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CAMPBELL RIVER

AIRPORT

CITY OF CAMPBELL RIVER

AIRPORT LAND LEASE

BETWEEN:

CITY OF CAMPBELL RIVER, a municipality duly incorporated pursuant to the laws of the Province of British Columbia, having a place of business at the City Hall, 301 St. Ann's Road Campbell River, British Columbia, V9W 4C7
(the "Lessor")

AND:

[COMPANY NAME], (Incorporation No. BC[XXXXXX]), a corporation duly incorporated pursuant to the laws of the Province of British Columbia, having a registered office at **[Civic Address]**
(the "Lessee")

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Execution of Lease

Land Lease Drawing,

THIS AGREEMENT OF LEASE dated this [Date] day of [Month] 20[No.]

BETWEEN:

CITY OF CAMPBELL RIVER, a municipality duly incorporated pursuant to the laws of the Province of British Columbia, having a place of business at the Municipal Hall, 301 St. Ann's Road Campbell River, British Columbia, V9W 4C7, (the "Lessor")

AND:

[COMPANY NAME], (Incorporation No. BC [XXXXXX]), a corporation duly incorporated pursuant to the laws of the Province of British Columbia, having a registered office at [Civic Address] (the "Lessee")

WITNESSES that the Lessor, in consideration of the rents, covenants, provisos and conditions hereinafter reserved and contained, leases to the Lessee that certain parcel of land situate, lying and being in the Campbell River Airport, in the City of Campbell River, in the Province of British Columbia, which land is comprised of an area of [No.] square feet, more or less, depicted as Lease Area No. [No.] on the Reference Plan VIP75249 (the "Reference Plan") to accompany easements and leases of Part of Lot A, Section 7, 8 and 18, Township 1, and Section s 13 and 24, Township 2, Comox District, Plan VIP74726, for leasehold purposes (the "Land") a reduced copy of the which is attached hereto as Schedule "A";

AND THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE 1: DEFINITIONS

1:01 DEFINITIONS

"City" means the person appointed as, or acting in the capacity of, the Manager of the Campbell River Facilities – Property Department, as per 11.01 of this agreement.

"Contaminants" means any pollutants, contaminants, deleterious substances, underground tanks, lead, 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, vapour, odour, heat, sound, vibrations, radiation, or combination of any of them, which is now or hereafter prohibited, controlled, or regulated under Environmental Laws.

"Environmental Laws" means any statues, laws, regulations, orders, bylaws, standards, guidelines, protocols, criteria, permits, codes of practice, and other lawful requirements of any governmental authority having jurisdiction over the Land now or hereafter in force relating in any way to the environmental, environmental assessment, health, occupational health and safety, protection of any form of plant or animal life or transportation of dangerous goods, including the principles of common law and equity.

ARTICLE 2: PURPOSE

2:01 PURPOSE

The Land shall be used as a site for the Lessee's building (the "Building"), and the Land and the Building shall be used for aviation purposes only, and for no other purpose not conforming to permitted uses under Zoning Bylaw 3250, 2006, A-1 zone. Without limiting the generality of the foregoing, the Lessee shall not install aviation fuel facilities on the Land and shall not use the Land for the storage of aviation fuel or the refueling of aircraft, vehicles or equipment from an aviation fuel facility of any type, including a mobile aviation refueling truck.

ARTICLE 3: TERM

3.01 LENGTH OF TERM

The term of this Lease shall be [number of years] ([No.]) commencing on the [Date] day of [Month] 20[No.] (the "Commencement Date") and expire on the [Date] day of [Month] 20[No.] (the "Term").

3.02 OVERHOLDING TENANCY

It is hereby agreed by and between the parties hereto that if the Lessee shall hold over after the expiration of the Term hereby granted, and the Lessor accepts rent, the new tenancy created shall be a tenancy at will and not a tenancy from year to year, and the Lessee shall pay as Rent during the time of such occupancy a Rent equal to the Rent payable in the last month of the Term, and shall be subject to the covenants and conditions herein contained so far as the same are applicable to a tenancy at will, with either party able to terminate on 30 days advance written notice.

