

CITY OF WHITEHORSE
REGULAR Council Meeting #2016-08

DATE: Monday, April 25, 2016

TIME: 5:30 p.m.

Mayor Dan Curtis
Deputy Mayor Jocelyn Curteanu
Reserve Deputy Mayor Betty Irwin

A G E N D A

CALL TO ORDER 5:30 p.m.

AGENDA: Adoption

PROCLAMATIONS: Multiple Sclerosis Awareness Month – May 2016

MINUTES: Regular Council Meeting #2016-07 dated April 11, 2016

DELEGATIONS: Nancy McClure – Canadian Arctic Aviation Tour 2017

PUBLIC HEARING: Bylaw 2016-16 – Zoning Amendment (Community Garden Apiary)

COMMITTEE

REPORTS:

Public Health & Safety Committee – *Councillors Curteanu & Fendrick*

Development Services Committee – *Councillors Irwin & Boyd*

Sustainability Plan Implementation– For Information Only

Corporate Services Committee – *Councillors Boyd & Woodcock*

Authorize Council Travel – Association Yukon Communities AGM

City Planning Committee – *Councillors Fendrick & Hartland*

Lease Agreement – Pioneer Hotel 1 (Jenni House)

Lease Agreement – Pioneer Hotel 2 (Hatch House)

City Operations Committee – *Councillors Woodcock & Irwin*

Contract Award – Selkirk Grey Water Sewer Main

Contract Award – 2016 Sludge Drying Beds – Liner Construction

Contract Award – Highway Tractor

Community Services Committee – *Councillors Hartland & Curteanu*

Lease Renewal Agreement – Subway Premises at CGC

NEW & UNFINISHED

BUSINESS:

<u>BYLAWS:</u>	2016-12	Lease Agreement – Pioneer Hotel 1 (Jenni House)	1 st & 2 nd Reading
	2016-13	Lease Agreement – Pioneer Hotel 2 (Hatch House)	1 st & 2 nd Reading
	2016-18	Lease Renewal Agreement – Subway at CGC	1 st & 2 nd Reading

ADJOURNMENT:



PROCLAMATION

MULTIPLE SCLEROSIS AWARENESS MONTH

May 2016

WHEREAS multiple sclerosis is a chronic and often disabling neurological disease that affects many thousands of Canadians; and

WHEREAS the symptoms of multiple sclerosis vary widely, and may lead to problems with numbness, coordination, vision, and speech, as well as extreme fatigue and even paralysis; and

WHEREAS there is no known cause of, or cure for, multiple sclerosis; and

WHEREAS the Multiple Sclerosis Society of Canada is a national voluntary organization that supports MS research, social action, and a wide range of programs and services for people with MS; and

WHEREAS only the dedication and commitment of supporters and volunteers make this possible;

NOW THEREFORE I, Mayor Dan Curtis, do hereby proclaim the month of May 2016 to be ***"MS Awareness Month for the Multiple Sclerosis Society of Canada"*** in the City of Whitehorse.

Dan Curtis
Mayor

MINUTES of **REGULAR** Meeting #2016-07 of the council of the City of Whitehorse called for 5:30 p.m. on Monday, April 11, 2016, in Council Chambers, City Hall.

PRESENT: Mayor Dan Curtis
Councillors Dan Boyd
Robert Fendrick
Samson Hartland
Betty Irwin
Roslyn Woodcock

ABSENT: Councillor Jocelyn Curteanu

ALSO PRESENT: Acting City Manager Mike Gau
Director of Community Services Linda Rapp
Acting Director of Development Services Wayne Tuck
Director of Infrastructure and Operations Peter O'Blenes
Chief Financial Officer Valerie Braga
Manager of Legislative Services Jeff O'Farrell
Manager of Strategic Communications Jessica Apolloni

Mayor Curtis called the meeting to order at 5:30 p.m.

CALL TO ORDER

2016-07-01

It was duly moved and seconded
THAT the agenda be adopted as presented.

AGENDA

Carried Unanimously

Mayor Curtis proclaimed April 13, 2016 to be the ***International Day of Pink*** in the City of Whitehorse.

PROCLAMATION

2016-07-02

It was duly moved and seconded
THAT the minutes of the regular council meeting dated March 29, 2016
be adopted as presented.

MINUTES

March 29, 2016

Carried Unanimously

COMMITTEE REPORTS

Public Health and Safety Committee

There was no report from the Public Health and Safety Committee.

