



Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Notice of Meeting and Meeting Agenda Peninsula Recreation Commission

Thursday, October 26, 2023

6:00 PM

Panorama Boardroom
1885 Forest Park Drive
North Saanich, BC V8L 4A3
Via Teleconference

R. Imrie (Chair), N. Paltiel (Vice-Chair), P. DiBattista, K. Frost, S. Garnett, P. Jones, C. McNeil-Smith, P. Murray, R. Windsor

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes of September 28, 2023

3.1 Minutes of the September 28, 2023, Peninsula Recreation Commission meeting

Recommendation: That the minutes of the Peninsula Recreation Commission meeting of September 28, 2023, be adopted as circulated.

Attachment: [Minutes – September 28, 2023](#)

4. Chair's Remarks

5. Presentations/Delegations

6. Commission Business

6.1 Community Mosaic Project - Verbal

Recommendation: There is no recommendation. This report is for information only.

6.2 Centennial Park Multi-Sport Box Lease Agreement

Recommendation: 1. That staff be directed to enter into a 60-year agreement at Centennial Park in Central Saanich that will include a lease of the lands for a new multi-sport box and the existing fieldhouse, with an attached gazebo and storage area, and a license for the driveway, parking lot, picnic shelter and old concession building. The agreement will include part of two lots, as identified within the properties with PID 003 150 470 and PID 003 150 453 and;

2. That the General Manager, Parks & Environmental Services be authorized to negotiate, execute any agreements and do all things incidental to finalize the Lease Agreement for the Multi-Sport Box and Fieldhouse at Centennial Park in Central Saanich.

Attachments: [Staff Report: Centennial Park Multi-Sport Box Lease Agreement](#)

6.3 Financial Statement of Operations – Third Quarter of 2023

Recommendation: There is no recommendation. This report is for information only.

Attachments: [Staff Report: Financial Statement of Operations – Third Quarter of 2023](#)

6.4 Panorama Recreation Services – 2023-2024 Fees and Charges Update

Recommendation: The Peninsula Recreation Commission recommends no change to the 2023-2024 Fees and Charges Bylaw for Panorama Recreation Services.

Attachment: [Staff report: Panorama Recreation Services – 2023-2024 Fees and Charges Update](#)

7. New Business

8. Adjournment

The next meeting is November 23, 2023

To ensure quorum, please advise Denise Toso at dtoso@panoramarec.bc.ca if you cannot attend.



**Minutes of a Meeting of the Peninsula Recreation Commission
Held Thursday, September 28, 2023, in the Panorama Boardroom
1885 Forest Park Drive, North Saanich BC**

Present

Commissioners: R. Imrie (Chair), N. Paltiel (Vice-Chair), C. McNeil-Smith, P. DiBattista, K. Frost, S. Garnett, S. Riddell (for R. Windsor)

Staff: L. Brewster, Senior Manager; K. Beck, Manager, Program Services; A. Sharp, Manager, Administrative Services; M. Medland, Senior Financial Advisor, Finance and Technology; S. Henderson, Senior Manager, Real Estate; D. Toso (Recorder)

Guests: Dale Puskas, Director of Engineering, District of Central Saanich

Regrets

Commissioners: R. Windsor; P. Jones; P. Murray

The meeting was called to order at 6:02 pm

1. Territorial Acknowledgement

Commissioner Frost provided a territorial acknowledgement.

2. Approval of Agenda – The agenda was amended to reverse the order of items 6.3 and 6.6.

MOVED by Commissioner Garnett, **SECONDED** by Commissioner McNeil-Smith
That the agenda be approved as amended.

CARRIED

3. Adoption of Minutes of June 22, 2023

MOVED by Commissioner McNeil-Smith, **SECONDED** by Commissioner Frost,
That the minutes of the June 22, 2023 meeting be adopted as circulated.

CARRIED

4. Chair's Remarks: There were none.

5. Presentations/Delegations: There were none.

6. Commission Business

6.1 Service Planning 2024 – Arts & Recreation Community Need Summary

L. Brewster presented the report.

N. Paltiel and P. DiBattista entered the meeting at 6:08 pm

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Discussion ensued regarding:

- Amending the Community Need Summary to show the number of participants and number of programs in Performance Measure 1, which tracks program success and program participation rates.
- Pool expansion trigger metric is likely to be hit in the next 5 years. Where the expansion would take place would be discussed at that time.
- Reaching capacity for programs at our four facilities: we are at capacity at Greenglade for licensed childcare space. In the pool, peak use times and lower use times balance out. Staff will confirm if rental bookings such as swim clubs are included in number of swims per capita, which could affect capacity metric.
- Forecasting factors in development on the Peninsula, including federal and provincial immigration and housing policies.

MOVED by Commissioner McNeil-Smith, **SECONDED** by Commissioner Paltiel,

The Peninsula Recreation Commission recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Arts & Recreation, be approved as amended to include the number of participants and the number of programs in Performance Measure 1 and form the basis of the Final 2024-2028 Financial Plan.

CARRIED

6.2 Budget Review and Approval Process 2024 – Panorama Recreation

A. Sharp presented the report. Discussion ensued regarding:

- The grant for the sport box project is still with the District of Central Saanich, as an agreement must be in place before it can be transferred to CRD. Central Saanich Council voted on Monday, September 25, to go through the lease and construction agreement and start the process of notification.
- Requisition increase and transfer to reserves compared to the projects and initiatives in the strategic plan and escalating costs. There are certain benefits to having those come through debt, reality is our debt costs are still historically low. Best to have a balance of reserve funding and debt and grant funding.
- Panorama is within CRD management recommended reserves target range. To increase transfer to reserves in 2024 would decrease transfer in 2025, which is when debt servicing costs will start to increase as we start paying back the capital of the debt. Staff will bring back to the commission the recommended reserves target range at a future meeting.
- Heat recovery project shows \$2 million debt in 2024 but the total cost is \$2.45 million – the \$450,000 would have been in 2023 for design and initial work on the project. There might be some carry forward that would show in the final budget.
- Greenglade playground shows no amount in the 2024-2028 budget due to completion in 2023.
- Carryforward projects not entirely due to lack of capacity. Many are related to the heat recovery project, which will be eligible for new grants in the coming months.
- Staff will be bringing forward more information about design and cost analysis on the arena dressing room upgrades.

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MOVED by Commissioner McNeil-Smith, **SECONDED** by Commissioner DiBattista,
The Peninsula Recreation Commission recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Operating & Capital Budget 2024-2028 – Panorama Recreation, be approved as presented and form the basis of the Provisional 2024-2028 Financial Plan.

6.3 Centennial Park Multi-Sport Box – Verbal

D. Puskas provided an update from the District of Central Saanich:

- As noted during budget discussion, Central Saanich Council voted on Monday, September 25, to go through the lease and construction agreement and start the process of notification.
- Central Saanich is carrying out improvements from the condition assessment of the fieldhouse including air exchangers and roof upgrades, washroom and changeroom accessibility improvements.

S. Henderson provided an update on the progress of the lease:

- Lease areas will be leased by the CRD for 60 years for \$10.
- License areas: parking, entry lane and gates will be looked after by Central Saanich; the old concession and picnic shelter will be looked after by the CRD.
- Sport box footprint is slightly more to the west of the current box because how it will be positioned is yet to be determined.
- A staff report will be brought to the commission in October to go to the Board in November and then the lease can be signed.

M. Curtis provided an update on the construction agreement:

- Once the lease is signed, the transfer of the grant and the construction agreement can move forward.
- Because of the ambitious timeline to get the permit for the steel structure, an RFP has been completed and the contract awarded to Finlayson Bonet for preliminary and detailed design and structure construction including demolition and associated civil work.
- The arena dasher board system and surfacing will be under two separate contracts to save money by dealing directly with these specialized contractors.
- On target to get the permit application for the steel structure in first, before year end, and the rest of the building permit following.

There is no recommendation. The report is for information only.

D. Puskas and S. Henderson left the meeting at 7:29 pm.

6.4 Special Events Report 2023

K. Beck provided an overview of the report.

There is no recommendation. The report is for information only.

6.5 Summer Camp Program Report 2023

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K. Beck provided an overview of the report. Discussion ensued regarding:

- With higher summer temperatures, sun and smoke exposure, outdoor camp participants need to be brought indoors when those conditions are present. With indoor spaces already reaching capacity, staff are conscious of not over expanding outdoor camp offerings. The heat recovery project will provide air conditioning in the dry floor arena to provide indoor space for outdoor only camps to use when necessary.

