

ATTACHMENT A

LEASE

THIS LEASE dated for reference the _____ day of _____, 2018.

City file # LD000168

BETWEEN:

CITY OF NANAIMO
455 Wallace Street
Nanaimo, BC V9R 5J6

(the "**City**")

OF THE FIRST PART

AND:

VANCOUVER ISLAND EXHIBITION ASSOCIATION
4 – 2300 Bowen Road
Nanaimo, BC V9T 3K7

(the "**Lessee**")

OF THE SECOND PART

WHEREAS the City is the owner in fee simple of land commonly known as Beban Park, located at 2300 Bowen Road, Nanaimo, British Columbia and legally described as PID: 000-289-078; Lot 1, Sections 18, 19 and 20, Range 7, Mountain District, Plan 27441, Except Those Parts in Plans 40622 and 44255 (the "**Land**").

AND WHEREAS the Vancouver Island Exhibition Association requires space by way of a lease (the "**Lease**") to construct and operate its agricultural main building (the "**Main Building**") and exhibition activities, including the annual three-day exhibition and fair commonly known as the Vancouver Island Exhibition (the "**Annual Fair**").

AND WHEREAS the Vancouver Island Exhibition Association (the "**Lessee**") wishes to lease from the City, and the City (the "**City**") wishes to lease to the Lessee, those portions of the Land shown illustrated on the attached Schedule "A" as "Area 'A' and Area 'B'" including all buildings, improvements, and utilities situated thereon (the "**Lease Area**") for the purpose of operating agricultural exhibition activities, including the Annual Fair and maintaining throughout the year all buildings, improvements and utilities in the Lease Area.

AND WHEREAS the Lessee wishes to construct upon the Lease Area certain buildings and improvements, including, without limitation, the Main Building, as defined herein and make limited use of the existing barns (the "**Barns**") as defined herein, in order to use, occupy, and enjoy the Lease Area in accordance with the terms and conditions of this Lease.

AND WHEREAS the City wishes that all of the existing buildings and structures on the Lease Area be removed in accordance with section 9.0 of this Lease;

AND WHEREAS, in accordance with section 26 of the *Community Charter*, the City has published notice in a newspaper of its intention to lease the Lease Area to the Lessee.

NOW THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the rent, covenants and agreements of the Lessee and the City in this lease agreement (the "**Lease**"), the Lessee and the City agree with the following terms:

1.0 DEFINITIONS

1.1 In this Lease, the following words have the following meanings:

- (a) "**Buildings**" means, collectively, the Barns, the Office Structure, the Storage Structure and the Main Building;
- (b) "**Barns**" means the seven structures in Area 'A' and marked as "1", "2", "3", "4", "5", "6" and "7" as shown on the attached Schedule "A";
- (c) "**Lease Year**" means a period of twelve (12) months commencing on the 1st day of October in one year and ending on the 31st day of December in the following year;
- (d) "**Lessee's Improvements**" means any improvements placed or constructed on the Lease Area, but not including the Main Building;
- (e) "**Main Building**" means a building to be constructed within that portion of Area 'A' outlined by a broken line border as shown on the attached Schedule "A";
- (f) "**Office Structure**" means the structure located at the north east corner of the Centennial Building and marked as "8" in Area 'B' as shown on the attached Schedule "A";
- (g) "**Storage Structure**" means the structure located on the north side of the entrance road into the exhibition grounds and marked as "9" in Area 'B' as shown on the attached Schedule "A"

2.0 GRANT OF A LEASE

- 2.1 The City hereby leases the Lease Area to the Lessee for the Term on the terms and conditions set out in this Lease, and for the purposes set out in this Lease.
- 2.2 The Lessee acknowledges and agrees that this Lease does not grant to the Lessee any right to reserved parking on the Land.
- 2.3 It is a condition of the grant of this Lease that the Lessee must, within the time frames established under section 9.1, commence construction of the Main Building, within the Lease Area to accommodate the annual fair in accordance with Article 9.0 of this Lease.
- 2.4 The Lessee acknowledges and agrees that upon the completion of the demolition and removal described in subparagraphs 9.1(c)(i) and 9.1(c)(ii), the Lease, as it pertains to Area 'B' of the Lease Area as shown on Schedule "A" will terminate at no cost to the City and sections 18.2 and 23.2 will apply with respect to Area B and thereafter, except with respect to Articles 16.0 and 21.0 of this Lease, the

words "Lease Area", wherever they appear in this Lease must be interpreted to exclude Area B.