No Report

Development Services Committee

There was no report from the Development Services Committee.

No Report

Corporate Services Committee

2016-07-03

It was duly moved and seconded
THAT the resolution passed on March 14, 2016 for submission to the Association of Yukon Communities with respect to municipal infrastructure funding priorities be rescinded, and

THAT the following resolution be forwarded to the Association of Yukon Communities for consideration by the membership at the 2016 Annual General Meeting:

“WHEREAS changes to federal infrastructure funding programs may impact the availability of funds and the priorities of all levels of government; and

WHEREAS it is imperative that the needs of Yukon municipalities be considered with respect to the allocation of infrastructure funding;

BE IT RESOLVED THAT the Association of Yukon Communities request the Yukon Government to annually seek municipal infrastructure priorities and ensure that budget timelines are reflected in the finalization of the Yukon Infrastructure Plan; and

THAT the Yukon Government be requested to report on the progress of the development of the Yukon Infrastructure Plan to the Association of Yukon Communities and all Yukon municipalities; and

THAT the Yukon Government request the Federal Government to ensure that federal project approvals reflect municipal budget timelines and the building seasons unique to the north.”

NEW RESOLUTION
FOR CONSIDERATION
BY AYC MEMBERSHIP

2016-07-04

It was duly moved and seconded
THAT the first resolution clause of the motion be amended to read:

“THAT the Association of Yukon Communities request the Yukon Government to continue to annually seek municipal infrastructure priorities and ensure that budget timelines are reflected in the finalization of the Yukon Infrastructure Plan.”

Amendment #1

Carried Unanimously

2016-07-05

It was duly moved and seconded
THAT the final resolution clause of the motion be amended to read:

“THAT the Yukon Government request that federal project approvals reflect municipal budget timelines and the building seasons unique to the north”.

Amendment #2

Carried (4 – 2)

IN FAVOUR: Councillors Boyd, Fendrick, Hartland, and Irwin
OPPOSED: Mayor Curtis and Councillor Woodcock

Recorded Vote

2016-07-06

It was duly moved and seconded

THAT the second resolution clause of the motion be amended to read:

“THAT the Yukon Government be requested to discuss the progress of the development of the Yukon Infrastructure Plan with the Association of Yukon Communities and all Yukon municipalities.”

Amendment #3

Defeated (2 – 4)

IN FAVOUR Councillors Boyd and Hartland
OPPOSED Mayor Curtis, Councillors Fendrick, Irwin, Woodcock

Recorded Vote

The MAIN MOTION as amended was voted on and CARRIED (5 – 1).

Vote on Main Motion

IN FAVOUR Mayor Curtis, Councillors Fendrick, Hartland, Irwin and Woodcock
OPPOSED Councillor Boyd

Recorded Vote

City Planning Committee

2016-07-07

It was duly moved and seconded

THAT the Conditional Use application to allow for development of an 18-hole disc golf course north of the intersection of Alaska Highway and Prospector Road, adjacent to Yukon College Reserve, be approved with the following conditions:

CONDITIONAL USE
APPROVAL WITH
CONDITIONS

1. THAT a detailed course design is submitted to the satisfaction of the Planning and Building Services Department and the Parks and Community Development Department prior to development permit approval; and

Disc Golf Course

.../continued

2016-07-07 (Continued)

2. THAT all vehicular access and parking is restricted to the City's McIntyre Creek pump house access road and adjacent parking area; and
3. THAT the applicant is required to adhere to all terms and conditions of License of Occupation 2015-1101.

CONDITIONAL USE
APPROVAL WITH
CONDITIONS

Disc Golf Course

(Continued)

Carried Unanimously

City Operations Committee

2016-07-08

It was duly moved and seconded
THAT the contract for the supply of one Front-End Loader be
awarded to Finning Canada in the amount of \$256,769.00.

CONTRACT AWARD
FRONT-END LOADER

Carried Unanimously

Community Services Committee

Deputy Mayor Curteanu proclaimed April 10 to 16, 2016 to be ***National
Volunteer Week*** in the City of Whitehorse.

Proclamation

BYLAWS

2016-07-09

It was duly moved and seconded
THAT Bylaw 2016-17, a bylaw to amend the 2016 to 2019 Capital
Expenditure Plan by re-budgeting 2015 capital expenditures, having
been read a first and second time, now be given third reading.