There is no recommendation. The report is for information only.

6.6 Fees and Charges 2023

K. Beck provided an overview of the report. Discussion ensued regarding:

- LIFE (Leisure Involvement for Everyone) pass program is in discussion regionally to review income threshold and how access can be expanded. A staff report will be coming to the commission.
- Staff will come back to the commission with options to address community feedback on the new Family Pass.

There is no recommendation. The report is for information only.

6.7 Heat Recovery Report – Verbal

M. Curtis provided a verbal update:

- Project design was awarded to Polar Engineering to handle the preliminary detailed design and overseeing the tender construction services. A second site walk-through was completed today so preliminary design should be ready in October.
- The project has been broken into a series of smaller projects to allow staff to pursue some smaller grant opportunities through FortisBC and BC Hydro.
- A letter of intent has been issued to Engineered Air for dehumidifier so the procurement process can start and get it in line for production.

There is no recommendation. The report is for information only.

7. New Business: There was none.

8. Adjournment

MOVED by Commissioner Garnett, **SECONDED** by Commissioner Paltiel,
That the meeting be adjourned at 7:52 pm.

CARRIED

CHAIR

RECORDER



Making a difference...together

REPORT TO PENINSULA RECREATION COMMISSION MEETING OF THURSDAY, OCTOBER 26, 2023

SUBJECT **Centennial Park Multi-Sport Box Lease Agreement**

ISSUE SUMMARY

To seek endorsement of the lease agreement for the Centennial Park Multi-Sport Box Project.

BACKGROUND

In June 2022, the Peninsula Recreation Commission (PRC) received information that the District of Central Saanich (the District) successfully obtained grant funding from the Investing in Canada Infrastructure Program to build a multi-sport facility to replace a 40-year-old lacrosse box. The PRC and the District agreed that the multi-sport facility is a regional recreation service that meets community need.

At its January 26, 2023 meeting, the PRC passed the motion, "That staff be directed to include \$4.9 million in the 2023 CRD Capital Plan to be funded by the grant transfer and debt for the balance; and bring back a detailed project plan to the Peninsula Recreation Commission, including terms with the District of Central Saanich for the grant transfer, procurement approach, fieldhouse condition assessment, schedule, property tenure details and borrowing and budget implications."

At its February 23, 2023 meeting, the PRC reviewed a Heads of Terms for the Lease of the Lands for the Multi-Sport Box and Fieldhouse and recommended that staff proceed with the next steps of the project.

Project management and procurement of contractors has been progressing. The lease of the land now needs to be executed to secure the CRD's tenure of the land and enable the project construction to commence.

The lease agreement is proposed for a duration of 60 years, with a fee of \$10 for the term (refer to Appendix A). The CRD will be responsible for the management, operation and repairs to the multi-sport box and the fieldhouse, with an attached gazebo and storage area. Through a license, CRD staff will operate, manage and repair an additional picnic shelter and the old concession building at Centennial Park. The District will operate, maintain and repair the driveway and parking lot. At the end of the 60-year lease, there is a mutual option to extend.

ALTERNATIVES

Alternative 1

1. That staff be directed to enter into a 60-year agreement at Centennial Park in Central Saanich that will include a lease of the lands for a new multi-sport box and the existing fieldhouse, with an attached gazebo and storage area, and a license for the driveway, parking lot, picnic shelter and old concession building. The agreement will include part of two lots, as identified within the properties with PID 003 150 470 and PID 003 150 453; and

2. That the General Manager, Parks & Environmental Services be authorized to negotiate, execute any agreements and do all things incidental to finalize the Lease Agreement for the Multi-Sport Box and Fieldhouse at Centennial Park in Central Saanich.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Alignment with Existing Plans & Strategies

The Panorama Recreation 2022-2026 Strategic Plan includes considering the feasibility of developing a multi-sport facility in Central Saanich.

Financial Implications

The lease is for \$10 and for 60 years. The CRD will be responsible for operation, maintenance and repairs to the multi-sport box, fieldhouse, picnic shelter and old concession. The District will be responsible for the costs associated with the parking lot operations, maintenance and repair.

Intergovernmental Implications

Initial discussions with the District indicated that grant funding could be transferred to the CRD provided there was an agreement in place between the District and the CRD for commitment to the project, including an agreement for leasing and an agreement for transferring the grant. The CRD would be delivering and managing the facility and would be responsible for undertaking the reporting for the grant. The CRD is committed to working with the District and the grant program to adhere to all grant requirements to ensure the grant program's support of the transfer.

Service Delivery Implications

The CRD would be responsible to build, operate and maintain the facility as an extension of Peninsula Recreation's service delivery.

CONCLUSION

The District of Central Saanich was successful in obtaining grant funding from the Investing in Canada Infrastructure Program to build a multi-sport facility that will replace a 40-year-old lacrosse box. CRD staff worked closely with District of Central Saanich staff to look at partnership options for the Centennial Park Multi-Sport Box, up to and including operations and leasehold agreements. Following execution of the lease agreement the construction agreement and grant transfer will come into effect and the project can progress.

RECOMMENDATION

1. That staff be directed to enter into a 60-year agreement at Centennial Park in Central Saanich that will include a lease of the lands for a new multi-sport box and the existing fieldhouse, with an attached gazebo and storage area, and a license for the driveway, parking lot, picnic shelter and old concession building. The agreement will include part of

two lots, as identified within the properties with PID 003 150 470 and PID 003 150 453; and

2. That the General Manager, Parks & Environmental Services be authorized to negotiate, execute any agreements and do all things incidental to finalize the Lease Agreement for the Multi-Sport Box and Fieldhouse at Centennial Park in Central Saanich.

Submitted by:	Stephen Henderson, MBA, PG.Dip.Eng, BSc, Senior Manager, Real Estate and Administration of the Southern Gulf Islands Electoral Area
Submitted by:	Lorraine Brewster, M.A., Senior Manager, Panorama Recreation
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services

ATTACHMENT

Appendix A: Lease Agreement for the Multi-Sport Box and Fieldhouse at Centennial Park in Central Saanich.

LEASE

THIS LEASE made as of the _____ day of _____, 2023.

BETWEEN:

DISTRICT OF CENTRAL SAANICH

1903 Mount Newton Cross Road,
Saanichton, BC V8M 2A9

(the "**Landlord**")

AND:

CAPITAL REGIONAL DISTRICT

625 Fisgard Street
Victoria, BC V8W 1R7

(the "**Tenant**")

WHEREAS:

- A. The Landlord is the owner of certain lands in the District of Central Saanich, in the Province of British Columbia, legally described as:

PID 003-150-470

Lot B, Section 8, Range 2 East, South Saanich District, Plan 23837

PID 003-150-453

Lot A, Section 8, Range 2 East, South Saanich District, Plan 23837

Commonly known as Centennial Park (collectively, the "Lands");

- B. The Tenant wishes to lease that portion of the Lands outlined on the plan attached as Schedule "A" to this Agreement (the "Premises"), for the purposes of maintaining and operating a multi-sport box, and a fieldhouse;
- C. The Parties intend to enter into a Construction Services Agreement, for the demolition and construction of a new multi-sport box, on terms and conditions substantially similar to those contained in Schedule "B" to this Agreement (the "Multi-Sport Box Construction Agreement");

- D. The Landlord has agreed to lease the Premises to the Tenant, and grant the Tenant a licence over the Parking Lot, Picnic Shelter, and Old Concession building on the Lands, on the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the rents, covenants and conditions hereinafter contained, the Landlord and the Tenant covenant and agree as follows:

1. DEFINITIONS

1.1. Defined Terms

In this Lease:

- (a) "Rent" means ten dollars (\$10) for the Term;
- (b) "First Day of Term" means January 1, 2024, or such other date as may be agreed to by the parties in writing.
- (c) "Lease" means this lease agreement.
- (d) "Last Day of Term" means December 31, 2083, unless this Lease is earlier terminated, or such other date as may be agreed to by the parties in writing.
- (e) "Licence Area" means the Parking Area, the Picnic Shelter, and the Old Concession;
- (f) "Old Concession" means the portion of the Lands outlined and labelled "old concession" on the plan attached as the Schedule "A" to this Agreement
- (g) "Parking Area" means the portion of the Lands outlined and labelled "parking lot" on the plan attached as Schedule "A" to this Agreement;
- (h) "Permitted Use" means the use of the Premises for community purposes, recreation purposes and public services purposes;
- (i) "Picnic Shelter" means the portion of the Lands outlined and labelled as "picnic shelter" on the plan attached as Schedule "A" to this Agreement;
- (j) "Property" means the Premises and Licence Area;

- (k) "Term" means January 1, 2024 until December 31, 2083, unless earlier terminated in accordance with this Lease or any such other date as may be agreed to by the parties in writing.