3.03 CANCELLATION PRIVILEGE

If by reason of fire, flood, lightning, tempest, earthquake, impact of aircraft, explosion, or Acts of God, or war or civil disturbance the Building, at any time during the Term or any renewal of the Term is destroyed or so damaged as to render the Building unfit for occupancy, the Lessee will then have a period of ninety (90) days after such damage or destruction within which to decide whether or not it will repair or rebuild the Building. If the Lessee decides not to rebuild or repair, it may terminate this lease by notice, in writing, given to the Lessor within the said ninety (90) day period; provided, that in the event of such notice being given to the Lessor pursuant to this clause, the Rent reserved to the Lessor under this lease shall be due and payable up to the date of removal of the Building and clearance and leveling of the Land to the satisfaction of the Lessor.

3.04 SURRENDER OF PREMISES

At the expiration or sooner determination of the Term of this lease, the Lessee shall peaceably surrender and yield to the Lessor, in a condition satisfactory to the Lessor, the Land and the Building. The Lessee shall immediately remove from the Land and the Building all chattels, goods, supplies, articles, equipment, materials, effects or things and shall also, to the satisfaction of the Lessor, repair all damage and injury occasioned to the premises of the Lessor by reason of the removal or in the performance of the removal, but the Lessee shall not, by reason of any action taken or things performed or required under this clause, be entitled to any compensation whatever. Unless required by the Lessor, no chattels, goods, supplies, articles, equipment, materials, effects or things shall be removed from the Land or the Building until all Rent due or to become due under this lease is fully paid. The Lessor may, at its option, remove at the risk of and at the cost and expense of the Lessee, the chattels, goods, supplies, articles, equipment, materials, effects or things from the Land or the Building and the Lessee shall reimburse the Lessor immediately upon receipt of appropriate accounts for the removal and for any storage charges which may have been or will be incurred by the Lessor as a result of such removal. Where not removed by the Lessee, the Lessor may consider the chattels, goods,

supplies, articles, equipment, materials, effects or things to be abandoned, and take title thereto in the name of the Lessor.

The Lessee acknowledges that in the event the Lessor requires the Lands for the expansion of the airport terminal, the Lessor shall be able to terminate this Lease on 6 (six) months advance written notice to the Lessee.

ARTICLE 4: RENT

4.01 RENT

The Lessee shall pay during the Term of this lease to the Lessor, in lawful money of Canada, the rent (the "Rent") according to the following schedule at a rate of \$1.85 per square metre:

	<u>From</u>	<u>To</u>	<u>Annual lease amount</u>	<u>Quarterly lease amount</u>
a)	[Month&Date], 20[No.]	[Month&Date], 20[No.]	[\$[Amount] + HST	[\$[Amount] + HST
b)	[Month&Date], 20[No.]	[Month&Date], 20[No.]	[\$[Amount] + HST	[\$[Amount] + HST
c)	[Month&Date], 20[No.]	[Month&Date], 20[No.]	[\$[Amount] + HST	[\$[Amount] + HST
d)	[Month&Date], 20[No.]	[Month&Date], 20[No.]	[\$[Amount] + HST	[\$[Amount] + HST
e)	[Month&Date], 20[No.]	[Month&Date], 20[No.]	[\$[Amount] + HST	[\$[Amount] + HST

*** Future Rental rates shall be established as per Council policy by means of an appraisal every three years, to determine fair market value.**

Future rental rates shall be established in accordance with bylaw 3335 so that rents due under the airport leases are set via appraised value established by a certified appraiser (such opinion of value to be no more than six months old) and that leases that extend more than five years or contain option to renew clauses, will allow for the rent to be reset every five years during the Term and be the greater of: the appraised market value at the time of adjustment or the rent payable under the last year of the term plus a percentage increase equivalent to the percentage increase in the Consumer Price Index (All Items, Vancouver) measured from the commencement of the Term, or from the beginning of the previous five year period and approved by the City Manager under authority of the Officers Bylaw."