BYLAW 2016-17
RE-BUDGET 2015
CAPITAL EXPENDITURES
THIRD READING

Carried Unanimously

There being no further business, the meeting adjourned at 6:05 p.m.

ADJOURNMENT

Mayor

City Clerk

ADOPTED by resolution at Meeting #2016-

MEMORANDUM

FILE #: Z-04-2016

TO: Mayor and Council
FROM: Administration
DATE: April 25, 2016
SUBJECT: Public Hearing at Regular Council Meeting April 25, 2016

Please be advised there will be a Public Hearing at the regular council meeting on April 25, 2016, to hear from interested parties related to the following zoning amendment:

Bylaw 2016-16, a bylaw to amend the zoning of the Downtown Urban Gardeners Society (DUGS) community garden, located at 7202-7218 Seventh Avenue, to allow for an apiary.

The DUGS community garden is zoned PE–Environmental Protection. This zone allows “community gardens” as a conditional use, permitting the cultivation or growing of plants. Apiaries are permitted for “Hobby Agriculture”, a use currently allowed only in Country Residential zones. The proposed amendment is to allow “Hobby Agriculture” (limited to “apiary”) in the DUGS lease area.

The proposed apiary would be located in the south-west corner of DUGS’s southern garden parcel. Two hives, constructed out of stackable wood compartments, would be set back approximately 3 m from both sides of the corner fence.

Administration has reviewed the zoning adopted in 2015 by the City of Vancouver that allows apiaries within community gardens in urban areas. If the proposed amendment is approved, similar specifications will be included in the Development Permit for the project. The Vancouver regulations specify a limit of two hives per community garden.

Bylaw 2016-16 received 1st Reading on March 29, 2016. Notices were published in the newspapers on April 1 and 8, 2016. Fifty-six letters were sent to property owners within 100 m of the garden. The Yukon Government Lands Branch, Kwanlin Dün First Nation, and Ta’an Kwäch’än Council were notified by mail.

The proponent held an informational Open House on April 7, 2016 at the Whitehorse Public Library. Two people attended the meeting: one City Councillor and a property owner located directly south of the garden. No objections to the proposal were expressed.

Erica Beasley
Planner II

cc: Director of Development Services
Manager of Planning and Building Services



**Minutes of the meeting of the
Public Health and Safety Committee**

Date April 18, 2016

Location Council Chambers, City Hall

Committee Members Present
Councillor Jocelyn Curteanu – Chair
Councillor Robert Fendrick – Vice Chair
Mayor Dan Curtis
Councillor Dan Boyd
Councillor Betty Irwin
Councillor Roslyn Woodcock

Absent Councillor Samson Hartland

Staff Present
Linda Rapp, Acting City Manager
Douglas Hnatiuk, Acting Director of Community and Recreation Services
Mike Gau, Director of Development Services
Peter O’Blenes, Director of Infrastructure and Operations
Valerie Braga, Chief Financial Officer
Jeff O’Farrell, Manager of Legislative Services

Your Worship, there is no report from the Public Health and Safety Committee.



Minutes of the meeting of the Development Services Committee

Date	April 18, 2016
Location	Council Chambers, City Hall
Committee Members Present	Councillor Betty Irwin – Chair Councillor Dan Boyd – Vice Chair Mayor Dan Curtis Councillor Jocelyn Curteanu Councillor Robert Fendrick Councillor Roslyn Woodcock
Absent	Councillor Samson Hartland
Staff Present	Linda Rapp, Acting City Manager Douglas Hnatiuk, Acting Director of Community and Recreation Services Mike Gau, Director of Development Services Peter O’Blenes, Director of Infrastructure and Operations Valerie Braga, Chief Financial Officer Jeff O’Farrell, Manager of Legislative Services Shannon Clohosey, Manager of Environmental Sustainability Glenda Koh, Environmental Coordinator

Your Worship, the Development Services Committee respectfully submits the following report:

1. Sustainability Plan Implementation and Monitoring – For Information Only

The Whitehorse Sustainability Plan was adopted in 2015 to identify the foundation for a healthy community, and drives projects and programs throughout the City. The high level nature of the plan means that implementation and realisation takes place at all levels of the City, with different methods and means. Examples include responsive budgets and changes in programs, policies, and practices.