2. INTERPRETATION

2.1. Headings and Captions

The table of contents, article numbers, article headings, clause numbers and clause headings are inserted for convenience or reference only and are not to be considered when interpreting this Lease.

2.2. Obligations as Covenants

Each obligation of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

2.3. Governing Law

This Lease will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

3. LEASE OF PREMISES

3.1. Lease

The Landlord does hereby lease the Premises to the Tenant for the Term on the terms and conditions herein set forth.

3.2. Licence

The Landlord hereby grants to the Tenant a licence for the Tenant, its officers, directors, agents, licensees, contractors, employees and invitees, at all times by day and by night, in common with the Landlord and its invitees to enter, go pass, and repass upon, along, and through and otherwise use the Licence Area, for the following purposes:

- (a) With respect to the Parking Area:
- i. ingress and egress to the Premises;

- ii. the parking of vehicles of the Tenant's its officers, directors, agents, licensees, contractors, employees and invitees while visiting the Premises, in that portion of the Licence Area marked as "parking lot";
- (b) With respect to the Picnic Shelter, recreational purposes; and
- (c) With respect to the Licence Area as a whole, as required pursuant to the terms of this Lease and for all purposes consistent with the Permitted Use of the Premises.

3.3. Equipment

The Parties agree that the lease of the Premises includes any and all equipment, tables and chairs contained within the field house as of the Effective Date (the "**Equipment**").

3.4. Use of Premises

The Tenant will not use or permit the use of the Premises for any purpose other than the Permitted Use.

3.5. Conditions Precedent

- (a) The obligations of the Tenant under this Agreement are conditional upon the following conditions being satisfied or waived by the Tenant;
 - i. The Board of the Capital Regional District approving this Agreement on or before November 1, 2023;
 - ii. The Tenant being satisfied that it has obtained sufficient grant funding for construction of the Multi-Sport Box, on or before November 1, 2023; and
 - iii. The Landlord having completed all work to the Premises listed as being required in years 2023 to 2027 in the expenditure table contained in the building condition assessment completed by the Tenant, a copy of which has been provided to the Landlord, on or before the First Day of the Term;
- (b) The obligations of the Landlord under this Agreement are conditional upon the following conditions being satisfied or waived by the Tenant or before November 1, 2023:

- i. The Council of Central Saanich approving this Agreement;
- (c) The conditions precedent contained in section 3.5(a) are for the sole benefit of the Tenant. If the conditions are not satisfied or waived within the specified time, this Agreement shall terminate and be of no force and effect.
- (d) The condition precedent contained in section 3.5(b) is for the sole benefit of the Landlord. If the conditions are not satisfied or waived within the specified time, this Agreement shall terminate and be of no force and effect.
- (e) In consideration of the sum of TEN (\$10.00) DOLLARS, non-refundable, paid by each of the Parties to the other, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree not to revoke acceptance of this Agreement while it remains subject to any of the conditions precedent.

4. TENANT COVENANTS

4.1. Removal of Lacrosse Box and Replacement with Multi-Sport Box

The Landlord agrees that the Tenant may remove the lacrosse box located on the Premises as of the effective date of this Agreement, and replace it with a multi-sport box, on the terms and conditions contained in the Construction Agreement.

4.2. Fieldhouse Washroom

Notwithstanding the Landlord's covenant for quiet enjoyment contained in section 11.5 of this Agreement, the Tenant agrees that it shall make the washrooms contained in the Fieldhouse available for use by members of the public on a daily basis from dawn until dusk, or as otherwise agreed to by the Parties.

5. RENT

5.1. The Tenant will pay to the Landlord rent for the Term on the first day of the Term.

5.2. Additional Rent

The Tenant will also pay to the Landlord all other amounts payable under this Lease required to be paid by the Tenant whether or not specifically designated "additional rent" (the "**Additional Rent**").

5.3. Net Lease

The Tenant acknowledges that it is intended and agrees that this Lease is an absolutely net lease for the Landlord and, that the Landlord is not responsible during the Term for any costs, charges, expenses or outlays of any nature relating to the Premises, or the contents thereof, excepting the Landlord's express obligations under this Lease, and that the Tenant will pay all charges, taxes, impositions, costs and expenses of every kind relating to the Premises, except where otherwise stated under this Lease, and the Tenant covenants with the Landlord accordingly.

6. **AS IS WHERE IS**

- 6.1. The Tenant accepts the Premises on an "as is", "where is" basis and acknowledges that it has had the opportunity to undertake such inspections, tests and surveys of the Premises as it considers necessary and that the Landlord has made no representations or warranties respecting the Premises, and that by entering into this Lease, the Tenant is satisfied that the Premises are suitable for its purposes.

7. **REPAIR AND MAINTENANCE**

7.1. Repair and Maintenance by the Landlord

The Landlord will, at its own cost, keep the Parking Lot in the Licence Area in a good and substantial state of repair, except reasonable wear and tear (the "Landlord's Work"). For certainty, the obligation under this section 7.1 includes the parking lot, any and all gates within the Licence Area, but does not include the Picnic Shelter and Old Concession in the Licence Area.

7.2. Repair and Maintenance by the Tenant

The Tenant will, at its own cost and expense and subject to the provisions of paragraph 7.1 keep the Premises, the Picnic Shelter and Old Concession in the Licence Area, in a good and substantial state of repair, except reasonable wear and tear.

7.3. Inspection at Termination

On or by the Last Day of the Term, the Tenant shall deliver to the Landlord vacant possession of the Premises in the same condition as the Tenant received on the First Day of the Term, reasonable wear and tear, Acts of God, and the Landlord's Work excepted. For certainty, this section does not apply if the Tenant terminates this Agreement pursuant to section 9.2 of this Agreement.

The Landlord will, in the Tenant's presence, conduct preliminary and final inspections of the Premises and Common Areas and if the Landlord determines, acting reasonably, that further maintenance, repair or cleaning is required to return the Premise and Common Areas to the condition, required by this section 7.3, the Landlord will review any concerns with the Tenant and will permit the Tenant to make such necessary repairs, at the Tenant's costs.

7.4. Default of Tenant to Repair

If the Tenant fails to leave the Property in accordance with paragraph 7.2 the Landlord may make the required repairs and the costs thereof plus a supervision charge equal to fifteen per cent (15%) of such costs may be charged as additional rent.

7.5. Default of Landlord to Repair

If the Landlord elects not to maintain and repair in accordance with the provisions of paragraph 7.1, the Tenant may make the required repairs and the costs thereof plus a supervision charge equal to fifteen per cent (15%) of such costs shall be a debt owed to the Tenant by the Landlord.

8. **ENVIRONMENTAL RESPONSIBILITIES**

8.1. For the purpose of this section:

"Environmental Law" means all federal, provincial, municipal or local laws, statutes or ordinances relating to environmental matters, including all rules, regulations, policies, guidelines, criteria or the like promulgated under or pursuant to any such laws;

"Hazardous Substance" means a contaminant, pollutant, dangerous good, waste, toxic substance, special waste or hazardous substance as defined in or pursuant to any Environmental Law;

"Notice" means any citation, directive, order, claim, litigation, investigation, proceedings, judgment, letter or other communication, written or oral, actual or threatened, from any person, including any government agency; and

"Permit" means any authorization, permit licence, approval or administrative consent issued pursuant to Environmental Law.