The Lessee shall pay the annual Rent by way of quarterly installments due and payable on the following dates: Jan. 1, Apr. 1, July 1 and Oct. 1, corresponding to the year in the Term for which the annual Rent is due and owing, and payment of Rent shall be made by the Lessee without prior demand by the Lessor and delivered to:

City of Campbell River
 301 St. Ann's Road
 Campbell River, B.C. V9W 4C7

Attention: Accounts Receivable

4.02 PAYMENT OF RENT

The Lessee shall pay all Rent reserved at the time and in the manner set out in this lease, without any abatement or deduction whatsoever.

4.03 LATECOMER FEES (if applicable) – if not applicable remove Schedule B and list as N/A on Contents List

The Lessee acknowledges that a proportionate share of fees for the construction of the taxiway (the "Latecomer Fees") are due at the commencement of the Lease and payable to the Lessor. For greater clarity, the fee is based on \$57.52 per linear metre of frontage on the taxiway as per Schedule "B" attached, in this case is [No.] metres for a total of \$[Amount] subject to adjustment.

4.04 DEPOSIT

The Lessee agrees to deposit with the City the sum of \$1,000 (the "Deposit") in a form satisfactory to the City, as a security deposit to be held throughout the Term and may be applied to any Rent in default owing under the Lease. The City may notify the Lessee from time to time that the amount of the security delivered by the Lessee be changed to ensure the Deposit is not less than \$1,000.00, and the Lessee shall within 30 days of receiving notice from the City requesting such a change, deliver to the City the amount of security so specified and provide the City with written confirmation of the change. The Deposit or remaining portion thereof, shall be applied to the last payment of Rent due under the Lease.

4.05 INTEREST ON RENT IN DEFAULT

Without waiving any other right of action of the Lessor in the event of default of payment of Rent under this lease, in the event that the Lessee is delinquent in making the payments required hereunder, the Lessee shall pay interest thereon at the rate of 1 3/4 percent per month (21 percent per annum), compounded monthly, from the date any such amount is due and payable until paid. In order to reflect prevailing interest rates the Lessor may review and adjust the interest rate charged from time to time without notice to the Lessee.

ARTICLE 5: LEASED LAND, SERVICES AND IMPROVEMENTS

5.01 "AS IS" CONDITION

The Lessee accepts the Land in an "as is" condition and any improvements made to the Land by the Lessee at any time during the Term of this lease to make the Land suitable for the operations of the Lessee hereunder, shall be at the risk, cost and expense of the Lessee, and to the satisfaction of the City.

5.02 ACCESS

The Lessor, its officers, employees, agents or contractors, shall have full and free access for inspection purposes during normal business hours and in the presence of the Lessee or a representative of the Lessee to any and every part of the Land and the Building, it being expressly understood and agreed that in cases of Emergency, as determined by the City or its delegate, the Lessor, its officers, employees, agents or contractors shall at all times and for all purposes have full and free access to the Land.

Except as provided for in this lease, the Lessee shall have quiet possession of the Land, and the right of ingress and egress over the airport roadways subject to rules and regulations as may be established by the Lessor respecting such use.

5.03 MAINTENANCE OF LEASED AREA

The Lessee shall, at the cost and expense of the Lessee, maintain the landscaping and paved areas on the Land and shall keep the Land free of debris and neat and tidy at all times, all to the satisfaction of the City.

5.04 ADDITIONAL RIGHTS OF THE LESSOR

The Lessor reserves the right to grant leases, licenses, rights of way or privileges to others on, over, under, through or across the Land, provided, however, that such rights of way or privileges are not detrimental to the proper conduct of the business or operation of the Building and related services, will not damage or disrupt permanently the physical facilities of the Lessee, will not impose any cost upon the Lessee, and will not weaken, diminish or impair the rights and obligations of the parties under this lease.

5.05 UTILITIES

The Lessee shall, at the cost and expense of the Lessee, be responsible for the installation and maintenance of the connecting system to the Lessor's water, hydro, sanitary sewage and storm sewage system, where available at the Airport, to the nearest point of connection. The City shall approve the plans and specifications for connecting to such services, in writing, before work is commenced and the work shall be performed under the supervision of a designated officer of the City. Where applicable, a water meter shall be installed by the Lessor to measure the Lessee's water consumption and the Lessee will be charged a separate rate based on cost recovery of the water consumed.

