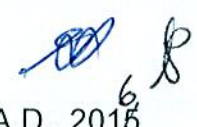


**LEASE AND OPERATING AGREEMENT**

THIS AGREEMENT made in duplicate this 21<sup>ST</sup> day of January A.D., 2015 

**BETWEEN:**

**THE CITY OF PRINCE ALBERT**, a municipal corporation in the Province of Saskatchewan (hereinafter referred to as "the City")

- and -

**HAZELDELL COMMUNITY CLUB INC.**, a non-profit corporation in the Province of Saskatchewan (hereinafter referred to as "the Club")

**WHEREAS** the City, as the registered owner of certain land, buildings and fixtures, and the Club, as tenant and operator of the facility, are mutually desirous of entering into an agreement for the leasing and operations of the facility on a long-term basis;

**AND WHEREAS** the Community Club facilities are located on real property legally described as follows and hereinafter referred to as the "facilities".

(Parcel P) Plan CI2892 Ext 5

**AND WHEREAS** both parties recognize that the Clubs contribute to the delivery of social, cultural, recreational and educational services in our community and that all programs delivered must abide by the parameters set forth;

**AND WHEREAS** it is therefore the desire of both parties that the specific terms, conditions and other provisions relating to the agreement be set out as hereinafter provided;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration for the mutual covenants, the parties agree as follows:

## 1. TERM

a. The Club agrees with the City to lease and operate the facilities upon the terms and conditions hereinafter set forth for a period commencing on the 1<sup>st</sup> day of January A.D., 2015 ending on the 31<sup>st</sup> day of December A.D., 2015 and thereafter continuing from year to year (the "Term"); subject to annual review by December 1<sup>st</sup> and subject to earlier termination as hereinafter provided in Clause 10.

## 2. CITY COMMITMENTS

The City specifically covenants and agrees:

- a. To provide the Club quiet use and enjoyment of the leased premises.
- b. To review the delivery of services provided by the Club and cooperatively work with the Club to provide assistance, leadership and resource materials to ensure that an acceptable level of service delivery is maintained at the facility.
- c. To work with the Club in reviewing and setting annual rental fees with the objective of generating sufficient revenues through the facility in a manner consistent with the City's rates and fees structures at similar facilities.

## 3. CLUB COMMITMENTS

The Club specifically covenants and agrees:

- a. To lease the premises for the term of this Agreement as provided under Clause 1 (a) and subject to the statutorily conditions described in The Landlord and Tenants Act including such other terms and conditions as hereinafter provided.
- b. To operate the leased premises in a manner that promotes activities and initiatives relating to the provision of social, cultural, recreational and educational programs for residents within the City and which from time to time may be directed by the City.
- c. To operate the leased premises in accordance with all regulations, resolutions, bylaws or directives issued from time to time by the City and comply with all regulations, codes, licenses, bylaws, statutes, laws or ordinances by federal, provincial, municipal or order with respect to the condition, equipment and use of facilities.
- d. To keep and maintain the leased premises, at its own expense, in a clean and tidy condition and to ensure all work of a janitorial nature is properly and consistently executed.

e. To keep the buildings, grounds, fixtures, installations, improvements and equipment in good and safe state of repair, normal wear and tear only excepted, and to comply with the reasonable directions of the Director of Community Services or designate with respect to maintenance of such general repairs.

f. To obtain prior authorization in writing by the City for any construction, remodelling, alterations, or additions of or to the said facilities, excepting repair of normal wear and tear that are deemed necessary by the Club or required under this Agreement. All such changes and alterations shall comply with the applicable federal, provincial and municipal acts, regulations, codes and bylaws and shall be performed to such reasonable standards as set forth by the City.

g. Not to create or permit to be created and maintained, and to cause to be discharged, any liens levied on account of the imposition of any builders, labourers, or material man's lien upon the whole of the leased premises or any part thereof and the Club shall not suffer any other matter or thing whereby the rights or interests of the City might be impaired.

h. To comply promptly, at its own expense, with all fire and health code regulations in which mandatory inspections will be coordinated through the City as part of the insurance requirements.

i. To comply promptly, at its own expense, with all laws, ordinances, regulations, requirements of municipal and other authorities thereto, and all notices in pursuance of same, whether served upon the City or the Club.

j. Not to, nor permit to be done upon the facilities or surrounding land anything which might reasonably be deemed to be a nuisance, annoyance, inconvenience or damage to the City, or to the owners or occupiers of any neighbouring lands or premises.

k. To give prompt notice of any occurrence arising from the use or operation of the facilities to the City and assist the City by every means in order to obtain payment for damages to property, or assist in the investigation of any occurrence from the use or operation of said facility, in the event of any loss or damage occurring to or arising from the use of the facilities or the complex thereon.

l. Not to sublet any portion of the leased premises without prior approval of the City.

m. To maintain such other agreements between the Club and third parties relating to use of the facilities specifically including the delivery of day care services.

n. To accept and abide by such other agreements between the City and any school authority relating to the joint use of their respective facilities as may benefit or affect the activities of the Club.

o. To permit the City, its officials, employees and agents access to any and every part of the leased premises for inspection purposes subject to reasonable notice.

p. Not to hold over or continue to occupy the leased premises after the expiration of the term of this lease hereby granted.

q. To provide the Director of Community Services or designate with a Community Club Facility Year End Report of their year's operation in a format provided by City administration prior to the 30<sup>th</sup> day of November in each year.