3.0 LICENCE TO ACCESS THE LEASE AREA AND TO USE SURROUNDING LAND

- 3.1 The City hereby grants the Lessee, its agents, employees, and invitees the non-exclusive right by way of licence at all times during the Term to use any established driveways and walkways on the Land for the purpose of gaining ingress to and egress from the Lease Area, and to use any established parking areas on the Land for the purpose of temporary parking of vehicles.

4.0 TERM

- 4.1 Subject to sections 2.3 and 2.4, the term (the "**Term**") of this Lease shall be twenty-five (25) years commencing on the 1st day of January 2019 and ending on the 31th day of December 2043.
- 4.2 The Parties may, upon the Lessee providing written notice to the City not less than six (6) months prior to the expiry of the Term, renew the Lease on the terms and conditions written herein.

5.0 USE

- 5.1 The Lessee shall use the Lease Area and all buildings, structures, and improvements situated thereon for agricultural exhibition activities, including the Annual Fair or for purposes related or ancillary to agricultural exhibition activities. For greater certainty, a maximum of three (3) Barns may only be used for temporary storage, and such use may only be made of them if written certification is provided in accordance with section 9.1 of this Lease.
- 5.2 The Lessee shall not use the Lease Area for any purpose other than those permitted under section 5.1 without the prior written consent of the City.
- 5.3 The City hereby reserves to itself from the grant and the covenants made by it to the Licensee under section 5.1 above the right for the City, its agents, employees, contractors and subcontractors to have full and complete access to the Land to carry out any operations associated with the City's use of the Land.

6.0 RENT

- 6.1 The Lessee shall pay the City ONE DOLLAR (\$1.00) rent for the Term plus applicable tax, due and payable in advance on the 1st day of the Term.
- 6.2 The Lessee shall pay all rents and additional rents reserved under this Lease.
- 6.3 The Lessee shall pay the City a documentation fee in the sum of one hundred twenty-five dollars (\$125.00) plus applicable tax upon the execution of this Lease.

7.0 TAXES

- 7.1 The Lessee shall pay all applicable taxes, rates, duties and assessments whatsoever, whether municipal, provincial, federal, or otherwise, including applicable sales tax, charged upon the Lease Area and Buildings or upon the Lessee or the City as a result of the Lessee's occupation or use of the Lease Area and Buildings including property tax when due unless exempted by local government property tax exemption bylaw.

8.0 UTILITIES

- 8.1 The Lessee shall pay as they become due all charges for utilities used on the Lease Area and Buildings, including without limitation charges for all City utility rates including metered water, garbage, and sewer rates, and all gas, oil, telephone, electricity and internet used on the Lease Area and Buildings.

9.0 CONSTRUCTION

- 9.1 The Lessee agrees to construct the Main Building and to remove certain buildings and structures from the Lease Area in accordance with the following:
- (a) prior to the construction of the Main Building, the Lessee shall demolish and completely remove from the Lands the four (4) Barns marked as "1", "2", "5" and "6" in Area 'A' as shown on Schedule "A".
 - (b) any or all of the three (3) of the Barns marked as "3", "4", and "7" in Area 'A' as shown on Schedule "A", may remain, providing that a professional engineer, licensed to practice in British Columbia, certifies in writing to the satisfaction of the City that the Barns intended to remain are structurally sound and safe for use as temporary storage facilities.
 - (c) on or before the three (3) year anniversary of the first day of the Term, the Lessee must:
 - i. have started construction of the Main Building to the City's satisfaction;
 - ii. be issued from the City an occupancy certificate for the Main Building within one (1) year of the construction start date
 - (d) within one hundred and twenty (120) days of being issued an occupancy certificate for the Main Building, in accordance with section 9.1(c), the Lessee shall demolish and completely remove from the Land:
 - i. the Office Structure;
 - ii. the Storage Structure;
 - iii. any Barns not previously demolished or removed pursuant to 9.1(b).
- 9.2 If the Lessee fails to commence construction or demolition of any buildings or structures in accordance with the timelines established under this Article 9.0 then the City may, by written notice to the Lessee, immediately terminate this Lease

and re-enter the Lease Area and the remainder of the Term shall be forfeited, and sections 18.2 and 18.3 will apply.