The Lessee shall construct improvements on the Land in such manner that the surface drainage water on the Land is discharged into the Lessor's drainage system at the Airport and plans for the construction of storm drainage services shall be subject to the approval in writing, of the City prior to installation of such services to ensure compatibility with the field drainage channels serving the Land, all at the cost and expense of the Lessee.

The Lessee shall, at the cost and expense of the Lessee, provide complete and proper arrangements for the adequate sanitary handling and disposal away from the Airport of all trash, garbage and other refuse on or in connection with the Lessee's operations under this lease, all to the satisfaction of the City. Piling of crates, cartons, barrels or other similar items shall not be permitted in a public area on the Airport.

The Lessee shall be responsible for making arrangements for and the cost of all services not supplied by the Lessor, and the plans and specifications for installation of services must be approved, in writing, prior to commencement of the work by the City, and the work performed in accordance with all applicable enactment's under the supervision of a designated officer of the City.

5.06 TEMPORARY SUSPENSION OF SERVICES

Without limiting or restricting the generality of the provisions of Clause 7.01 hereof, the Lessee shall not have nor make any claim or demand, nor bring any action or suit or petition against the Lessor or any of its officers, employees or agents for any damage which the Lessee may sustain by reason of any temporary suspension, interruption or discontinuance, in whole or in part from whatever cause arising in a service supplied by the Lessor under this lease.

5.07 REASONABLE USE

The Lessee shall not during the Term of this lease, do, suffer nor permit to be done any act or thing which may impair, damage or injure the Land, the Building or any part thereof, beyond the damage occasioned by reasonable use, and shall, at the cost and expense of the Lessee, repair and renew in a good, sufficient and workmanlike manner all portions of the Land or the Building which may at any time by the Lessee be damaged (ordinary wear and tear only excepted), and in the event of the failure on the part of the Lessee to so repair and renew, the Lessee shall indemnify and save harmless the Lessor from all damages, costs and expenses suffered or incurred by the Lessor by reason of such impairment, damage or injury to the extent the Lessee

is liable for the same in law, such payment to be made immediately upon receipt of the accounts therefore.

5.08 NUISANCE

The Lessee shall not do, suffer nor permit to be done any act or thing upon or above the Land or the Building which is or would constitute a nuisance to the occupiers of any leased lands or premises adjoining or in the vicinity of the Land or the Building, or to the public generally.

5.09 ENVIRONMENTAL PROTECTION STATUTES

The Lessee shall accede to and abide by all Environmental Laws.

5.10 STORAGE OF DANGEROUS GOODS

No goods or equipment of an explosive, dangerous, inflammable or noxious nature or character, including, without limitation, any Contaminants shall be stored by the Lessee in or upon the Land or Building except with the prior written consent of the City. It shall be a condition of any such consent that the Lessee, at its own expense, obtains insurance for the storage of these goods satisfactory to the Lessor, which must include the Lessor as an additional named insured.

5.11 FIRE PREVENTION

The Lessee shall, at its own expense, take all precautions to prevent fire from occurring in or about the Land and the Building, and shall observe and comply with all laws and regulations in force respecting fires at the Airport. The Lessee agrees that the Land shall be deemed to be zoned Commercial/Industrial within the City of Campbell River for the purpose of determining the necessary standard for a sprinkler system required for any buildings erected on the Land pursuant to the City's Building Bylaw. The cost of the sprinkler system, if required, shall be at the Lessee's sole expense.

5.12 ADVERTISING

The Lessee shall not construct, erect, place or install on the outside of the Building or on the Land any poster, sign of any type or display, electrical or otherwise, without the prior written consent of the City.

5.13 DRAINAGE AND DISCHARGE OF MATERIAL

The Lessee shall not discharge, cause or permit to be discharged or howsoever to pass into the sewer systems, storm drains or surface drainage facilities at the Airport or elsewhere any deleterious material, noxious, contaminated or poisonous substances, including, without limitation, any Contaminants, all as determined by the City, whose decision shall be final. In the event of a discharge or escape of such deleterious material, noxious, contaminated or poisonous substances, including, without limitation, any Contaminants, in and under the control of the Lessee, the cost incurred in the clean up to the satisfaction of the City, may be added to the Rent.