Implementation activities for 2016 include:

- assisting Council in integrating the plan into decisions and communications
- assisting staff in understanding how their work contributes to the plan
- building partnerships and public awareness of the plan, and
- monitoring progress towards targets



Minutes of the meeting of the Corporate Services Committee

Date	April 18, 2016
Location	Council Chambers, City Hall
Committee Members Present	Councillor Dan Boyd – Chair Councillor Roslyn Woodcock – Vice Chair Mayor Dan Curtis Councillor Jocelyn Curteanu Councillor Robert Fendrick Councillor Betty Irwin
Absent	Councillor Samson Hartland
Staff Present	Linda Rapp, Acting City Manager Douglas Hnatiuk, Acting Director of Community and Recreation Services Mike Gau, Director of Development Services Peter O’Blenes, Director of Infrastructure and Operations Valerie Braga, Chief Financial Officer Jeff O’Farrell, Manager of Legislative Services

Your Worship, the Corporate Services Committee respectfully submits the following report:

1. Authorize Council Travel

Council’s Expense Policy requires council approval for all requests for funding or reimbursement of expenses incurred in conjunction with travel outside the City of Whitehorse. All members of Council have indicated their intention to attend the Annual General Meeting of the Association of Yukon Communities being held this year in Watson Lake. Councillor Irwin’s expenses will be paid by the Association of Yukon Communities.

Recommendation

THAT all members of council be authorized to attend the 2016 Annual General Meeting of the Association of Yukon Communities, being held in Watson Lake in May, and that travel expenses be approved as follows:

1. travel expenses for Mayor Curtis;

2. travel expenses for Councillor Hartland from the council representative travel account;
3. travel expenses for Councillors Boyd, Curteanu, Fendrick and Woodcock from the councillor-initiated travel account; and
4. per diem expenses for Councillors Boyd, Curteanu, Fendrick, Hartland and Woodcock from the councillor-initiated travel account.



Minutes of the meeting of the City Planning Committee

Date	April 18, 2016
Location	Council Chambers, City Hall
Committee Members Present	Councillor Robert Fendrick – Chair Mayor Dan Curtis Councillor Dan Boyd Councillor Jocelyn Curteanu Councillor Betty Irwin Councillor Roslyn Woodcock
Absent	Councillor Samson Hartland
Staff Present	Linda Rapp, Acting City Manager Douglas Hnatiuk, Acting Director of Community and Recreation Services Mike Gau, Director of Development Services Peter O’Blenes, Director of Infrastructure and Operations Valerie Braga, Chief Financial Officer Jeff O’Farrell, Manager of Legislative Services Patrick Ross, Manager of Planning Services

Your Worship, the City Planning Committee respectfully submits the following report:

1. Lease Agreement – Pioneer Hotel 1 – Jenni House

The Pioneer Hotel 1, commonly known as the Jenni House, is a heritage structure located in Shipyards Park. The Yukon Film Society leased the building for six months last year, and has now indicated a desire to lease the premises on a year-round basis. The Society is willing to enter into a three year lease, but their current program funding is only secured until March 31, 2017. Accordingly, an 11-month lease has been negotiated with an option to extend to October 31, 2018 if funding is secured.

The lease contains standard clauses pursuant to the Lease, Encroachment and Property Use Policy, and the annual rent is based on the policy’s provisions for a Class “A” non-profit Society in good standing. A clause in the lease will allow the Yukon Sourdough Rendezvous Society to use the building during Rendezvous each year.

Recommendation

THAT Bylaw 2016-12, a bylaw to authorize a lease agreement with the Yukon Film Society with respect to the heritage property Pioneer Hotel 1, also known as the Jenni House, be brought forward for due consideration under the bylaw process.

2. Lease Agreement – Pioneer Hotel 2 – Hatch House

The Yukon Literacy Coalition currently leases the heritage property Pioneer Hotel 2, also known as the Hatch House. Their lease expires in October, but the Society has indicated a desire to extend the lease for another three years. The lease is being brought forward at this time to in order to allow coordination with the lease proposed for the adjacent Pioneer Hotel 1. The lease contains standard clauses pursuant to the Lease, Encroachment and Property Use Policy, and the annual rent is based on the policy's provisions for a Class "A" non-profit society in good standing.

The Society has coordinated with the current tenant in Pioneer Hotel 1, and it is mutually beneficial for the City and the tenants to have groups cooperating and working together in adjacent buildings. Having tenants in these heritage properties on a year-round basis will also help alleviate vandalism concerns.