- 9.3 The Lessee shall not construct, place or alter any buildings or structures on or within the Lease Area unless prior to any construction or alteration the Lessee has first obtained the written consent of the City to the site plans, working drawings, plans, specifications, elevations and obtained all permits and inspections from the local government authority having jurisdiction. Without limiting the generality of the foregoing, the Main Building must be constructed in accordance with any development permits required and issued by the City. The Lessee must, upon completion of any construction or alteration of any buildings or structures on or within the Lease Area, deliver as-built drawings to the City.
- 9.4 The Lessee shall not and shall not permit any other person to, occupy any building or structure on or within the Lease Area, including the Main Building, unless the local government authority having jurisdiction has issued an occupancy certificate in respect of such building or structure.
- 9.5 The demolition, removal, design and construction of improvements and placement of structures, including the design, construction and placement of the Main Building, on the Lease Area shall be carried out at the sole cost of the Lessee, and without limiting the generality of the foregoing:
- (a) the Lessee will pay for the costs associated with providing water, sanitary and storm sewers, hydro and gas connections if required to the Lease Area;
 - (b) the Lessee will make alterations to the Beban Park plumbing and electrical systems if required by City building and plumbing inspectors and other authorized utility inspectors at no expense to the City.

10.0 SIGNS

- 10.1 No signage other than a sign bearing the Lessee's name may be secured to the exterior of any Building within the Lease Area without the Lessee having first obtained the written consent of the City.

11.0 MAINTENANCE AND REPAIR

- 11.1 It is the Lessee's sole responsibility to maintain and repair the Lease Area, including all buildings, structures and improvements situate thereon, and all water, gas and electrical fixtures, glass, pipes, faucets, locks, fastenings, hinges, heating and cooling apparatus in, on or attached to the Lease Area and any buildings, structures and improvements on the Lease Area and to keep the whole of the Lease Area in a safe state of repair and not to permit the same to become unsightly or unsafe in any material respect.
- 11.2 The City, at any reasonable time, may enter and view the Lease Area and Buildings for purposes of determining the Lessee's compliance with this Lease, and with fire and safety standards established by the City from time to time, and the Lessee will repair within thirty (30) days of receiving written notice any defect

in any building, structure or improvement on the Lease Area, or in water, gas and electrical fixtures, glass, pipes, faucets, locks, fastenings, hinges, heating and cooling apparatus in, on or attached to the Land and any buildings, structures and improvements on the Lease Area.

11.3 The Lessee shall not be obligated to repair reasonable wear and tear to any Buildings within the Lease Area.

12.0 ASSIGN OR SUBLET

12.1 The Lessee shall not assign nor sublet, sub-lease, lease or grant any other right or interest in the Lease Area or Buildings except with the City's prior written consent.

12.2 The City's consent to assignment or subletting shall not release or relieve the Lessee from its obligations to perform all the terms, covenants and conditions that this Lease requires the Lessee to perform, and the Lessee shall pay the City's reasonable costs incurred in connection with the Lessee's request for consent.

13.0 NUISANCE

13.1 The Lessee shall not carry on, or do, or permit the carrying on or doing, on the Lease Area or Buildings of anything that:

- (a) may be or become a nuisance to the City or the public;
- (b) increases the hazard of fire or liability of any kind;
- (c) increases the premium rate of insurance against loss by fire or liability upon the Lease Area or Buildings;
- (d) invalidates any policy of insurance for the Lease Area or Buildings; or
- (e) directly or indirectly causes damage to the Lease Area or Buildings.

14.0 REGULATIONS

14.1 The Lessee shall comply promptly at its own expense with all statutes, regulations, bylaws and other legal requirements (collectively, "**Laws**") of all federal, provincial or local authorities, including an association of fire insurance underwriters or agents, and all notices issued under them that are served upon the City or the Lessee.

15.0 INSURANCE

15.1 The Lessee shall take out and maintain during the Term a policy of commercial general liability insurance against claims for bodily injury, death or property damage arising out of the use and occupancy of the Lease Area and Buildings by the Lessee in the amount of not less than five million (\$5,000,000.00) dollars per single occurrence or such greater amount as the City may from time to time

require, naming the City as an additional insured party thereto, and shall provide the City with a certified copy of such policy or policies upon request.