#### **4. CITY FINANCIAL COVENANTS**

The City specifically covenants and agrees with the Club as follows:

a. To financially assist the Club with an "*Operational Grant*" in an amount determined annually by the Council of the City of Prince Albert for the operation of its facilities or bona fide programs. The Club shall be entitled to receive said amount identified herein as the "*Operational Grant*" on or before the 15<sup>th</sup> of May of each year without submission of eligibility and subject to the articles of this Agreement.

b. To financially assist the Club with a "*Maintenance Grant*" in an amount determined annually by the Council of the City of Prince Albert for the cost of annual maintenance, repair and retrofit expenses incurred by the Club. The "*Maintenance grant*" shall be payable to the Club, following the Clubs submission of a fiscal year-end financial statement and Community Club year-end report not later than the 30<sup>th</sup> day of November of each year.

c. To financially assist the Club with a grant pursuant to the City of Prince Albert "*Recreation Facility Grant Program*" which is to be made available exclusively to the Community Clubs on an annual basis and based on a 50% cost sharing basis.

d. To pay the cost of heating, light, power and water used for the facilities at a rate established by policy of City Council and provided that the Club exercises reasonable economies in the use of the utilities so provided.

e. To accept the expenditures associated with completing general repairs as payments by the Club in satisfaction of its tax obligations under Section 261 of The Cities Act.

#### **5. CLUB FINANCIAL COVENANTS**

The City specifically covenants and agrees with the Club as follows:

a. To operate the said facilities without cost to the City except for costs assumed by the City and as prescribed in this agreement.

b. To keep full and accurate accounts of all its financial transactions, cash or non-cash based, including separate accounting of the financial activities of the Club.

c. To provide the Director of Community Services or designate with an unaudited financial statement for the Club's" year-end by no later than the 30<sup>th</sup> day of November in each year. The financial statement, consisting of a statement of financial position, statement of operations, statement of changes in net assets, and a statement of cash flows, will be completed in accordance with Canadian generally accepted accounting principles.

d. To provide the City other information from the Financial Statement, specifically including breakdown of revenues and expenses as may be requested.

e. To provide audited financial statements within six (6) months from the date of such request in the event that the City is not satisfied with the unaudited financial statements received from the Club.

f. To not sell or dispose of any property belonging to the Club without consent of the City, it being understood and agreed that any approved improvements or upgrades added to the facilities shall form part of the property owned by the City.

g. To operate said facilities without profit to the individual members thereof and to use any grants obtained or revenue generated from the said operation for maintenance to the facilities, operation of the facilities and promotion or provision of program opportunities for the residents as may be decided by the Club.

## **6. CITY INSURANCE COVENANTS**

The City specifically covenants and agrees with the Club as follows:

a. To insure all property attached to or forming part of the said buildings, fixtures and chattels against loss of fire and other perils, and other coverage that may be available under its main insurance policy with such coverage extending to the Club with respect to property claims subject to the Club being responsible for the deductible portions on any such claims.

b. To provide on an annual basis, an option to the Club of taking out a separate policy to reduce the deductible portion of the City's main insurance policy with respect to property claims at a reduced deductible per occurrence and at the applicable premium.

c. To maintain a public liability insurance policy with respect to the City's interests as they appear in this agreement.

## **7. CLUB INSURANCE COVENANTS**

The Club specifically covenants and agrees with the City as follows:

a. To maintain public liability coverage as well as Director and Officer Liability coverage for any special programming or event that is not covered by the City's liability coverage in an amount of not less than five million dollars (\$5 million) per occurrence. The City shall be listed as an additional insured party, it being understood and agreed that any extra costs for coverage extending to the Club shall be paid by the Club. A fifteen (15) day notice of Cancellation shall be incorporated into the Club's insurance coverage and a Certificate of Insurance provided to the City as proof of compliance.

b. To maintain tenants legal liability coverage for all facilities occupied by the Club in an amount of not less \$500,000.00. The City shall be listed as an additional insured party, it being understood and agreed that any extra costs for coverage extending to the Club shall be paid by the Club. A fifteen (15) day notice of Cancellation shall be incorporated into the Club's insurance coverage and a Certificate of Insurance provided to the City as proof of compliance.