On the expiry of the Term of this lease for any reason, the Lessee will surrender the Land and Building to the Lessor in the condition in which they are required by this lease to be kept by the Lessee and, without limiting the generality of the foregoing, the Lessee shall remove all deleterious material, noxious, contaminated or poisonous substances, including, without limitation, any Contaminants, spilled, released or deposited on the Land by the Lessee, and in the event that the Lessee does not clean up the Land and Building to the satisfaction of the City, the Lessor may by itself, its officers, employees, agents or contractors, enter onto the Land and into the Building and may clean up the Land and Building to the satisfaction of the City and add the costs of such work to the Rent.

5.14 INTERCEPTORS

If required by the City, grease, oil and sand/silt interceptors (Catch Basins) shall be provided by the Lessee at its cost. All interceptors shall be of a type and capacity approved by the City and shall be readily accessible for cleaning and inspection. Such interceptors shall be maintained by the Lessee, at the expense of the Lessee, in continuous, efficient operation at all times.

5.15 REPAIR OF DAMAGE

If, at any time or times hereafter, any damage or injury (ordinary wear and tear only excepted) should be occasioned to the Land, the Building, or any part thereof, or to any works of the Lessor on the Airport by reason of or on account of the operations of the Lessee under this lease, or any action taken or things done or maintained by virtue thereof, then, and in every such case, the Lessee shall, within a reasonable time upon notice thereof from the City given in writing, repair, rebuild and restore the same in good, sufficient and workmanlike manner. In the event of failure on the part of the Lessee to so repair, the City may, at his option, repair such damage or injury in which case the Lessee shall repay and reimburse the Lessor for all costs and expenses connected therewith or incidental thereto to the extent the Lessee is liable for the same in law plus such additional charge as may be applicable in accordance with the policies of the Lessor for administration and overhead immediately upon receipt by the Lessee of the accounts from the Lessor.

The Lessee shall indemnify the Lessor from 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, construction, repairs, alterations, installations and additions which the Lessee may make or cause to be made on, in or to the Land or the Building and will allow the Lessor to post and will keep posted on the Premises any notice that the Lessor may desire to post under the provisions of the Builders Lien Act of British Columbia.

5.16 ERECTION AND MAINTENANCE OF BUILDINGS OR STRUCTURES

The Lessee shall not construct or erect any building or other structures on the Land without first obtaining a building permit and all necessary inspections from the authority having jurisdiction, and the prior written approval of the City of plans showing the design and nature of construction of building or structures and their proposed location, as well as landscaping plans and all such buildings or structures shall be constructed and thereafter maintained, by and at the cost and expense of the Lessee, to the satisfaction of the City.

The Lessee shall not make any alterations to the Land or Building, including any improvements, or services connected therewith or add any facilities or services, without first obtaining a building permit and all necessary inspections from the authority having jurisdiction and the prior written approval of the City. Upon receipt of the approval of the City, the Lessee agrees to make the alterations at the Lessee's cost, in accordance with the requirements, terms and conditions specified, and thereafter maintain the alterations at the cost of the Lessee and to the satisfaction of the City. Any amount owing to the Lessor under this section shall be payable as additional Rent upon demand.

If, at any time during the Term of this lease, the Lessee defaults in its obligation of maintaining the Land and the Building, structures and improvements, and every one of them, in accordance with the requirements of this lease, the City may give written notice, specifying in what manner the maintenance is deficient, to the Lessee. If, within fifteen (15) days from the giving of such notice the default specified in such notice has not been remedied or (if the nature of such default reasonably requires more than fifteen (15) days to remedy and make right) the Lessee has not commenced, or, having commenced, is not diligently completing the remedying of such default, or if such maintenance is not of a type satisfactory to the City, the Lessor may enter

upon the Land and the Building, structures and improvements and perform such maintenance, at the cost and expense of the Lessee, plus such additional charge as may then be applicable, in accordance with the policies of the Lessor for administration and overhead, it being expressly understood and agreed that the Lessor shall not be under any obligation to perform any maintenance during the Term of this lease.