- 8.2. The Tenant will conduct its business and operation on the Premises in compliance with all Environmental Laws and Permits.
- 8.3. The Tenant will forthwith notify the Landlord of the occurrence of any of the following and will provide the Landlord with copies of all relevant documentation in connection therewith:
 - (a) a release of a Hazardous Substance on the Premises, except as is authorized under Environmental Law;
 - (b) the receipt by the Tenant of a Notice from any governmental agency of non-compliance pursuant to any Environmental Law, including a Notice of non-compliance respecting a Permit;
 - (c) the receipt by the Tenant of a Notice of a claim by a third party relating to environmental concerns; or
 - (d) the receipt by the Tenant of information which indicates that Hazardous Substances are present in or on the Premises.
- 8.4. The Tenant will not permit the storage, treatment, use or disposal of Hazardous Substances on the Premises or Property except in accordance with all Environmental Laws.
- 8.5. The Tenant will not cause or suffer or permit any oil or grease or any harmful, objectionable, dangerous, poisonous, or explosive matter or substance to be discharged on to the Property and will take reasonable measures for ensuring that any effluent discharge will not be corrosive, poisonous or otherwise harmful, or cause obstruction, deposit or pollution on the Property.
- 8.6. If Hazardous Substances are present on or in the Property as a result of the Tenant's use or occupation of the Premises, the Tenant will take all necessary action, at the cost of the Tenant to remediate the Property to a level acceptable to the Landlord and to governmental authorities.
- 8.7. The Tenant will, jointly and severally, release and indemnify the Landlord, its officers, directors, and employees from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all legal counsel's fees and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the Landlord, its officers, directors, or employees arising, directly or indirectly, out of:

- (a) a breach by the Tenant of any of the covenants contained in this Article 8.0;
- (b) where the Tenant's use or occupancy of the Property results in the presence, release or increase of any Hazardous Substance on the Property (or on any other land by way of migration, seepage or otherwise).

8.8. The indemnities contained in this section 8 will survive the expiration or earlier termination of the Term.

9. DAMAGE TO PREMISES

9.1. Notice of Damage

The Tenant will promptly give the Landlord written notice of any significant damage to the Premises or Licence Area or any part thereof, however caused, including but not limited to, any accident or damage to or defect in the plumbing, water pipes, heating, air conditioning apparatus, electrical equipment, conduits or wires.

9.2. Termination in Event of Damage

- (1) The Tenant may terminate this Lease upon 30 days written notice to the other if the Premises are damaged such that the Tenant is unable to safely use the Premises or Licence Area for the Permitted Use.
- (2) If the Lease is not terminated pursuant to Section 9.2(1):
 - (a) the Landlord will with all reasonable diligence make the repairs specified in paragraph 7.1 (only, however, to the extent of any insurance proceeds actually received by the Landlord with respect to such damage); and
 - (b) the Tenant will with all reasonable diligence make the repairs specified in paragraph 7.2 in accordance with the nature of the damage (only, however, to the extent of any insurance proceeds actually received by the Tenant with respect to such damage).
- (3) If this Lease is not terminated under paragraph 9.2(1), the Tenant will apply or permit to be applied, the proceeds of the insurance referred to in Article 12, to be apportioned between the Landlord and Tenant and paid as follows:
 - (a) to the Landlord to pay the cost of the restoration, repair, or replacement of the Premises specified in section 7.1; and

- (b) to the Tenant to pay the cost of the restoration, repair, or replacement of the Premises specified in section 7.2.

10. UTILITIES AND SERVICES

10.1. Utility and Service Charges

The Tenant is solely responsible for and will promptly pay all charges for water, gas electricity and any other utility or service used or consumed with respect to the Premises. 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 unless caused by the gross negligence or wilful misconduct of the Landlord or another person for whose gross negligence or wilful misconduct the Landlord is responsible in law.

10.2. Tenant not to Overload Utility and Service Facilities

The Tenant will not knowingly install equipment that will exceed or overload the capacity of utility or service facilities and agrees that if equipment installed by the Tenant requires additional facilities, they will be installed at the Landlord's direction and at the Tenant's expense in accordance with plans and specifications approved in writing by the Landlord prior to installation.

11. TITLE / SUBORDINATION

- 11.1. The Landlord covenants with the Tenant and represents to the Tenant that it has or will have, on the date possession of the Premises is delivered to the Tenant, good and marketable title to the Lands free and clear of all leases, easements, rights-of-way, restrictive covenants, and other similar rights and interests that could affect the rights and interests of the Tenant under this Lease, and free and clear of all financial liens, charges, and encumbrances, subject, however, to the provisions of this Article 11 and excepting the Permitted Encumbrances set out in Schedule "C" attached to this Lease.

- 11.2. If the Landlord sells or otherwise transfers any interest in the Lands other than by way of mortgage, charge, or other encumbrance as security, the Landlord will cause the purchaser or transferee, as the case may be, to enter into a Lease with the Tenant under which such purchaser or transferee covenants that, so long as it retains any interest in the Lands, it will perform the obligations of the Landlord under this Lease and be bound by all of the provisions of this Lease, including this provision as to sales or other transfers, which will apply to each and every subsequent sale or transfer of any interest in the Lands; provided that this clause 11.2 will not apply to transfers for that purpose of making small adjustments in

boundary lines between the Lands and adjacent streets or lands or transfers to municipalities, public authorities, or public utilities by way of easements for slopes, poles, wires, pipes, transformers and like purposes, and further provided that any such transfer will not release the Landlord from any of its obligations under this Lease without the written consent of the Tenant, not to be unreasonably withheld.

- 11.3. The Landlord will not mortgage, charge, or otherwise encumber by way of security the Lands, unless the Landlord has provided the Tenant with an Lease, in form satisfactory to the Tenant acting reasonably, with holders of any mortgage, charge, or other encumbrance to enter into an instrument with the Tenant permitting the Tenant to continue in quiet enjoyment and possession of the Premises in accordance with the terms of this Lease, notwithstanding any default by the Landlord under any such mortgage, charge, or other encumbrance.
- 11.4. The Tenant will, upon receipt of a request from the Landlord, promptly deliver to any mortgagee an acknowledgement as to the standing of this Lease, and also will execute such mortgagee's form of acknowledgement of assignment to such mortgagee of the Landlord's interest in this Lease; provided the Tenant has no reasonable objection to any term or condition of it.
- 11.5. Without limiting the generality of the foregoing clauses in this Article 11, and subject to any rights of the Landlord to terminate the Lease under this Lease, the Landlord covenants and agrees with the Tenant for quiet enjoyment and without limiting the generality of the foregoing the Landlord covenants with the Tenant that the Tenant will and may peaceably possess and enjoy the Premises for the Term without any interruption or disturbance from the Landlord, its assigns, or any other person or persons lawfully claiming by, from, or under the Landlord, or any of them.

12. INSURANCE AND INDEMNITY

12.1. Landlord's Insurance.

- (a) Notwithstanding anything contained elsewhere herein or within this Lease, it is understood and agreed that the Tenant will not be liable for any loss or damage to the Landlord's property stored on or within the Property including loss of use thereof.
- (b) The Landlord hereby releases the Tenant, and those for whom the Tenant is in law responsible, from all damages as a result of occurrences that that Tenant is required to insure against under this Lease or that it otherwise insures against, and all such property loss policies of insurance effected by the Landlord will contain a waiver of any subrogation rights that the Landlord's insurers may have against the Tenant and those for whom the Tenant is in law responsible and will not at any time contain any co-

insurance provisions.

12.2. Tenant's Insurance

The Tenant will take out and keep in force throughout the Term and during such other time as the Tenant occupies the Premises or a part thereof the following insurance policies:

- (a) “all risk” property insurance for the Property on an actual cash value basis which will include all property owned by the Tenant or for which property the Tenant is legally responsible for and which is located at the Property;
- (b) commercial general liability insurance in a combined single limit amount of not less than Five Million (\$5,000,000.00) per occurrence against all claims, demands or actions with respect to personal injury, death or property damage arising in respect of the Property, including, without limitation operations of the Tenant or the Tenant’s directors, officers, agents, successors, assigns, employees, contractors, invitees or permittees (as applicable). The policy will insure the hazards of the Property and Tenant’s operations thereon and include bodily injury, personal injury, death, independent contractors, products and completed operations and blanket contractual liability covering the Tenant’s liability under this Lease;
- (c) comprehensive automobile insurance having a combined single limit amount of not less than \$2,000,000 per occurrence with respect to all motor vehicles owned by the Tenant and operated in its business; and
- (d) any other form of insurance which the Landlord, acting reasonably, requires from time to time in form, in amounts and for risks against which a prudent tenant would insure.