c. To maintain throughout the term of the agreement such insurance coverage, through an insurer or insurers satisfactory to the City, at the sole cost and expense of the Club, for the contents owned by the Club and located in the facility. A fifteen (15) day notice of cancellation shall be incorporated into the Club's insurance coverage and a Certificate of Insurance provided to the City as proof of compliance.

d. To advise the City by no later than the 30<sup>th</sup> day of April in each year of its intentions to take out the option of purchasing a separate insurance policy to reduce the deductible portion under the City's main policy with respect to property damage claims only.

e. To not knowingly do or suffer to be done anything on the leased premises which may cause to render void policies of insurance issued with respect to the leased premises, or which may cause the premiums paid therefore to be unduly increased, unless with the written consent of the City.

## **8. NON-PROFIT CORPORATION ACT OF SASKATCHEWAN AND CONSTITUTIONAL BYLAWS**

a. The Club agrees to maintain an incorporated status under The Non-Profit Corporation Act of Saskatchewan, as it may be amended from time to time.

b. The Club agrees to provide the Director of Community Services or designate with a copy of the registration of the Community Club under The Non Profit Corporation Act, 1995 not later than the 31<sup>st</sup> day of December of each year.

c. In the event that the Club shall at any time obtain such federal or provincial recreational grants as shall be available to non-profit corporations, the Club shall provide an accounting of same upon request of the City.

## **9. LIABILITY**

The Club specifically covenants and agrees with the City as follows:

a. To indemnify and save harmless the City from and against all any manner of actions or cause of action, damages, loss, cost or expenses, which the City may sustain, incur or be put to by reason of any injury or damage to any persons or to any good and chattels contained in, upon or about the leased premises relating to or arising out of the Club's occupation of the facilities or that of the Club's invitees, subtenants, licensees, employees, volunteers or agents during the term of this lease, unless caused by negligence of the City, its agents or servants, it being understood and agreed that the City shall be subrogated to any rights of the Club against any third parties in respect of matters for which the Club is to indemnify the City.

b. To not act as an agent of the City and not hold itself out as such as agent. Not to limit the generality of the foregoing, the Club agrees that it shall not in any manner pledge the credit of the City or in any manner encumber real or chattel property of the City.

c. To indemnify and save harmless the City from all debts, actions, causes of action, claims, damages, costs and damages for, upon or arising out of the Club's operation of the facilities of the complex thereon, the programs operated or any occurrences whatsoever arising out of the Club's breach of subsection (a) of this clause or its advertent or inadvertent negligence in the operation of the facilities or the complex thereon, the programs operated, or any occurrences whatsoever arising out of the matters referred to in this Agreement. If the City shall at any time be called upon to pay or does pay any debt or liability arising as aforesaid, then the said amount shall be payable by the Club to the City upon demand, and the City may deduct and retain out of any a grant to the Club the said sum, or the said sum may be enforced by the City as a debt due to it by the Club.

## **10. DEFAULT AND TERMINATION**

a. If the Club refuses, neglects or omits to perform any of its obligations contained in this agreement, the Director of Community Services may give notice to the

Club specifying the nature of the default. Such notice shall require the Club to remedy its default or to provide the City with a schedule for the remedying of such default within 14 days of service of the default.

b. Should the Club fail to commence to remedy its default or provide the City with a schedule acceptable to the Director of Community Services for remedying such default within the time allowed within the notice of default, having commenced to remedy the default, fails to proceed or complete the same with reasonable diligence, then the City:

- i. may remedy the default;
- ii. shall be entitled to recover the costs of remedying the default; and
- iii. in addition to all other remedies available at law, shall be recoverable from the Club as a debt, payable on demand, and if unpaid, payment may be enforced in the same manner as arrears of rent.

c. The parties agree that it shall be lawful for the City as landlord to enter upon the leased premises to have, possess and enjoy, as if this agreement had not been made, in the following circumstances:

- i. the Club declaring insolvency or bankruptcy;
- ii. the Club failing to comply with the terms of this agreement within a period of 30 days subsequent to receipt of notice from the City or the Director of Community Services to rectify such breach;
- iii. the Club failing to comply with the Non-Profit Corporations Act, 1995 or its own bylaws;
- iv. the Club failing to comply with the terms of any Bylaws or Provincial or Federal Acts or Regulations governing the rights of the users of the facilities; or
- v. if at any time during the currency of this agreement the Club abandons the leased premises or ceases to deliver the programs for the residents of the community neighbourhood pursuant to Clause 3(b) hereof.

d. On the City becoming entitled to re-enter the leased premises, the Club agrees that the City shall not be liable for any prosecution or claim for such re-entry and the City may re-let the leased premises and be entitled to receive and rents thereof.