5.17 VESTING OF REPAIRS, ALTERATIONS, IMPROVEMENTS OR REPLACEMENTS

Any repairs, alterations, improvements or replacements made by the Lessee to or upon the Land which by their nature are determined to be fixtures shall upon termination of this lease, except and subject as in this lease otherwise specifically provided, be vested in title to the Lessor without any payment of compensation to the Lessee in respect of the repairs, alterations, improvements or replacements; nevertheless, the Lessor shall have the option of requiring or compelling the Lessee upon written notice, to remove such repairs, alterations, improvements or replacements, and the Lessee shall be so bound to remove and shall restore the Land to its original condition at its sole cost and without any right on the part of the Lessee to seek compensation for any reason whatsoever.

5.18 PAYMENT OF TAXES

The Lessee shall pay or cause to be paid all rates, taxes, assessments and charges of whatsoever description, that may at any time during the existence of this lease be lawfully imposed, and become due and payable, upon, or in respect of the Land, a building or structure on the Land or any part of the Land, a building or structure.

The Lessee shall pay any business tax, value added tax, multi-stage sales tax, sales tax, goods and services tax or any other tax lawfully imposed on any rent receivable by the Lessor hereunder by any governmental or other taxing authority having jurisdiction, whether known as business transfer tax, value added tax, goods and services tax, or by any other name.

5.19 COMPLIANCE WITH REGULATIONS

The Lessee shall in all respects abide by and comply with all applicable lawful rules, regulations and by-laws of the Federal Government, Provincial Government, Municipal Government or any other governing body whatsoever and with all local police, health, or fire regulations or by-laws, in any manner affecting the Leased Premises including all City or provincial regulations and bylaws, including, but not limited to the City's building bylaws, City fire bylaws, BC Building Code and BC Fire Code.

The Lessee shall abide by and comply with all regulations regarding traffic control, airport security, sanitation and all other regulations and directives relative to the management and operation of the Airport.

ARTICLE 6: ASSIGNMENT

6.01 ASSIGNMENT

The Lessee shall not make any assignment of this lease, nor any transfer or sublease of the whole or any portion of the Land leased hereunder, without obtaining the prior written consent of the Lessor to such assignment, transfer or sublease, which consent may not be unreasonably withheld by the Lessor.

ARTICLE 7: LIABILITY AND INDEMNITY

7.01 CLAIM OR DEMAND

The Lessee shall not have and hereby waives and releases any claim or demand against the Lessor or any of its officers, employees or agents for detriment, damage, loss, accident or injury, of any nature whatsoever or howsoever caused to the Land, or to any person or property, including any structures, erections, aircraft, equipment, materials, supplies, motor or other vehicles, fixtures and articles, effects and things erected, brought, placed, made or being on or about the Land or in the Building, unless such damage or injury is due to the gross negligence of the Lessor and/or any of its agents, officers or employees while acting within the scope of their duties of employment.

7.02 INDEMNITY

The Lessee shall at all times indemnify and save harmless the Lessor and or any of its officers, employees or agents from and against all claims and demands, loss, costs, damages, actions, suits, fees, fines or other proceedings by whomsoever made, brought or prosecuted, in any manner based upon, occasioned by or attributable to the execution of this lease, or any action taken or things done or maintained by virtue of, this lease or the exercise in any manner of rights arising under this lease except claims for damage resulting from the gross negligence of any officer, servant or agent of the Lessor while acting within the scope of their duties of employment.

7.03 SURVIVAL

The provisions of this article 7 shall survive the expiry or earlier termination of this Lease.