Notwithstanding anything contained elsewhere herein or within this Lease, it is understood and agreed that the Landlord will not be liable for any loss or damage to the Tenant’s contents or equipment including loss of use thereof;

12.3. Form of Insurance

With respect to such foregoing policies of insurance, the Tenant will also ensure the following:

- (a) With respect to the liability policies only, such policies will name the Landlord, as an additional insured and will provide that each person or entity

insured under such policies will be insured in the same manner and to the same extent as if separate policies had been issued to each;

- (b) That each such insurance policy provide that the insurer will waive all rights of subrogation against the Landlord;
- (c) That each such insurance policy will be primary, non-contributing with, and not excess of, any other insurance available to the Landlord;
- (d) The commercial general liability coverage will contain provisions for cross-liability and severability of interests among the Tenant and the Landlord;
- (e) That each such insurance policy will be written in form and content satisfactory to the Landlord, including but not limited to ensuring that the certificates of insurance (except for the automobile insurance) reference the address of the Premises on the Lands;
- (f) That any and all deductibles will be the sole responsibility of the Tenant;
- (g) That each such insurance policy will contain a clause that the insurer will not cancel, change or refuse to renew the insurance without first giving the Landlord thirty (30) days' prior written notice; and
- (h) The Tenant will promptly deliver to the Landlord copies or certificates of such policies prior to the First Day of the Term.

If the Tenant fails to take out or keep in force any policy of insurance referred above, the Landlord may do so and pay the premium and in that event the Tenant will pay to the Landlord the amount so paid together with fifteen (15) percent thereof for administration costs all as additional rent which will be due and payable by the Tenant to the Landlord on demand.

12.4. Increase in Insurance Premiums

Neither the Landlord nor the Tenant will do or permit anything to be done in the Premises or on the Property that would impair or invalidate the obligation of any policy of insurance on the Premises or the Property or any part of them or would result in the premium for any such policy being increased; and in the event of either the Tenant or the Landlord being responsible for any such impairment, invalidation, or increase it will, promptly after receipt of notice from the other party, take such steps as are necessary to remedy the situation and pay the amount of any such increase; and in the event of the cancellation or a threatened cancellation of any such policy, the party not responsible for it will have the right to enter upon the Property or Premises and remedy the situation and add or deduct the cost of the remedy to or from the Rent payable under this Lease, as the case may be.

12.5. Indemnification of the Landlord

Except to the extent that the loss of life, personal injury or damage to property referred to in this sentence is caused by the gross negligence or wilful misconduct of the Landlord or another person for whose gross negligence or wilful misconduct the Landlord is responsible in law, the Tenant will release and indemnify the Landlord from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property arising from:

- (a) the Tenant's default under this Lease;
- (b) non-compliance by the Tenant with any laws, statutes and regulations that apply to the Tenant's activities on the Property;
- (c) any defect, deficiency, disrepair or damage in or to the Property as a result of a negligent or wrongful act or omission of the Tenant;
- (d) any loss, damage, or injury (including death) to any person or personal property while on the Property, where caused by a negligent or wrongful act or omission of the Tenant.

12.6. Liability for Loss

Notwithstanding anything else contained herein, the Tenant is not liable for and the Landlord hereby releases the Tenant, of and from any injury, loss, death or damage to property or persons other than injury, loss, death or damage to property or persons is for which the Tenant is obligated to indemnify the Landlord pursuant to section 12.2.

13. **ASSIGNMENT AND SUBLETTING**

13.1. Consent Required

- (1) The Tenant will not make any assignment of this Lease, nor any transfer, or sublease of the whole or any part of the Premises demised, leased or licenced hereunder, without obtaining the prior consent in writing of the Landlord to such assignment, transfer, sublease or licence.
- (2) For certainty, the Landlord agrees that the intent of this Lease is for the Capital Regional District's Peninsula Recreation Commission to operate and maintain the

Property as part of its recreational service, and that such operation and maintenance does not constitute an assignment, transfer, sublease or licence.

- (3) In requesting the Landlord's consent to an assignment; sublease; or licence to use the Property for something other than a Permitted Use under this Lease, the Tenant must provide the Landlord with all information requested by the Landlord. The Tenant must, if required by the Landlord, enter sub-leases, assignment agreements or licences on terms required by the Landlord, including requirements for insurance and indemnities.
- (4) In the event of an assignment, subletting, transfer, licence or other parting with possession referred to in subsection (2), the Tenant will deliver to the Landlord, promptly after execution, a true copy of every permitted assignment, sublease, tenancy agreement, or other instrument evidencing a right of occupancy in respect of the Premises, and of every modification thereof.

14. WASTE AND GOVERNMENTAL REGULATIONS

14.1. Waste or Nuisance

The Tenant will not commit or permit to be committed nuisance or waste upon the Premises.

14.2. Governmental Regulations

Each of the Landlord and Tenant agree, that at their sole cost, they will comply with the requirements of all municipal, provincial, federal and other governmental authorities now in force or which may hereafter be in force pertaining to their respective occupancy or use of the Property and will observe in the occupancy and use of the Property all municipal by-laws and provincial and federal statutes and regulations now in force or which may hereafter be in force.

15. ALTERATIONS AND ADDITIONS

15.1. Installations and Changes by Tenant

The Tenant will be entitled from time to time during the Term to make alterations, installations, removals, additions, or improvements (individually and collectively called "Improvements") in or about the Premises, Picnic Shelter and Old Concession without the Landlord's prior written consent as long as the Improvements:

- (a) do not affect any structural or foundation elements of the Improvements;

- (b) do not compromise the integrity of the roof or the exterior of the Improvements ;
- (c) meet or exceed the standards of materials and construction employed in the original construction of the Improvements; and
- (d) comply with all applicable laws, including without limitation the applicable building code and bylaws;

and provided that, if requested by the Landlord, the Tenant will submit to the Landlord copies of the required building permits issued and copies of the required building inspections following substantial completion of construction. In the event the Improvements do not come within either of subclauses 15.1(a) or 15.1(b) (but otherwise meet the tests set out in subclauses 15.1(c) and 15.1 (d)), then the Tenant before making the Improvements will first seek the written consent of the Landlord and the Landlord covenants it will not unreasonably withhold or delay its consent. As part of its request for the Landlord's consent, the Tenant will provide the Landlord with copies of plans and specifications to be used for the Tenant's development and/or building permit applications.

For certainty, this section does not apply to the initial construction of the multi-sport box, which is governed by the terms of the Multi-Sport Box Construction Agreement.

15.2. Removal of Installations and Restoration by Tenant

Any and all affixed alterations, additions and improvements made by the Tenant (the "Tenant's Improvements") become, at the Landlord's option, the property of the Landlord on the Last Day of the Term.

15.3. Tenant to Discharge All Liens

The Tenant will promptly pay all its contractors and do all things necessary to avoid the possibility of a lien attaching to the Premises or to any other part of the Lands and should a claim for lien be deposited for registration, the Tenant will cause it to be discharged at the Tenant's expense within thirty (30) days after it is brought to the attention of the Tenant. The Landlord will have the right to post or keep posted on or about the Premises notices of non-responsibility for any construction, alteration or repair by the Tenant.

16. **DEFAULT OF TENANT**

16.1. Default

If and whenever:

- (a) the Tenant will be in default in the payment of any rent or additional rent, whether hereby expressly reserved or deemed as such, or any part thereof for thirty (30) business days, not including Saturdays, Sundays or statutory holidays; or
- (b) the Tenant does not within thirty (30) days after receiving written notice of it from the Landlord, rectify or correct any non-observance or non-performance of any other terms, conditions or covenants of this Lease to be observed or performed by the Tenant, or commence to rectify or correct any non-observance or non-performance of any other terms, conditions or covenants of this Lease to be observed or performed by the Tenant, if such rectification or corrections will reasonably take longer than thirty (30) days to rectify or correct;

then, and in each of such cases, the Landlord may without notice or any form of legal process forthwith re-enter and take possession of the Premises and the Lease, at the option of the Landlord, forthwith will become terminated. No payment or acceptance of rent subsequent to any event of default aforesaid will give the Tenant the right to continued occupation of the Premises, or in any way affect the remedies of the Landlord as herein provided, or have the effect of reinstating this Lease.

16.2. Landlord May Perform Tenant's Obligations

If the Tenant fails to perform any of its obligations under this Lease the Landlord may perform the obligation and for that purpose may enter upon the Premises on not less than twenty-four (24) hours' prior notice to the Tenant or without notice in the case of an emergency and do such things upon or in respect of the Premises as the Landlord considers necessary. The Tenant will pay, as additional rent, all expenses incurred by or on behalf of the Landlord under this clause plus fifteen percent (15%) thereof for administration costs upon presentation of an invoice therefor. The Landlord will not be liable to the Tenant for loss or damage resulting from such action by the Landlord unless caused by the negligence of the Landlord or another person for whose negligence the Landlord is responsible in law.