- 15.2 The Lessee shall take out and maintain during the Term a policy of contents insurance insuring the goods, chattels and fixtures of the Lessee to the full insurable replacement value thereof against risk of loss or damage from fire, flood, lightning, explosion, tempest, earthquake, tsunami or any additional peril against which a prudent Lessee normally insures.
- 15.3 The Lessee shall take out, in its own name or through its contractor, during the course of construction of any improvement, extension, installation, alteration, addition or demolition on or to the Lease Area or Buildings:
- (a) insurance protecting both the Lessee and the City against claims for personal injury, death or property damage arising from any accident or occurrence upon, in or about the Lease Area and Buildings and from any causes, including the risks associated with construction, in an amount reasonably satisfactory to the City; and
 - (b) "all risks" insurance protecting the Lessee and the City from loss or damage to the Lease Area, Buildings and building materials on the Lease Area from time to time during construction in respect of fire, earthquake and all other perils included in the usual all risks builders' risk form of policy applicable to similar properties during construction and effected in BC by prudent owners, to the full insurable value thereof at all times and in any event in an amount sufficient to prevent both the City and the Lessee from being deemed a co-insurer.
- 15.4 All policies of insurance required by this Lease to be obtained by the Lessee shall contain a cross-liability and severability of interest endorsement, a waiver of subrogation clause in favour of the City and shall also contain a paragraph requiring the insurer not to cancel or change the insurance without first giving the City thirty (30) days' prior written notice.
- 15.5 If the Lessee does not provide or maintain in force the insurance required by this Lease, the City may take out the necessary insurance and pay the premium for periods of one year at a time, and the Lessee shall pay to the City as additional rent the amount of the premium immediately on demand.
- 15.6 The deductible on the insurance policies the Lessee shall take out and maintain during the Term as described in this Article 15.0 shall not be more than five thousand (\$5,000.00) Dollars.
- 15.7 If both the City and the Lessee have claims to be indemnified under any insurance required by this Lease, the indemnity shall be applied first to the settlement of the claim of the City and the balance, if any, to the settlement of the claim of the Lessee.

16.0 INDEMNIFICATION

16.1 The Lessee, including any assignee, sub-lessee or lessee of the Lessee shall indemnify the City from and against all lawsuits, damages, losses, costs or expenses which the City may incur by reason of the use or occupation of the Lease Area or Buildings by the Lessee or the carrying on of any activity in relation to the Lessee's use or occupation of the Lease Area or Buildings and in respect of any loss, damage or injury sustained by the Lessee, or by any person while in the Lease Area or Buildings for the purpose of doing business with the Lessee or otherwise dealing with the Lessee, or by reason of non-compliance by the Lessee with laws or by reason of any defect in the Lease Area or Buildings, including all costs and legal costs, taxed on a solicitor and client basis, and disbursements and this indemnity shall survive the expiry or sooner determination of this Lease.

17.0 BUILDERS LIENS

17.1 The Lessee shall indemnify the City from and against all claims for liens for wages or materials or for damage to persons or property caused during the making of or in connection with any excavation, demolition, construction, repairs, alterations, installations and additions which the Lessee may make or cause to be made on, in or to the Lease Area, and the Lessee shall promptly take all legal action necessary to cause any lien to be discharged. The City shall be at liberty to file a notice of interest against title to the Land pursuant to the *Builders Lien Act*.

18.0 POSSESSION AND TERMINATION

18.1 The Lessee shall provide the City with one (1) year's written notice of its intention to terminate this Lease before the expiration of the Term.

18.2 The Lessee at the expiration or early termination of the Term shall peacefully surrender and give up possession of the Lease Area and Buildings without notice from the City, any right to notice to quit or vacate being hereby expressly waived by the Lessee, despite any law or custom to the contrary.

18.3 The Lessee shall leave the Lease Area and Buildings in a good, neat and tidy condition or otherwise in the condition it is required to be kept by the Lessee during the Term under the provisions of this Lease.

19.0 CONDITION OF LEASE AREA

19.1 The Lessee acknowledges that it has with due diligence investigated and satisfied itself with respect to the condition of the Lease Area and its suitability for the uses permitted by this Lease, including without limitation with respect to its size, dimensions, state, condition, environmental condition or impact, presence or absence of any substances or conditions (whether hazardous or not), soil and water condition, usefulness, topography, legal access, services and zoning.