e. On the City becoming entitled to re-enter the leased premises under the

provision of this agreement, the City, in addition to all other rights, shall have the option to terminate this lease forthwith by notice, which option may be exercised by the City Manager, but the Club shall have the right to appeal the decision of the City Manager to City Council at any meeting within one month of the giving of notice by the City Manager, and the decision of the majority of Councillors in attendance shall be final.

f. In addition to the other provisions regarding termination of this Agreement, this Agreement may be terminated upon six (6) months written notice prior to the end of the Term hereof or any term of renewal by either party to the other.

g. In the event of termination of this agreement in any manner, the value of any grants paid by the City pursuant to Clause 4 shall be prorated to the date of termination. The Club shall return all unspent monies to the City and shall account to the City for all monies expended during the term of this Agreement. Any funds not properly accounted for and not returned shall constitute a debt payable by the Club to the City, payable upon demand and enforceable by the City as a debt due to it by the Club.

h. No waiver by the City or any breach by the Club shall be deemed a waiver of or in any way affect or prejudice the rights and remedies of the City in respect of any future or other breach of the covenants or obligations on the part of the Club herein contained.

i. The Club agrees that the articles and bylaws of its constitution shall include such terms as provided that upon dissolution of the Club, all its properties and assets shall, after payment of all liabilities, revert to The City of Prince Albert, and title thereto shall immediately vest in the name of The City of Prince Albert. In consideration of these presents, the Club agrees that its articles and bylaw in respect to disposition of its properties and assets to the City shall be maintained and shall not be altered during the currency of the Agreement.

## **11. NOTICE**

a. Any notice, request or demand herein provided for shall be sufficiently given or made if mailed by ordinary mail in the City of Prince Albert, in the Province of Saskatchewan, postage prepaid, addressed if to the City at:

Director of Community Services  
The City of Prince Albert  
1084 Central Avenue  
Prince Albert, Saskatchewan S6V 7P3

Any notice mailed as aforesaid shall be conclusively deemed to have been given on the second business day following the day on which it was mailed or posted. The Club may at any time give notice in writing to the City any address which it desires notices to be

directed to and thereafter all notices shall be mailed to the new address so notified.

## **12. REFERENCE AND ASSIGNMENT**

a. The terms "the City" and "the Club" and references thereto shall include the executors, administrators, directors, (successors in the case of a corporation) and permitted assignees of the City and the Club respectively. This agreement may not be assigned unless the written permission of the City by resolution of the Council of the City of Prince Albert is first had and obtained.

## **13. EFFECTIVE DATE**

a. Notwithstanding the date of execution by the respective parties, the effective date of this Agreement shall be the 1<sup>st</sup> day January A.D., 2015.

IN WITNESS WHEREOF the City of Prince Albert has here unto affixed its corporate seal, duly witnessed by the hands of its proper officers in that behalf, duly authorized this 21<sup>st</sup> day of January, A.D. 2015 *10*

THE CITY OF PRINCE ALBERT



MAYOR



CITY CLERK

IN WITNESS WHEREOF the Hazeldell Community Club Inc. has hereunto affixed its corporate seal, duly witnessed by the hands of its proper officers in that behalf, duly authorized this 23 day of December, A.D. 2015.

Witness:



HAZELDELL COMMUNITY CLUB INC.



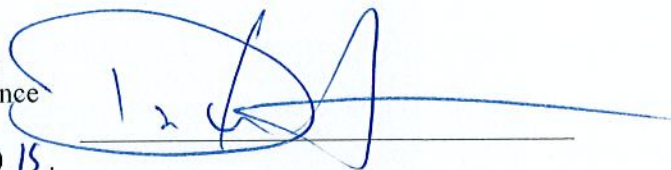
CANADA )  
PROVINCE OF SASKATCHEWAN )  
TO WIT: )


**DECLARATION**

I, Dustin Carleton, of the City of Prince Albert, in the Province of Saskatchewan, DO SOLEMNLY DECLARE:

1. That I have been appointed by the Board of Directors as an Officer of Chairman (name of Corporation).  
Hazeldene Community Hall
2. That, pursuant to the Corporation's Bylaws and/or Board Resolution, I am authorized by the Corporation to execute all contracts, documents or instruments in writing generally required by the corporation, or to sign specific contracts, documents or instruments in writing, and all such contracts, documents or instruments in writing so signed are binding upon the Corporation without any further authorization or formality.
3. That I have been specifically authorized to execute the within or annexed document.
4. I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED BEFORE ME at the City of Prince Albert, in the Province of Saskatchewan, this 23 day of December, A.D., 20 15.



  
A Commissioner for Oaths/Notary Public  
In and for the Province of Saskatchewan.  
My Commission expires: Sept. 30, 2015