17. REMEDIES OF LANDLORD AND WAIVER

17.1. Remedies Cumulative

No exercise of a specific right or remedy by a party 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. Waiver

The waiver by either party of a breach of a term, covenant or condition of this Lease will not be considered to be a waiver of a subsequent breach of the term, covenant or condition or another term, covenant or condition. No covenant, term or condition of this Lease will be considered to have been waived by a party unless the waiver is in writing signed by that party.

18. ACCESS BY LANDLORD

18.1. Right of Entry

The Landlord and its agents may enter the Premises at all reasonable times to examine them and to show them to a prospective purchaser, tenant or mortgagee. During the six (6) months prior to the expiration of the Term, the Landlord may place upon the Premises notice that the Premises are "for rent" which the Tenant will permit to remain without interference. If the Tenant is not present to open and permit entry into the Premises when entry is necessary or permissible, the Landlord or its agents may enter by a master key. Nothing in this clause imposes upon the Landlord an obligation, responsibility or liability for the care, maintenance or repair of the Premises or any part thereof except as specifically provided in this Lease.

19. NEW LEASE, OVERHOLDING AND TERMINATION

19.1. Option for New Lease Beyond the Term

If the Tenant gives the Landlord notice in writing 6 months prior to the Last Day of the Term that it wishes to occupy the Premises beyond the Term, the Landlord will in its sole discretion decide if it wishes to permit the Tenant to continue to lease the Premises and, if so, will prepare a new lease which the parties will negotiate and which will be for a new term on dates mutually agreed to between both parties. If the Landlord does not wish for the Tenant to continue to lease the Premises past the Last Day of the Term, then the Tenant must vacate the Property in accordance

with this Lease. For certainty, there must be mutual agreement between the parties with respect to any new lease and the terms of such new lease.

19.2. Overholding

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 a written renewal or extension of this Lease, there will be 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 upon the terms and conditions set forth in this Lease including the amount of Rent payable in the previous year of the terms shall be prorated and payable on a monthly basis.

19.3. Termination

Upon the expiry or earlier termination of this Lease, the Tenant may remove from the Premises any and all fixtures and chattels it has placed on the Premises.. Such removal shall be at the Tenant's sole cost and must be completed within ninety days after termination or expiry, as the case may be. If the Tenant does not remove the fixtures and chattels within the specified period of time, the fixtures and chattels shall become the property of the Landlord.

20. **EXPROPRIATION**

20.1. Total Expropriation of the Premises

If the whole of the Premises is expropriated, then the Term will terminate as of the date of title vesting in the expropriating authority and rent will be prorated to the date of termination.

20.2. Partial Expropriation

If only part of the Premises is expropriated, and such expropriation renders the Premises unusable for the business of the Tenant as determined by the Tenant in its sole reasonable discretion, then the Term will terminate as of the date of title vesting in the expropriating authority. If such expropriation is not extensive enough to render the Premises unusable for the business of the Tenant, as determined by the Tenant in its sole reasonable discretion, then the Lease will continue in full force and effect except that after the date of such title vesting the rent payable pursuant to paragraph 5.1 will be reduced as reasonably determined by the Landlord.

20.3. Temporary Expropriation

If the whole or any part of the Premises is expropriated for any temporary use or purpose, this Lease will remain in effect and the Tenant will be entitled to such portion of any award made for such use with respect to the period of such expropriation which is within the Term. If a temporary expropriation of the whole of the Premises is for a period which extends beyond the Term, the Lease will terminate as of the date of occupancy by the expropriating authority, the rent payable hereunder will be prorated to the date of occupancy.

20.4. Notice

The parties will, promptly upon service of process in connection with any expropriation or potential expropriation, give the other notice in writing thereof. The Tenant will immediately execute and deliver to the Landlord all instruments that may be required to effectuate the provisions of this Article 20.

21. **MEDIATION**

21.1. If a dispute arises between the parties relating to anything regarding this Lease including the interpretation or enforceability of any provision or the rights or obligations of either the Landlord or Tenant, other than renewal or extension of this Lease, the parties agree to submit the dispute to mediation in the following manner and according to the following rules:

- (a) either party may notify the other by written notice (the "Dispute Notice") of the existence of a dispute and a desire to resolve the dispute by mediation;
- (b) a meeting will be held promptly between the parties, attended by Chief Administrative Officer of both parties, to attempt in good faith to negotiate a resolution of the dispute;
- (c) if, within TEN (10) DAYS after such meeting or such further period as is agreeable to the parties, the parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to mediation.
- (d) the parties will jointly appoint a mutually acceptable mediator, seeking assistance from the British Columbia International Commercial Arbitration Centre, if they have been unable to agree upon such appointment within FIFTEEN (15) DAYS following the conclusion of the negotiation period;
- (e) the parties agree to participate in good faith in the mediation and negotiations related thereto for a period of TWENTY (20) DAYS following

appointments of the mediator, or for such longer period as the parties may agree. If the parties are not successful in resolving the dispute through mediation or if the mediation has not commenced within 90 DAYS following the delivery of the Dispute Notice, then the parties agree that the dispute may be settled by a single arbitrator in accordance with the Arbitration Act, as amended. For certainty, there is no obligation to submit the dispute to arbitration without the mutual agreement of the parties to do so.

- (f) the costs of mediation and arbitration will be shared equally between the parties unless the arbitrator decides otherwise. Costs will not include costs incurred by a party for representation by counsel.

22. MISCELLANEOUS

22.1. Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of an amount less than rent herein stipulated will be considered to be other than on account of the earliest stipulated rent, nor will an endorsement or statement on a cheque or in a letter accompanying a cheque or payment of rent be considered to be an accord or satisfaction, and the Landlord may accept a cheque or payment without prejudice to the Landlord's right to recover the balance of the rent owing or to pursue any other remedy.

22.2. No Partnership

The Landlord will not be deemed, by virtue of this Lease, a partner or joint venturer or a member of a joint enterprise with the Tenant.

22.3. Severability

If a term, covenant or condition of this Lease or the application thereof to any person or circumstance is held to any extent invalid or unenforceable, the remainder of this Lease or the application of the term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable will not be affected.

22.4. Notice

- (a) each notice sent pursuant to this Lease ("Notice") will be in writing and will be sent to the relevant party at the relevant address, or e-mail address set out below. Each such Notice may be sent by registered mail, by commercial courier, or by electronic mail;

- (b) the Contact Information for the parties is:

Tenant:

CAPITAL REGIONAL DISTRICT

625 Fisgard Street
Victoria, BC V8W 2S7

Attention: Sr Manager of Real Estate

Email: shenderson@crd.bc.ca

Phone: 250 360-3136

Landlord: **DISTRICT OF CENTRAL SAANICH**

1903 Mount Newton Cross Road
Saanichton, BC V8M 2A9

Attention: Corporate Administrative Officer

Email: Christine.Culham@csaanich.ca

Phone: 250 652-4444

- (c) each Notice sent by electronic mail ("E-Mail Notice") must show the e-mail address of the sender, the name or e-mail address of the recipient, and the date and time of transmission, must be fully accessible by the recipient, and unless receipt is acknowledged, must be followed within twenty-four (24) hours by a true copy of such Notice, including all addressing and transmission details, delivered (including by commercial courier);
- (d) subject to section 22.4(d) through (g) each Notice will be deemed to have been given or made at the following times:
- (i) if delivered to the address (including by commercial courier), on the day the Notice is delivered;
 - (ii) if sent by registered mail, seven (7) days following the date of such mailing by sender;
 - (iii) if sent by electronic mail, on the date the E-Mail Notice is sent electronically by e-mail by the sender;
- (e) if a Notice is delivered, sent by electronic mail after 4:00 p.m., or if the date of deemed receipt of a Notice falls upon a day that is not a business day, then the Notice will be deemed to have been given or made on the next business day following;
- (f) if normal mail service or electronic mail is interrupted by strike, slow down, force majeure or other cause beyond the control of the parties, then a Notice

sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the Notice will utilize any other such services which have not been so interrupted or will personally deliver such Notice in order to ensure prompt receipt thereof; and

- (g) each party will provide Notice to the other party of any change of address, or e-mail address of such party within a reasonable time of such change.