Recommendation

THAT Bylaw 2016-13, a bylaw to authorize a lease agreement with the Yukon Literacy Coalition with respect to the heritage property Pioneer Hotel 2, also known as the Hatch House, be brought forward for due consideration under the bylaw process.



Minutes of the meeting of the City Operations Committee

Date	April 18, 2016
Location	Council Chambers, City Hall
Committee Members Present	Councillor Roslyn Woodcock – Chair Councillor Betty Irwin – Vice Chair Mayor Dan Curtis Councillor Dan Boyd Councillor Jocelyn Curteanu Councillor Robert Fendrick
Absent	Councillor Samson Hartland
Staff Present	Linda Rapp, Acting City Manager Douglas Hnatiuk, Acting Director of Community and Recreation Services Mike Gau, Director of Development Services Peter O’Blenes, Director of Infrastructure and Operations Valerie Braga, Chief Financial Officer Jeff O’Farrell, Manager of Legislative Services Richard Graham, Acting Manager of Operations Taylor Eshpeter, Assistant City Engineer

Your Worship, the City Operations Committee respectfully submits the following report:

1. Contract Award – Selkirk Grey Water Sewer Main

The 2016 capital budget includes funds for the installation of an insulated grey water gravity main from the Selkirk pump house that connects to an existing main located across Selkirk Street. The installation of this main will result in savings of approximately \$10,000.00 per year in operating and maintenance costs associated with the holding tank currently in use at the pump house. Four bids were received in response to the tender issued. The low bidder is familiar with the scope of the project and has the knowledge and experience to complete the work successfully. The bid price is within budget and is considered reasonable given current market conditions.

Recommendation

THAT the construction contract for the 2016 Selkirk Grey Water Sewer Main be awarded to Castle Rock Enterprises for a net cost to the City of \$127,180.00.

2. Contract Award – Sludge Drying Beds Liner Construction

In 2015 the City entered into an agreement with the Government of Yukon to reduce potential odours from the Livingstone Trail Lagoon by constructing sludge drying beds and desludging the primary cells of the lagoon. The earthworks were constructed last year, and the current project will complete the drying beds, including the construction of a high density polyethylene liner system and piping to drain the liquid during the desludging process. Four companies submitted bids in response to the tender issued. The review committee unanimously agreed that the low bidder is familiar with the scope of the work, the price submitted is reasonable and within budget, and that the contractor has the knowledge and experience to complete the work successfully.

Recommendation

THAT the construction contract for the 2016 Sludge Drying Beds Liner Construction project be awarded to Norcope Enterprises for a net cost to the City of \$454,562.00.

3. Contract Award – Highway Tractor

The 2016 capital budget includes funds for the purchase of one highway tractor that is required to ensure that the City has the equipment necessary to conduct year-round maintenance operations in accordance with established policies. The new unit will replace an existing tractor that has reached the end of its serviceable life in accordance with the terms of the Vehicle and Equipment Replacement Administrative Directive. Three companies picked up the tender documents, and one bid was received. The sole bid meets tender specifications and is within the approved budget.

Recommendation

THAT the contract for the supply of one highway tractor be awarded to Inland Kenworth Ltd. in the amount of \$218,802.54.



Minutes of the meeting of the Community Services Committee

Date	April 18, 2016
Location	Council Chambers, City Hall
Committee Members Present	Councillor Jocelyn Curteanu – Chair Mayor Dan Curtis Councillor Dan Boyd Councillor Robert Fendrick Councillor Betty Irwin Councillor Roslyn Woodcock
Absent	Councillor Samson Hartland
Staff Present	Linda Rapp, Acting City Manager Douglas Hnatiuk, Acting Director of Community and Recreation Services Mike Gau, Director of Development Services Peter O’Blenes, Director of Infrastructure and Operations Valerie Braga, Chief Financial Officer Jeff O’Farrell, Manager of Legislative Services Teresa Acheson, Acting Manager of Recreation and Facility Services

Your Worship, the Community Services Committee respectfully submits the following report:

1. Lease Amendment Agreement – Subway Premises at the CGC

In accordance with the renewal clause of their existing lease, Subway Franchise Restaurants of Canada Ltd. has submitted an offer to renew their lease at the Canada Games Centre. The proposed lease amendment agreement has received legal review by both parties, and Subway has agreed to the terms and conditions therein.

