provisions of Appendix 5.

- (b) All Leasehold Improvements, including without limitation, trade fixtures installed by, or on behalf of, the Tenant will be of first-class quality. The Tenant will not make or cause to be made any Leasehold Improvement, without first obtaining the Landlord's written approval.

15.2 Removal of Installations and Restoration by Tenant

- (a) All Leasehold Improvements when installed become the property of the Landlord, without compensation to the Tenant, but the Landlord will have no responsibility for the repair, replacement, operation, maintenance, or insurance of the Leasehold Improvements, which will remain the responsibility of the Tenant.
- (b) At the end of the Term, the Tenant will, at its expense, remove the Leasehold Improvements to the extent requested by the Landlord and all furniture, furnishings, equipment, and trade fixtures and make good any damage caused to the Premises or the Civic Facility by such installation or removal, and restore the Premises to a condition of good and substantial repair, as required in clause 8.2. If the Tenant does not remove any Leasehold Improvements, or its furnishings, furniture, or equipment as required by the Landlord, the Landlord may, without liability on its part, without notice to the Tenant, enter the Premises and remove such items at the Tenant's expense, plus an administration charge of [e.g., 15%] of such amount, which will be paid by the Tenant to the Landlord as Additional Rent, on demand.

15.3 Tenant to Discharge All Liens

The Tenant will promptly pay all its contractors, subcontractors, and material suppliers and do all things necessary to ensure that no lien is claimed against the Premises or the Land or any other part of the Civic Facility, and should a claim of lien be filed, the Tenant will cause it to be discharged or vacated at the Tenant's expense within seven days after it is brought to the attention of the Tenant or provide adequate security for it to the extent approved by the Landlord.

15.4 Tenant's Signs, Awnings, and Canopies

The Tenant will not place or permit to be placed or maintained on the roof or on any exterior or interior door, wall or window of the Premises, or elsewhere in the Civic Facility any sign, awning, canopy, decoration, lettering, advertising matter, or other thing of any kind and will not place or maintain any decoration, lettering, or advertising matter on the glass of any window or door of the Premises without first obtaining the Landlord's written consent, which will not be unreasonably withheld.

16. DEFAULT OF TENANT

16.1 Tenant's Default

If:

- (a) the Tenant fails to pay any Rent or any other amount owing under this Lease when due, whether or not demanded by the Landlord;

- (b) the Tenant fails to observe or perform any of its other obligations under this Lease and the Tenant has not, within seven days after notice from the Landlord specifying the default, cured the default, or, if the cure reasonably requires a longer period, the Tenant has not commenced to cure the default within the seven-day period and thereafter does not diligently pursue the cure of such default;
- (c) re-entry is permitted under other terms of this Lease; or
- (d) without the consent of the Landlord the Premises are vacant for 10 days or more;

the Landlord, in addition to any other right or remedy, may do any or all of the following:

- (e) re-enter and remove all persons and property from the Premises, and the property may be removed and stored elsewhere at the cost of and for the account of the Tenant, all without service of notice and without the Landlord being guilty of trespass or being liable for loss;
- (f) terminate this Lease and all of the Tenant's rights under it; and
- (g) apply all or part of the Security Deposit to rectify in whole or in part the default.

16.2 Bankruptcy

If:

- (a) any of the goods and chattels of the Tenant on the Premises during the Term are seized by a creditor or the Tenant receives a notice from a creditor that the creditor intends to realize on security located on the Premises;
- (b) a receiver is appointed to control the conduct of the business of the Tenant on or from the Premises;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any legislation in force for bankrupt or insolvent debtors;
- (d) proceedings are instituted for the winding-up or termination of the corporate existence of the Tenant;
- (e) without the consent of the Landlord the Tenant abandons or attempts to abandon the Premises or disposes of the bulk of its goods and chattels on the Premises; or
- (f) the Lease or the Tenant's assets are taken under a writ of execution or security instrument;

then the Landlord may re-enter and take possession of the Premises as though the Tenant or other occupant was holding over after the expiration of the Term and this Lease may, at the Landlord's option, be immediately terminated by notice left at the Premises.

16.3 Acceleration of Rent

If any of the events in clause 16.2 occurs, the then-current month's Rent and the Rent for the next three months, including Additional Rent, will immediately become due and payable as Rent in arrears, and the Landlord may recover it in the same manner as Rent in arrears including taking distress action.