22.5. Entire Agreement

The Tenant acknowledges that there are no covenants, representations, warranties, agreements or conditions, expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Lease or the Premises save as expressly set out in this Lease and that this Lease, including the Schedules, constitutes the entire agreement between the Landlord and the Tenant and may not be modified except as herein explicitly provided or except by subsequent agreement in writing of equal formality hereto executed by the Landlord and the Tenant.

22.6. Successors and Assigns

This Lease binds and benefits the parties and their respective heirs, executors, administrators, successors and assigns. No rights, however, benefit an assignee of the Tenant unless under paragraph 13.1 the assignment was consented to in writing by the Landlord or did not require a consent.

22.7. Time

Time is of the essence hereof.

22.8. Counterparts

This Lease may be executed electronically, including through DocuSign and similar applications, in any number of counterparts (including counterparts by scanned or electronic signature), each of which will be deemed to be an original, but all of which will constitute one and the same document. Delivery of a counterpart of this Lease electronically (including by email, fax or over an electronic signature platform) will be for all purposes as effective as if the parties had delivered an original executed Lease.

IN WITNESS WHEREOF the parties hereto have caused this Lease to be executed as of the date and year first above written.

DISTRICT OF CENTRAL SAANICH

Per: _____
Authorized Signatory

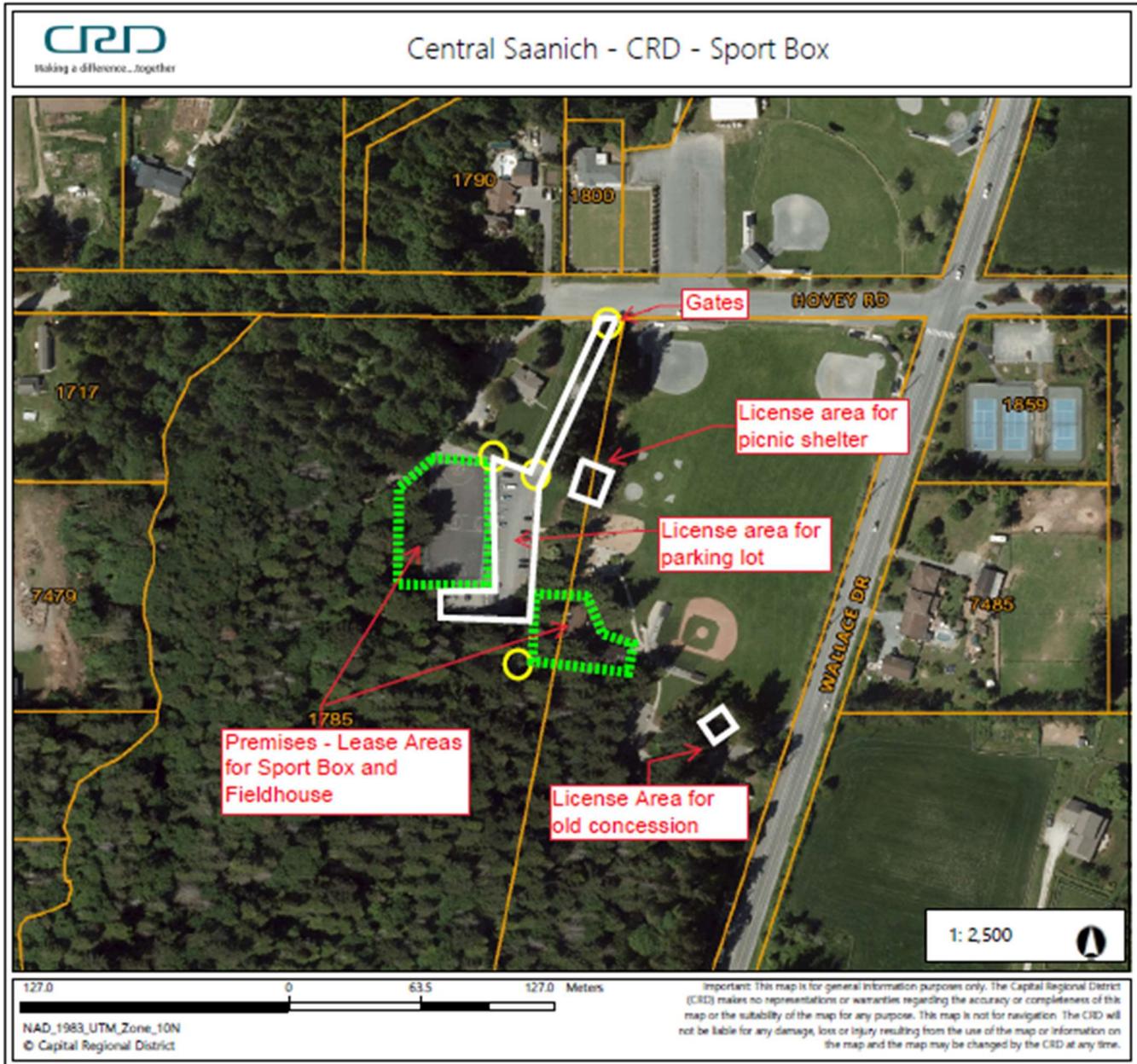
CAPITAL REGIONAL DISTRICT

Per: _____
Authorized Signatory

SCHEDULE "A"

PLAN

To be replaced by a land survey if and when completed by either party



SCHEDULE "B"
CONSTRUCTION AGREEMENT

SCHEDULE "C"

Permitted Encumbrances

INSERT PERMITTED ENCUMBRANCES



Making a difference...together

**REPORT TO PENINSULA RECREATION COMMISSION
MEETING OF THURSDAY OCTOBER 26, 2023**

SUBJECT FINANCIAL STATEMENT OF OPERATIONS – THIRD QUARTER OF 2023

ISSUE SUMMARY

To provide financial information to the Commission for the third quarter of 2023.

BACKGROUND

The third quarter financial results are now available for the period ended September 30, 2023. The statement of operating revenue and expenses for the nine months ended September 30, 2023 is attached as Appendix A.

Revenues in 2023 are recovering to pre-pandemic levels and in some areas starting to show growth. Most areas are meeting budget expectations. Aquatics revenues are under budget expectation, staffing challenges impact the number of lessons and program offerings. Revenue reductions are largely offset by reduction in cost related to the supply of programs and activities and the close monitoring of discretionary expenditures.

After nine months of operations, actual results should be at 75% of budget utilization.

- Overall revenue is slightly under target budget utilization at 72%.
- Program revenue is slightly below budget at 67% budget utilization. Aquatic youth lessons are not meeting budget expectations; youth community recreation program revenue has surpassed the budget; weights and fitness have increased participation and are exceeding budget expectations; arena, racquet sports and adult community recreation programs are exceeding budget expectations.
- Rental revenue was under budget expectation at 67% budget utilization. Court rentals are well over budget expectations with revenue greater than the same period in prior years. Aquatic rentals are near budget expectation at 72% of budget utilization.
- Overall direct costs are slightly below budget expectations at 72% budget utilization.
- Overall indirect costs are slightly below budget expectations at 72% budget utilization.
- All expenses are closely monitored and continue to remain within forecasted values.

CONCLUSION

Overall performance is on target with budget expectations and operations continuing to recover to pre-pandemic levels. Arena, adult community recreation, fitness, weights, rehab and racquet sports will likely outperform budget expectations and balance out areas below budget expectation.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Allison Sharp, Manager, Administrative Services, Panorama Recreation
Concurrence:	Lorraine Brewster, M.A., Senior Manager, Panorama Recreation

ATTACHMENT:

Appendix A – Panorama Recreation – Statement of Operations (9 Months ended September 30, 2023)