20.0 FITNESS OF LEASE AREA

20.1 The City has made no representation or warranties as to the condition, fitness or nature of the Lease Area and by executing this Lease, the Lessee releases the

City from any and all claims which the Lessee now has or may in future have in that respect.

21.0 ENVIRONMENTAL MATTERS

21.1 Definitions for the purposes of this section:

- (a) "**Contaminants**" means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, lead, asbestos, asbestos-containing materials, hazardous, corrosive, or toxic substances, hazardous waste, waste, polychlorinated biphenyls ("PCBs"), PCB-containing equipment or materials, pesticides, defoliants, fungi, including mould and spores arising from fungi, or any other solid, liquid, gas, vapor, odour, heat, sound, vibration, radiation, or combination of any of them, which is now or hereafter prohibited, controlled, or regulated under Environmental Laws; and
- (b) "**Environmental Laws**" means any statutes, laws, regulations, orders, bylaws, standards, guidelines, protocols, criteria, permits, code of practice, and other lawful requirements of any government authorities having jurisdiction over the Lease Area now or hereafter in force, relating in any way to the environment, environmental assessment, health, occupational health and safety, the protection of any form of plant or animal life or transportation of dangerous goods, including the principles of common law and equity.

21.2 The Lessee covenants and agrees as follows:

- (a) not to use or permit to be used all or any part of the Lease Area or Buildings for the sale, storage, manufacture, handling, disposal, use, or any other dealing with any Contaminants, without the prior written consent of the City, which may be unreasonably withheld;
- (b) to strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Lease Area and Buildings;
- (c) to promptly provide to the City a copy of any environmental site investigation, assessment, audit, report or test results relating to the Lease Area or Buildings conducted by or for the Lessee at any time;
- (d) to waive the requirement, if any, for the City to provide a site profile for the Lease Area under the *Environmental Management Act* or any regulations under that Act;
- (e) to maintain all environmental site investigations, assessments, audits, reports, and test results relating to the Lease Area and Buildings in strict confidence except as required by law, or to the Lessee's professional advisers and lenders on a need-to-know basis, or with the prior written consent of the City, which consent may not be unreasonably withheld;

- (f) to promptly notify the City in writing of any release of a Contaminant or any other occurrence or condition at the Lease Area or Buildings or any adjacent property that could contaminate the Lease Area or Buildings or subject the City or the Lessee to any fines, penalties, orders, investigations, or proceedings under Environmental Laws;
- (g) on the expiry or earlier termination of this Lease, or at any time if requested by the City or required by any government authority under Environmental Laws, to remove from the Lease Area and Buildings all Contaminants, and to remediate by removal any contamination of the Lease Area and Buildings or any adjacent property resulting from Contaminants, in either case, brought onto, used at, or released from the Lease Area or Buildings by the Lessee or any person for whom it is in law responsible. The Lessee will perform these obligations promptly at its own cost and in accordance with Environmental Laws. The Lessee will provide to the City full information with respect to any remedial work performed under this sub-clause and will comply with the City's requirements with respect to such work. The Lessee will use a qualified environmental consultant approved by the City to perform the remediation and will obtain the written agreement of the consultant to the City relying on its report. The Lessee will, at its own cost, obtain such approvals and certificates from the BC Ministry of Environment and other applicable government authorities in respect of the remediation as are required under Environmental Laws or by the City, including without limitation, a certificate of compliance evidencing completion of the remediation satisfactory to the Ministry and the City. All such Contaminants will remain the property of the Lessee, notwithstanding any rule of law or other provision of this Lease to the contrary and notwithstanding the degree of their affixation to the Lease Area or Buildings; and
- (h) to indemnify the City and its shareholders, directors, officers, employees, agents, successors, and assigns from any and all liabilities, actions, damages, claims, remediation cost recovery claims, losses, costs, orders, fines, penalties and expenses whatsoever, (including any and all environmental or statutory liability for remediation, all legal and consultants' fees and expenses and the cost of remediation of the Lease Area, Buildings and any adjacent property) arising from or in connection with:
 - i. any breach of or non-compliance with the provisions of this Article 22.0 by the Lessee; or
 - ii. any release or alleged release of any Contaminants at or from the Lease Area or Buildings related to or as a result of the use and occupation of the Lease Area or Buildings or any act or omission of the Lessee or any person for whom it is in law responsible; and