16.4 Right to Relet

- (a) If the Landlord re-enters, it may at its option, without terminating the Tenant's rights, make alterations and repairs to facilitate reletting, and relet the Premises, or any part, as the Tenant's agent for such period of time and at such Rent and on such other terms as the Landlord wishes.
- (b) Upon reletting, all Rent and monies received by the Landlord will be applied, first to the payment of indebtedness other than Rent due from the Tenant to the Landlord, second to the payment of costs and expenses of the reletting including brokerage, legal, and repair expenses, and third to the payment of Rent due and unpaid under this Lease. The residue, if any, will be applied to the payment of future Rent as it becomes due and payable.
- (c) If at any time the Rent received from the reletting is less than the Rent to be paid under this Lease, the Tenant will pay the deficiency to the Landlord to be calculated and paid monthly.

16.5 Re-entry

No re-entry or entry will be construed as an election by the Landlord to terminate this Lease unless a written notice of intention to terminate is given to the Tenant. Despite a reletting without termination, the Landlord may elect at any time to terminate this Lease for a previous breach.

16.6 Landlord Performs Tenant's Covenants

If the Tenant fails to perform an obligation under this Lease, the Landlord may perform the obligation and may enter the Premises without notice and do everything the Landlord considers necessary. The Tenant will pay as Additional Rent all costs and expenses incurred by the Landlord plus 15% overhead upon presentation of a bill. The Landlord will not be liable for any loss or damages resulting from negligence or otherwise resulting from such action.

16.7 Damages

If the Landlord terminates this Lease, then in addition to other remedies, it may recover from the Tenant all costs incurred and damages suffered, including the cost of recovering the Premises, professional fees and disbursements paid, the unamortized portion of any allowance or inducement, and the worth at the time of termination of the excess, if any, of the amount of Rent and charges equivalent to Rent for the remainder of the term over the then reasonable rental value of the Premises for the remainder of the Term calculated on a present value basis, all of which amounts will be immediately due and payable.

16.8 Distress

None of the property of the Tenant is exempt from levy by distress. This clause may be pleaded as estoppel against the Tenant in an action brought to claim exemption.

17. REMEDIES OF LANDLORD AND WAIVER

17.1 Remedies Cumulative

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

17.2 No Waiver

The waiver by the Landlord or the Tenant of a breach of an obligation in this Lease will not be considered to be a waiver of a subsequent breach of that obligation or another obligation.

18. ACCESS BY LANDLORD

18.1 Right of Entry

- (a) The Landlord and its agents may enter the Premises at all reasonable times to examine them and to show them to a prospective purchaser, lessee, or mortgagee.
- (b) The Landlord may make alterations, additions, and adjustments to and changes of location of the pipes, conduits, wiring, ducts, and other installations of any kind in the Premises where necessary to serve another party of the Civic Facility, but the Landlord will take commercially reasonable steps to minimize any disruption of the Tenant's business.
- (c) If after reasonable notice to the Tenant (except in the case of an emergency when no prior notice is required), the Tenant is not present to open and permit entry into the Premises when the Landlord requires entry, the Landlord or its agents may enter by a master key or may forcibly enter without rendering the Landlord or its agents liable for any damage or trespass and without affecting this Lease.

19. RULES AND REGULATIONS

19.1 Landlord May Make

The Landlord from time to time may establish, modify, and enforce reasonable rules and regulations regarding the use and occupancy of the Common Areas and Facilities of the Civic Facility and of the premises set aside by the Landlord for leasing to tenants of the Civic Facility. A set of the most recent rules and regulations are annexed to this Lease as Appendix 3.

20. LANDLORD'S COVENANTS AND OBLIGATIONS

20.1 Quiet Enjoyment

Subject to the observance and performance by the Tenant of all of its obligations under this Lease, the Tenant may use and possess the Premises, in accordance with the provisions of this Lease, for the Term without interference by the Landlord, or any other party claiming by, through or under the Landlord, except as otherwise provided in this Lease.

21. OVERHOLDING

21.1 No Tacit Renewal

If the Tenant remains in possession of the Premises after the end of the Term and without the execution and delivery of a new lease or written renewal or extension of this Lease, there is no tacit or other renewal of this Lease, and the Tenant will be considered to be occupying the Premises as a Tenant from month to month at a monthly rental payable in advance on the first day of each month equal to the sum of:

- (a) twice the monthly installment of Minimum Rent payable for the last month of the Term; and
- (b) 1/6 of the Percentage Rent, if any, for the Lease Year immediately preceding the last Lease Year of this Lease; and
- (c) 1/6 of the amount of Additional Rent payable by the Tenant for the Lease Year immediately preceding the last Lease Year of this Lease,

and otherwise upon the terms and conditions set out in this Lease, so far as applicable.