ARTICLE 8: INSURANCE

8.01 INSURANCE

The Lessee shall:

- (a) without limiting the Lessee's obligations or liabilities under this Agreement, at its expense, and throughout the Term of this Agreement secure, maintain and pay for a Comprehensive General Liability Insurance policy or policies with a limit of not less than \$3,000,000 inclusive per occurrence for Bodily Injury and Property Damage and include in the policy or policies, but not necessarily be limited to the following coverage, including all premises and operations necessary or incidental to the performance of this Agreement;
- (b) have the City added as an additional insured;
- (c) on every contract of insurance required to be maintained pursuant to the provisions of this Agreement include a provision requiring the insurer to give the City 30 [thirty] days prior written notice before making any material change in said insurance, or termination, or cancellation thereof;
- (d) on the Commencement Date and thereafter immediately upon demand, deliver to the City a Certificate or Certificates of Insurance as evidence that such insurance is in force, including evidence of any insurance renewal policy or policies. Every Certificate or Certificates of Insurance shall include, Certification by the Insurer that the Certificate or Certificates of Insurance specifically conforms to all of the provisions required herein;
- (e) ensure that all insurance required to be maintained by Lessee under this Agreement is:

(i) primary and does not require the sharing of any loss by any insurer that insures the City; and

(f) have the full responsibility to determine their own additional insurance coverage, if any, including Workers Compensation, that are necessary and advisable for its own protection and/or to fulfill its obligations under this contract and any applicable laws. Any such additional insurance shall be provided and maintained by Lessee at its own expense.

ARTICLE 9: DEFAULT AND REENTRY

9.01 DEFAULT AND RE-ENTRY

If the Lessee is in default in the payment of Rent or amounts payable as Rent under this lease, whether lawfully demanded or not, and such default shall continue for a period of 15 days after the Rent has become due and payable; or

If the Lessee shall be in default of any of its covenants or agreements under this Agreement (other than its covenant to pay Rent or amounts payable as Rent) and such default continues for a period of 30 days (or such longer period as may be reasonably necessary to cure such default considering its nature) after notice by the Lessor to the Lessee specifying with reasonable particularity the nature of such default and requiring the same to be remedied; or

If the default set out in the notice given to the Lessee by the Lessor pursuant to paragraph (b) reasonably requires more time to cure than the thirty (30) day period referred to in that paragraph and the Lessee has not commenced remedying or curing the same within the thirty (30) day period or; in the opinion of the Lessor fails to diligently complete the same within a reasonable time; or

If the Lessee makes an assignment for the benefit of creditors, or makes an assignment or has a receiving order made against it under the *Bankruptcy and Insolvency Act* (Canada), or becoming bankrupt or insolvent makes application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or any action whatsoever, legislative or otherwise is taken with a view to the winding up, dissolution or liquidation of the Lessee;

THEN, the balance of Rent owing under this lease shall immediately become due and payable, and at the option of the Lessor the Term hereby granted shall become forfeited and void, and the Lessor may without notice or any form of legal process whatsoever forthwith re-enter upon the Land, the Building or any part thereof in the name of the whole and repossess and enjoy the same as of its former estate, anything contained in any statute or law to the contrary notwithstanding.

Forfeiture of this lease by the Lessee shall be wholly without prejudice to the right of the Lessor to recover arrears of Rent or damages for any antecedent breach of covenant on the part of the Lessee, and notwithstanding any such forfeiture the Lessor may subsequently recover from the Lessee damages for loss of Rent suffered by reason of the lease having been determined prior to the end of the Term of this lease as set out herein and this clause and the rights hereunder shall survive the termination of this lease whether by act of the parties or by operation of law.

9.02 LIEN

The Lessor shall have a lien upon the chattels, goods, supplies, articles, equipment, materials, effects or things of the Lessee for any loss or damage arising by reason of the breach of or failure to comply with any of the conditions or provisions of this lease on the part of the Lessee.

ARTICLE 10: GENERAL

10.01 INFLUENCE

The Lessee hereby confirms that it has not, nor has any person on its behalf, given, promised or offered to any official or employee of the Lessor for or with a view to obtaining this lease any bribe, gift or other inducement and that it has not, nor has any person on its behalf, employed any person to solicit or secure this lease upon any agreement for a commission, percentage, brokerage or contingent fee.

10.02 HEADINGS

Any note appearing as a heading in this lease has been inserted for convenience and reference only, and of itself cannot define, limit or expand the scope or meaning of the present lease or any of its provisions.