The agreement extends Subway’s tenure in their existing premises at the Games Centre until the end of 2021, provides for a rental increase of approximately \$2,000.00 per year, and includes an option for a further five-year renewal term as well as an option for an entrance directory sign. All other terms and conditions of the existing lease remain the same. The lease amendment agreement is now being brought forward for council approval.

Recommendation

THAT Bylaw 2016-18, a bylaw to authorize a lease amendment agreement with Subway Franchise Restaurants of Canada Ltd. with respect to premises at the Canada Games Centre, be brought forward for due consideration under the bylaw process.

CITY OF WHITEHORSE

BYLAW 2016-12

A bylaw to authorize a lease agreement with the Yukon Film Society with respect to the heritage property Pioneer Hotel 1

WHEREAS section 265 of the *Municipal Act* (2002) provides that council may pass bylaws for municipal purposes respecting the municipality's leasing of any real or personal property; and

WHEREAS it is deemed desirable that the City enter into an agreement with the Yukon Film Society for the lease of the heritage property Pioneer Hotel 1, also known as the Jenni House, and a 0.017 hectare parcel of land for an 11-month period from May 1, 2016 to and including March 31, 2017, with an option to extend the lease to October 31, 2018 if funding is secured;

NOW THEREFORE the council of the municipality of the City of Whitehorse, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. The City of Whitehorse is hereby authorized to enter into a lease agreement with the Yukon Film Society with respect to those portions of Lot 8 (Remainder), Group 5 (804), Plan 20502 LTO and Block 330, Plan 2003-0151 LTO, in the City of Whitehorse, as shown on the sketch attached hereto as Appendix "A" and forming part of this bylaw.
2. The Mayor and Clerk are hereby authorized to execute on behalf of the City of Whitehorse the Lease Agreement attached hereto as Appendix "B" and forming part of this bylaw.
3. This bylaw shall come into full force and effect upon the final passing thereof.

FIRST and SECOND READING:

THIRD READING and ADOPTION:

Mayor

City Clerk



Bylaw 2016-12

A bylaw to authorize the City of Whitehorse to enter into a lease agreement with the Yukon Film Society with respect to the heritage property known as the Pioneer Hotel 1, comprising approximately 0.017 hectares in area.

LEGEND



SUBJECT AREAS

THIS LEASE AGREEMENT, made the _____ day of _____, 2016 in triplicate, to be effective as of and from the 1st day of May, 2016.

BETWEEN

The City of Whitehorse, a municipality duly incorporated pursuant to the provisions of the *Municipal Act*

(the "Lessor")

AND

Yukon Film Society

(the "Lessee")

WHEREAS

- A. The Lessor is the tenant of the Lands as described in Paragraph 1.1(1) herein pursuant to a License of Occupation (Disposition Number 2009-3080) with the Government of Yukon (the "License of Occupation");
- B. The Lessee will occupy the building known as the Pioneer Hotel 1 – also known as the Jenni House – which the Lessee will operate for an artist residency program and for heritage interpretation activities (the "Premises");
- C. The Premises are situated on the Lands and the Lessee desires to enter into a Lease agreement with the Lessor in accordance with the terms and conditions contained in this Lease.

1. **Demise**

1.1 Lease

Witness that in consideration of the rents, covenants, conditions and agreements herein reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor, being licensee of the Government of Yukon under the License of Occupation, does hereby demise and lease unto the Lessee on the terms and conditions herein contained, the Premises and that parcel of land more particularly described as follows:

- (1) That portion of Lot 8 (Remainder), Group 5 (804), Plan 20502 LTO, City of Whitehorse, Yukon Territory; and
- (2) That portion of Block 330, Plan 2003-0151 LTO, City of Whitehorse, Yukon Territory;

Comprising approximately 0.017 hectares more or less and shown outlined in red in the sketch attached hereto as Schedule "A" (the "Lands")

1.2 Term

To have and to hold the Lands and Premises, within which the Lessee will operate an artist residency program and other heritage interpretation programs, for and during the term of this Lease for a period of 11 months, commencing May 1, 2016 up to and including March 31, 2017. An option to renew the lease until October 2018 is discussed in section 1.3.

1.3 Option to Renew

If the Tenant duly and regularly pays the rent hereunder and performs all and every of the covenants and agreements herein contained on the part of the Tenant to be paid, observed and performed, the Landlord shall, upon the written request of the Tenant made not less than 90 days prior to the expiration of the term thereof, grant to the Tenant a renewal of this Lease for two further successive terms of one year each. The terms of any renewal under this lease shall be the same terms, provisos, covenants, and agreements as are herein contained.