21.3 The obligations of the Lessee under this Article 21.0 will survive the expiry or earlier termination of this Lease.

22.0 DESTRUCTION

22.1 If the Main Building or any part thereof is damaged by fire, lightning, explosion, tempest or earthquake at any time during the Term so as to render it unfit for the purpose of the Lessee:

- (a) the Lessee shall, within ninety (90) days after the fire, flood or other casualty, advise the City in writing whether the Lessee intends to restore, repair or replace the building or structure or the portion damaged. If the Lessee intends to undertake and complete restoration, repair or replacement the Lessee shall do so within a time after the damage occurred which is mutually agreed by the parties hereto;
- (b) if the Lessee elects not to undertake restoration, repair or replacement, section 23.2 will apply and this Lease will terminate at the expiry of the ninety (90) day period described in section 23.2; or
- (c) if the Lessee does not advise the City concerning the Lessee's intention within ninety (90) days, the Lessee shall be deemed to have elected not to undertake restoration, repair and replacement, and section 23.2 will apply and this Lease will terminate at the expiry of the ninety (90) day period described in section 23.2.

23.0 FIXTURES AND CHATTELS

23.1 Title to, and ownership of, the Lessee's Improvements will, at all times during the Term, be vested in the Lessee, notwithstanding any rule or law as to the immediate vesting of the title to and ownership of the Lessee's Improvements in the City as owner of the freehold. If the City does not serve notice to remove under section 23.2, title to, and ownership of, the Lessee's Improvements, free and clear of all encumbrances, will, if the City so elects, pass or become vested in the City at expiration or earlier termination of this Lease.

23.2 The City may require the Lessee to remove all or any part of the Lessee's Improvements and chattels at the expiration or earlier termination of this Lease but only upon giving to the Lessee a minimum of ninety (90) days prior written notice to remove. Such removal shall be done at the Lessee's expense and the Lessee shall at its own expense repair any damage to the Lease Area caused by such removal. If the Lessee does not remove the Lessee's Improvements and chattels forthwith after expiry of this Agreement the Lessee's Improvements and chattels shall, if the City so elects, be deemed to become the City's property or if proper notice to remove was given to the Lessee by the City, the City may remove the same at the expense of the Lessee and the cost of such removal and any necessary storage charges shall be paid by the Lessee forthwith to the City on written demand. The City shall not be responsible for any loss to such property because of such removal.

23.3 The Lessee may, at or prior to the expiration of the Term take, remove and carry away from the Lease Area, the Lessee's movable business and trade fixtures and furniture and appliances provided that the Lessee shall, at its own expense, repair

any damage to the Lease Area caused by such removal or by the original installation.

24.0 CITY'S PAYMENTS

24.1 If the City incurs any damage, loss or expense or makes any payment for which the Lessee is liable or responsible under this Lease, the City may invoice to the Lessee the cost or amount of the damage, loss, expense or payment plus a fifteen percent (15%) administration fee and the Lessee shall pay the amount of such invoice to the City within thirty (30) days of receiving the invoice.

25.0 CITY'S REPAIRS

25.1 If the Lessee fails to repair or maintain the Lease Area or Buildings in accordance with this Lease, the City, its agents, employees or contractors may, upon ninety-six (96) hours' notice or without notice in the event of an emergency, enter the Lease Area or Buildings and make the required repairs or do the required maintenance and recover the cost plus a fifteen percent (15%) administration fee from the Lessee.

25.2 In making the repairs or doing the maintenance the City may bring and leave upon the Lease Area and Buildings all necessary materials, tools and equipment.

25.3 The City will not be liable to the Lessee for any inconvenience, annoyance, loss of business or injury suffered by the Lessee by reason of the City effecting the repairs or maintenance.

26.0 INSOLVENCY

26.1 The Term shall, at the option of the City, immediately become forfeited and the City may terminate and re-enter and repossess the Lease Area and Buildings immediately without any further act or notice of the City despite any other provision of this Lease if:

- (a) the Term or any of the goods or chattels on the Lease Area are at any time seized or taken in execution or attachment by Lessee's creditors;
- (b) a writ of execution issues against the goods or chattels of the Lessee;
- (c) the Lessee makes any assignment for the benefit of creditors;
- (d) the Lessee becomes insolvent or bankrupt;
- (e) the Lessee is an association or society and proceedings are begun to wind up the association or society; or
- (f) the Lease Area or Buildings becomes vacant and unoccupied for a period of thirty (30) days or is used by any other person or persons for any purpose either permitted in this Lease or not permitted in this Lease without the written consent of the City.