22. MISCELLANEOUS

22.1 No Partnership

The Landlord does not in any way or for any purpose become a partner of, or joint venturer or a member of a joint enterprise with, the Tenant. No provision of this Lease is intended to create a relationship between the parties other than that of landlord and tenant.

22.2 Interpretation

Where the context requires, the singular includes the plural and vice versa, and the masculine, feminine, and neuter include each other. If two or more individuals or entities comprise the Tenant, the liability of each of them under this Lease is joint and several.

22.3 Registration

This Lease will not be registered in the land title office and the Landlord will not be required to deliver it in registrable form.

22.4 Interest

All overdue monies payable to the Landlord by the Tenant on any account will bear interest at the rate equal to the annual rate of interest announced by the Royal Bank of Canada as a reference rate for its Canadian commercial loans, plus 6%, from the due date until paid in full.

22.5 Notices

Any notice to be given under this Lease will be considered to be given to the Tenant if delivered by hand to the Tenant or a responsible representative of the Tenant at the Premises, or if two attempts to deliver at reasonable times have been unsuccessful, if tacked in a prominent place at the Premises. Any notice to be given under this Lease will be considered to be given to the Landlord if delivered by hand to the Landlord or a responsible representative of the Landlord at *[address]*, or if mailed by prepaid registered post to *[address]*. Notices will be considered to have been received if delivered by hand upon delivery, if tacked at the Premises upon tacking, or if mailed upon the fifth business day following posting.

22.6 Time of Essence

Time is of the essence in this Lease.

22.7 Severance

If any provision of this Lease or the application to any person of any provision is held to be invalid or unenforceable, the remainder of this Lease or its application will not be affected.

22.8 No Modification

No representation, understanding, or agreement has been made or relied upon except as expressly set out in this Lease. This Lease may only be modified in writing signed by each party against whom the modification is enforceable.

22.9 Successors

This Lease binds and benefits the parties and their respective heirs, administrators, successors, and permitted assigns. No rights benefit an assignee of the Tenant unless the Landlord has consented to the assignment under Article 7 of this Lease. If the Landlord sells or transfers the Lands, the Building or both, the Tenant will at the option of the transferee either attorn to the purchaser or enter into a new lease of the Premises on the same terms and conditions.

22.10 Peaceful Surrender

The Tenant will at the expiration or sooner determination of the Term, immediately surrender the Premises in a peaceable way and in the state of repair specified in Article 6.

22.11 Entire Agreement

This Lease contains all the representations, warranties, covenants, agreements, conditions, and understandings between the Landlord and the Tenant concerning the Premises or the subject matter of this Lease.

22.12 Governing Law

This Lease will be interpreted under and is governed by the laws of the Province of British Columbia.

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Offer on the date appearing below.

The Tenant has executed this Lease on the _____ day of _____, 201__.

[tenant name]