PANORAMA RECREATION - STATEMENT OF OPERATIONS 9 MONTHS ENDED September 30, 2023

	% of Budget Utilized	2023	2023	2022	Actual difference		2023
		BUDGET	Year to date	Year to date	in Dollars	by %	ESTIMATED
DIRECT OPERATING REVENUES							
Admissions & pass sales	80%	1,235,468	989,518	768,428	221,090	29%	1,374,476
Partnerships (Employee Wellness included until Mar 2020)	114%	1,530	1,750	-	1,750	#DIV/0!	2,500
Programs	67%	2,134,704	1,438,674	1,378,503	60,172	4%	1,903,005
Rentals	67%	952,863	638,530	594,411	44,120	7%	1,011,170
Sponsorships, grants & donations	79%	227,556	179,501	117,469	62,032	53%	263,000
Other (fees, commissions)	78%	120,088	93,982	49,648	44,334	89%	121,587
TOTAL DIRECT OPERATING REVENUES	72%	4,672,209	3,341,955	2,908,459	433,497	15%	4,675,738
DIRECT OPERATING EXPENSES							
Instructional Services	92%	342,649	314,150	288,136	26,014	9%	374,603
Operating supplies	77%	124,189	95,055	108,311	(13,256)	-12%	124,116
Repairs & Maintenance (pool, arena, racquet)	78%	225,704	177,132	163,015	14,117	9%	235,913
Travel & vehicle costs	243%	4,330	10,518	16,151	(5,634)	-35%	11,197
Wages & Benefits	69%	2,854,697	1,967,475	1,724,119	243,356	14%	2,775,436
Other (Staff training, licences, fees, dues, memberships)	56%	35,717	19,860	14,283	5,577	39%	34,179
TOTAL DIRECT OPERATING EXPENSES	72%	3,587,286	2,584,190	2,314,015	270,175	12%	3,555,444
CONTRIBUTION DIRECT OPERATIONS	70%	1,084,923	757,765	594,444	163,322	27%	1,120,294
INDIRECT EXPENSES- ADMIN., MAINTENANCE							
Advertising	42%	30,600	12,814	9,701	3,113	32%	30,600
Contract for services & legal	59%	50,722	29,957	46,454	(16,496)	-36%	51,080
CRD charges (IT, HR, payroll, finance)	75%	596,045	447,189	351,145	96,044	27%	596,045
Insurance	100%	67,160	67,160	45,820	21,340	47%	67,160
Leasehold Improvements	0%	40,000	-	40,000	(40,000)	-100%	40,000
Licences, fees & dues	101%	120,587	122,291	101,758	20,533	20%	142,132
Rentals - Facilites and Equipment (CSCC & NSMS)	58%	81,221	47,501	28,139	19,362	69%	80,127
Repairs & Maint. (general)	48%	97,727	46,667	48,921	(2,254)	-5%	102,980
Supplies	102%	203,449	207,230	163,156	44,074	27%	247,027
Travel & vehicle costs	250%	28,156	70,346	15,137	55,209	365%	81,507
Utilities (hydro, sewer, water & phone)	75%	671,122	505,064	450,005	55,059	12%	754,922
Wages & Benefits	69%	3,019,775	2,076,302	1,826,486	249,817	14%	2,841,249
Other (meetings, printing costs, admin. staff training)	77%	44,010	34,042	28,702	5,340	19%	50,569
Contingency	0%	50,000	-	-	-	-	-
TOTAL INDIRECT EXPENSES	72%	5,100,574	3,666,562	3,155,423	511,139	16%	5,085,398
INDIRECT REVENUES							
Payments in lieu of taxes & Recovery	100%	186,936	186,935	175,170	11,765	7%	186,936
Interest income	73%	14,563	10,699	10,718	(19)	0%	14,563
TOTAL INDIRECT REVENUES	98%	201,499	197,634	185,888	11,746	6%	201,499
NET CONTRIBUTIONS (DEFICIT)	71%	(3,814,152)	(2,711,163)	(2,375,092)	(336,071)	14%	(3,763,605)
TRANSFERS & DEBT							
Equipment Replacement Fund	75%	396,000	297,000	297,000	-	0%	396,000
Transfer to Capital Reserve fund	0%	411,204	-	308,402	(308,402)	-100%	411,204
Transfer to Internal Reserve	0%	8,120	-	7,961	(7,961)	-100%	8,120
Debt-interest payments	78%	227,699	177,294	152,611	24,683	16%	259,492
Debt-Principal payments	84%	507,439	427,532	427,532	-	0%	507,439
MFA Debt Reserve interest		(679)	(78,757)	-	(78,757)		(679)
TOTAL TRANSFERS & DEBT	53%	1,549,783	823,069	1,193,507	(370,438)	-31%	1,581,576
NET BEFORE REQUISITION & PRIOR YEAR SURPLUS	66%	(5,363,935)	(3,534,232)	(3,568,599)	34,366	-1%	(5,345,181)
Requisition	100%	5,260,398	5,260,398	5,190,486	69,912	1%	5,260,398
Transfer in from Internal Reserve		103,538	-	-	-		103,538
NET OPERATIONS		1	1,726,166	1,621,887	104,278	6%	18,755



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REPORT TO PENINSULA RECREATION COMMISSION MEETING OF THURSDAY, OCTOBER 26, 2023

SUBJECT **Panorama Recreation Services - 2023-2024 Fees and Charges Update**

ISSUE SUMMARY

To provide the Commission with options to address community feedback on the new Family Pass that was adopted in the 2023-2024 Fees and Charges Bylaw for Panorama Recreation Services.

BACKGROUND

At its March 28, 2023 meeting, the Peninsula Recreation Commission (the Commission) recommended to the Capital Regional District Board that the proposed fees and charges be approved for inclusion in the 2023-2024 Fees and Charges Bylaw for Panorama Recreation Services. The Board approved the 2023-2024 Fees and Charges at its July 12, 2023 meeting.

During the implementation of the new passes on September 1, 2023, staff received feedback from the community about how the changes impact single-adult households with multiple children. This information was shared with the Commission at its September 28, 2023 meeting and staff were directed to come back with options to address the community feedback.

The discontinued adult Pass Plus provided access to one adult and unlimited youth aged 6-18 years in the household for \$420 per year (\$38 more than an adult membership), with no income or household composition-based requirements. The new Family Pass aligns Panorama Recreation's family membership fee structure with other family membership rates in the region, which are based on two adult admissions.

Staff are not recommending any changes to the approved 2023-2024 Fees and Charges Bylaw. Families with only one participating adult now purchase separate passes for each participating household member. Panorama Recreation's youth pass remains the most discounted in Greater Victoria. The Leisure Involvement for Everyone (LIFE) program is available to provide no cost and low-cost recreation opportunities for individuals and families on limited incomes.

ALTERNATIVES

Alternative 1

The Peninsula Recreation Commission recommends no change to the 2023-2024 Fees and Charges Bylaw for Panorama Recreation Services.

Alternative 2

The Peninsula Recreation Commission recommends to the Capital Regional District Board: That the 2023-2024 Fees and Charges Bylaw for Panorama Recreation be amended to add a One-Adult Family Pass fee at a rate of \$475.50 per year.

IMPLICATIONS

Social Implications

The approved 2023-2024 Fees and Charges ensure fees remain comparable across Greater Victoria, while striving to keep recreation accessible to our community members and encourage them in a healthy lifestyle.

Financial Implications

The user fees collected by Panorama Recreation are used to reduce the tax requisition and for the delivery of recreation services. Recreation fees and charges continue to be reasonable and affordable for most residents and visitors to this area. The approved 2023-2024 Fees and Charges will generate sufficient revenue to achieve a return to the desired funding ratio of 50% user pay for the 2024 budget year and are in alignment with user fees across Greater Victoria.

CONCLUSION

The user fees collected by Panorama Recreation are used to reduce the tax requisition and for the delivery of recreation services. Recreation fees and charges continue to be reasonable and affordable for most residents and visitors to this area.

RECOMMENDATION

The Peninsula Recreation Commission recommends no change to the 2023-2024 Fees and Charges Bylaw for Panorama Recreation Services.

Submitted by:	Katherine Beck, Manager, Program Services
Concurrence:	Lorraine Brewster, M.A., Senior Manager, Panorama Recreation

ATTACHMENTS

Appendix A: Panorama Recreation Fees & Charges – Alternative 1 and 2



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Appendix A: Panorama Recreation Fees & Charges Alternative 1 and 2

	Alternative 1	Alternative 2
Option	No change to approved 2023-2024 Fees and Charges Bylaw	Introduce a second rate for the Family Pass, for one-adult households
Detail		<p><i>NEW Family Pass: One Adult</i> For one adult and up to four children. \$475.50 (\$390.50 +\$85)</p> <p><i>Family Pass: Two Adult</i> For two adults and up to three children. \$781 (\$390.50 x 2)</p>
2023-2024 Annual Fees <i>As approved in Fees and Charges Bylaw.</i>	\$781.00 Family Pass \$390.50 Adult Pass \$85.00 Youth Pass	\$781.00 Family Pass: Two Adult \$390.50 Adult Pass \$85.00 Youth Pass
New fees recommended to CRD Board for approval	N/A	\$475.50 Family Pass: One Adult (\$390.50 +\$85)