27.0 QUIET ENJOYMENT

27.1 The City covenants with the Lessee for quiet enjoyment.

28.0 RE-ENTRY

28.1 If the Lessee defaults in the payment of rent or the payment of any other sum payable under this Lease or fails to perform any covenant under this Lease and if such default shall continue for thirty (30) days after the giving of written notice by the City to the Lessee, then the City may terminate this Lease and may re-enter the Lease Area and Buildings and the rights of the Lessee shall lapse and be absolutely forfeited.

29.0 NO WAIVER

29.1 The City, by waiving or neglecting to enforce the right to termination and forfeiture of this Lease or the right of re-entry upon breach of any covenant, condition or agreement in it, does not waive the City's rights upon any subsequent breach of the same or any other covenant, condition or agreement in this Lease.

30.0 DISTRESS

30.1 If the City is entitled to levy distress against the goods and chattels of the Lessee, the City may use enough force necessary for that purpose and for gaining admittance to the Lease Area and Buildings and the Lessee releases the City from liability for any loss or damage sustained by the Lessee as a result.

30.2 If the Lessee removes its goods and chattels from the Lease Area or Buildings, the City may follow them for thirty (30) days.

31.0 TIME

31.1 Time is of the essence of this Lease.

32.0 NOTICES

32.1 Any notice required to be given under this Lease shall be deemed to be sufficiently given:

- (a) if delivered by hand to the address, at the time of delivery;
- (b) if sent by electronic mail ("E-mail Notice"), on the date the E-mail Notice is sent electronically by the e-mail sender to the e-mail address set out below; and
- (c) if mailed from any government post office in the Province of British Columbia by prepaid, registered mail or at the address a party may from time to time designate, then the notice shall be deemed to have been received five (5) days after the time and date of mailing. If the delivery of mail in British Columbia has been interrupted in whole or in part by reason

of a strike, slow-down, lockout or other labour dispute, then the notice may only be given by actual delivery addressed, as follows:

- (d) Lessee may not use the postal address 2300 Bowen Road to receive mail and may not use 2300 Bowen Road as a return address.

If, to the City:

CITY OF NANAIMO
Attention: Manager, Beban Park Complex
455 Wallace Street
Nanaimo, BC V9R 5J6
E-mail: parks and recreation@nanaimo.ca

If, to the Lessee:

VANCOUVER ISLAND EXHIBITION ASSOCIATION ("VIEx")
Attention: President, 4 – 2300 Bowen Road, Nanaimo, BC V9T 3K7
E-mail: info@viex.ca

33.0 NET LEASE

33.1 This Lease shall be a complete carefree net lease to the City as applicable to the Lease Area and Buildings and the City shall not be responsible during the Term for any cost, charges, expenses or outlays of any nature whatsoever in respect of the Lease Area and Buildings or the contents thereof except those mentioned in this Lease.

34.0 BINDING EFFECT

34.1 This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, administrators and permitted assignees.

35.0 AMENDMENT

35.1 The parties hereto may by agreement amend the terms of this Lease, such amendment to be evidenced in writing and executed by both parties.

36.0 LAW APPLICABLE

36.1 This Lease shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

37.0 REGISTRATION

37.1 Despite section 5 of the *Property Law Act*, the City is not obligated to deliver this Lease to the Lessee in registrable form, and the Lessee covenants and agrees that it shall not register this Lease against title to the Land.

38.0 HOLDING OVER

38.1 If the Lessee holds over following the Term and the City accepts rent, this Lease becomes a tenancy from month to month subject to those conditions in this Lease applicable to a tenancy from month to month.

39.0 INTERPRETATION

39.1 When the singular or neuter are used in this Lease they include the plural or the feminine or the masculine or the body politic or corporate where context or parties require.

39.2 All provisions of this Lease are to be construed as covenants and agreements as though the words importing covenants and agreements were used in each separate paragraph.