BY: _____
Authorized Signatory

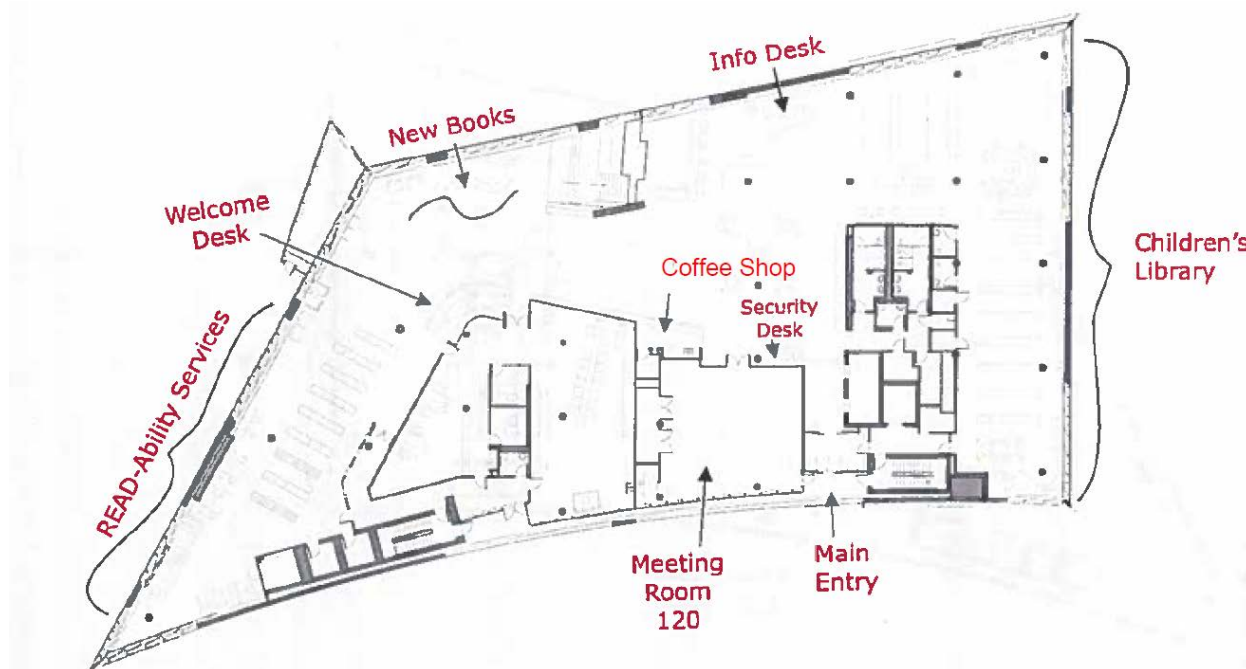
BY: _____
Authorized Signatory

The Landlord has executed this Lease on the _____ day of _____, 201__.

CITY OF SURREY

BY: _____
Authorized Signatory

APPENDIX 1—PLAN OF PREMISES



Area A: Coffee Shop and Storage Room (“Lease Area A”) which area is approximately 141.9 sq.

Area B: Seating Area (“Lease Area B”)

Collectively the “Leasable Area”

APPENDIX 2—LEGAL DESCRIPTION OF THE LAND

Parcel Identifier: 028-179-951
Parcel 1 Section 27 Block 5 N Range 2 West
New Westminster District Plan BCP44240

(the “**Land**”)

APPENDIX 3—RULES AND REGULATIONS

RULES AND REGULATIONS

The Tenant will observe the following Rules and Regulations (as amended, modified, or supplemented from time to time by the Landlord as provided in the Lease):

1. Refuse

If the Tenant's garbage is of a deteriorating nature, creating offensive odours, the Tenant will utilize and maintain at its cost and expense refrigerated facilities as required by the Landlord.

2. Overloading, Suspension

- (a) The Tenant will not overload any floor of the Premises in excess of 100 pounds per square foot.
- (b) The Tenant will not hang or suspend from any wall or ceiling or roof, or any other part of the Civic Facility, any equipment, fixtures, signs, or displays that are not first authorized by the Landlord.

3. Electrical Equipment

If the Tenant requires any electrical equipment that might overload the electrical facilities in the Premises, the Tenant will submit to the Landlord plans and specifications for works required to install and supply additional electrical facilities or equipment to prevent such overloading and will obtain the Landlord's prior written approval to perform the works, which will meet all applicable regulations and codes, including without limitation, the requirements of the Landlord's insurers, and will be installed at the Tenant's sole expense. The Landlord reserves the right to install such additional equipment at the Tenant's expense, which will not exceed 15% of the cost of the additional equipment.

4. Plumbing

No plumbing facilities will be used for any purpose other than that for which they were designed, and no foreign substance of any kind will be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision by the Tenant or by any person for whom the Tenant is responsible will be borne by the Tenant.

5. HVAC Operation

The Tenant will not leave open any doors or windows to the exterior of the Civic Facility that would adversely affect the performance of any HVAC equipment in the Civic Facility.

6. Pests

Should the Premises become infested with rodents, vermin, or other pests, the Tenant will immediately remedy the same and will use such pest-extermination contractor as the Landlord may direct.

7. Notice of Accident, Defects

The Tenant will give immediate notice to the landlord in case of fire or accident in the Premises or of defects in the Premises or to any fixtures or equipment in them.

8. Emergency Contacts

The Tenant will provide the Landlord with the names, addresses, and telephone numbers of two authorized employees of the Tenant who may be contacted by the Landlord if an emergency relative to the Premises arises.

9. Further Rules and Regulations

For the general benefit and welfare of the Civic Facility and its tenants, the Landlord may amend these rules and regulations, by alteration or addition, and such amended rules and regulations will be binding on the Tenant.