10.03 DIFFERENCES

All matters of differences arising between the Lessor and the Lessee in any matter connected with or arising out of this lease whether as to interpretation or otherwise, shall be determined by the Lessor but without prejudice to any recourse available under law.

10.04 EFFECT OF LEASE

This lease and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns, as the case may be, of each of the parties hereto, subject to granting of consent by the Lessor as provided herein to any assignment, transfer or sublease of this lease, and where there is a male, female or corporate party, the provisions hereof shall be read with all grammatical changes to gender and number required by the context, and all covenants and obligations shall be deemed joint and several and the invalidity of any clause for any reason whatsoever shall not invalidate any other clause of this lease.

10.05 PROVISIONS SEPARATELY VALID

If any covenant, obligation, agreement, term or condition of this lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this lease or the application of such covenant, obligation, agreement, term or condition to any persons or circumstances other than those in respect of which it is held invalid or unenforceable, shall not be affected and each covenant, obligation, agreement, term or condition of this lease shall be separately valid and enforceable to the fullest extent permitted by law.

10.06 WAIVER NEGATED

The failure by the Lessor or its authorized representative, as the case may be, to require the fulfillment of the obligations, or to exercise any rights herein contained shall not constitute a waiver, a renunciation or a surrender of those obligations or rights.

10.07 NO IMPLIED OBLIGATIONS

No implied terms or obligations of any kind by or on behalf of the Lessor shall arise from anything in this lease and the express covenants and agreements contained in this Agreement and made by the Lessor are the only covenants and agreements upon which any rights against the Lessor may be founded.

10.08 ENTIRE AGREEMENT

This lease shall be deemed to constitute the entire agreement between the Lessor and the Lessee with respect to the subject matter of this Agreement and shall supersede all previous negotiations, representations, and documents made by any party to this lease.

10.09 PROPERTY LAW ACT NOT TO APPLY

The parties hereto agree that the Property Law Act, R.S.B.C. 1996, Chapter 377, shall have no application to this lease, insofar as it requires the Lessor to deliver this lease in registerable form under the Land Title Act.

ARTICLE 11: NOTICES

11.01 NOTICES

Whenever in this lease, it is required or permitted that notice or demand be given or served by either party of this lease to or on the other, such notice or demand will be in writing and will be validly given or sufficiently communicated if forwarded by registered mail, priority post mail, telegram, telex, or facsimile as follows:

To the Lessor: City of Campbell River
301 St. Ann's Road
Campbell River, BCV9W 4C7
Attention: Facilities - Property Manager
Phone: (250) 286-5709 Fax: (250) 286-5741

To the Lessee: [Company]
[Address]
[City, Prov. Postal Code]
Attention: [Name]
Phone: [No.] Fax: [No.]

Such addresses may be changed from time to time by either party giving written notice as above provided. If any question arises as to whether any notice was or was not communicated by one party to the other, it shall be deemed to have been effectively communicated or given on the day received or on the fifth day after it was mailed, faxed or otherwise sent, whichever is the earlier.

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

SIGNED ON BEHALF OF THE CITY OF CAMPBELL RIVER

Under authority of "Officer's Designation and Establishment of Powers, Duties and Responsibilities Bylaw No. 3224, 2006"

This agreement of lease is open for acceptance of the Lessee until [Month] [Date], 20[No.], after which time it is null and void.

SIGNED, SEALED, AND DELIVERED
in the presence of: _____)
Name: _____)
_____)

CITY OF CAMPBELL RIVER by its
authorized signatory this ___ day of
_____, 201[No.]

Address: _____
Occupation: _____

[Name]
[Title]

SIGNED, SEALED, AND DELIVERED
in the presence of: _____

[NAME] by its authorized signatory(ies)
this __ day of _____, 201[No.]

Name: _____

Address: _____
Occupation: _____

Name: _____

Position: _____

Name: _____

Position: _____

SCHEDULE B

Those lands benefiting from the Extended Service

COST OF EXTENDED SERVICES:

Taxiway Servicing Airport Lease Lots Numbered 21, 22 and 23 or parts thereof:	\$13,706.46
Cost per linear meter of frontage on Taxiway	\$ 57.52