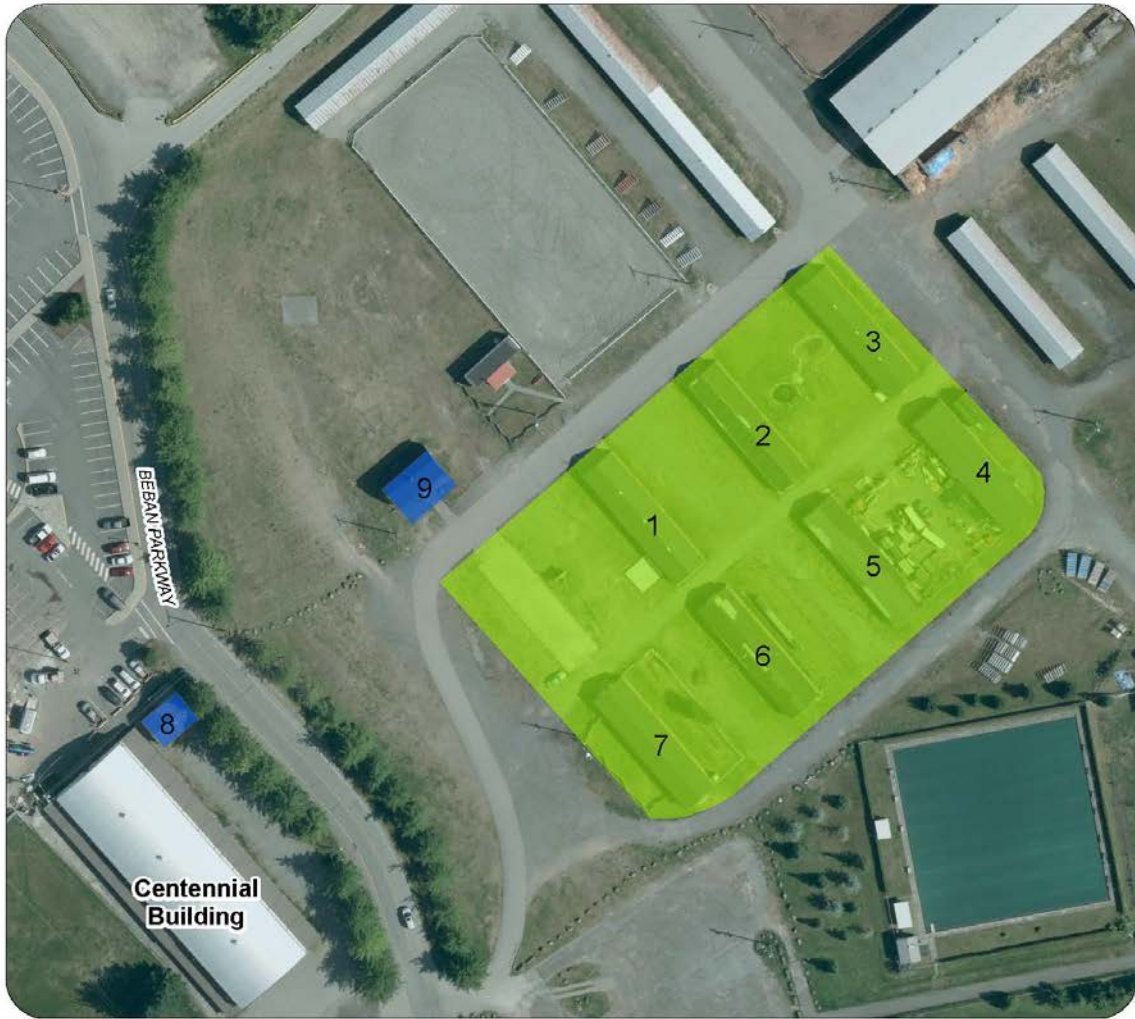
39.3 The headings to the paragraphs in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease or any provision of it.

IN WITNESS WHEREOF the parties have executed this Lease on the day first written above:

CITY OF NANAIMO)
 by its authorized signatories:)
)
)
)
 _____)
 Mayor)
)
)
 _____)
 Corporate Officer)

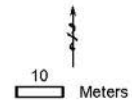
VANCOUVER ISLAND EXHIBITION)
ASSOCIATION ("VIEx"))
 by its authorized signatories:)
)
)
)
 _____)
)
)
 _____)

SCHEDULE 'A'



VIEX LEASE AREAS

- AREA 'A' - 8,466sqm
- AREA 'B'



VANCOUVER ISLAND EXHIBITION SOCIETY (VIEX)
BEBAN PARK
2300 Bowen Road, Nanaimo BC

Drawn: GIS SECTION
gis.support@nanaimo.ca
Date: 08/08/2018
pdf: VIEX_Lease Areas