1.4 Rent

Yielding and paying therefore during the term hereof unto the Lessor the sum of Five Hundred dollars (\$500.00) per year, plus Goods and Services Tax, of lawful money of Canada to be paid in advance of the first day March each year.

1.5 Property Taxes

The tenant shall be responsible for all real property taxes including local improvements rates levied or assessed by any competent authority upon or in respect of the Land.

1.6 Carefree Lease

The Lessee acknowledges that it is intended that this Lease be a net-net lease for the Lessor and that all and every cost, expense, charge or out lay of any nature whatsoever in any way related to the Lands and Premises or their occupancy by the Lessee shall be borne by the Lessee excepting as otherwise expressly provided herein.

1.7 Heritage Integrity

The Lessor and Lessee hereby recognize that the Pioneer Hotel 1 (Jenni House) is a heritage building and that the historic integrity, especially the exterior, must be maintained. Any alterations, repairs, or applications for signage must receive prior approval from the Lessor.

1.8 Parking

The Lessee, their employees and any other individuals associated with the programs and activities associated with the building shall use the designated public parking area in the Shipyards Park parking lot for vehicle parking. The parking spaces are on a first-come, first-serve basis, with no reserved spaces. Vehicles are prohibited from driving and parking on any other land in Shipyards Park, unless there are exceptional circumstances and the Lessee has received verbal permission from the Lessor.

1.9 Access

The Lessee agrees that vehicles shall not drive or park on any portion of Lot 8 (Remainder), Group 5 (804), Plan 20502 LTO, City of Whitehorse, Yukon Territory without prior verbal permission from the Lessor.

1.10 Special Events

The Lessor and Lessee hereby recognize that special events and festivals will be occurring in Shipyards Park during the lease term, which may limit the availability of parking and compromise access to the Lands and Premises. The Lessor shall make every reasonable effort to ensure that access to the Lands and Premises is maintained during special events and festivals. In the event that access will be unable to be maintained to the Lands and Premises as a result of any special event or festival, the Lessor shall notify the Lessee in advance of the special event or festival (not to include any regular events such as the weekly Fireweed Market).

(1) Special Event Usage by City

Upon a minimum of one year's written notice to the Tenant, the Tenant shall, during the term of this lease or any renewal thereof, allow the Landlord the exclusive use of the Premises for any major community event, at no rental cost or rental charge to the Landlord. In any event, the use of the Premises by the Landlord pursuant to this clause will not exceed two weeks per occurrence.

Upon a minimum of one month's written notice to the Lessor, the Lessee shall, during the term of this lease or any renewal thereof, allow the Yukon Sourdough Rendezvous Society the exclusive use of the Lands and Premises for the annual Sourdough Rendezvous Festival. The Lessor may reimburse the Lessee for any reasonable costs incurred as a result of suspension of the Lease due to the Sourdough Rendezvous Festival. In any event, the use of the Premises by the Yukon Sourdough Rendezvous Society pursuant to this clause will not exceed two weeks per occurrence.

2. Covenants of Lessee

2.1 Promises of Lessee

The Lessee covenants and agrees with the Lessor as follows:

(1) Rent

The Lessee shall during the terms of this lease or any renewal thereof pay to the Lessor the rent hereby reserved, and all other sums to be paid by the Lessee hereunder in the manner herein provided without any deduction whatsoever. The Lessee shall produce to the Lessor from time to time, at the request of the Lessor, satisfactory evidence of the due payment by the Lessee of all other payments required to be made by the Lessee under this lease;

(2) Repair

The Lessee shall well and sufficiently repair, maintain, amend and keep the Lands and Premises in good and substantial repair when, where and so often as need shall be, damage by fire and other risks against which the Lessor is insured (the "Lessee Repair Exceptions") only excepted unless such damage is caused by the negligence or wilful act of the Lessor, its employees, agents or invitees;

(3) *Notice to Repair*

The Lessor and its agents may at all reasonable times enter the Lands and Premises to examine the condition thereof, and all want of repair that upon such examination may be found and for the amendment of which notice in writing is left at the Lands and Premises, the Lessee shall well and sufficiently repair and make good according to such notice within 15 days from the date on which such notice is left at the Lands and Premises, subject to the Lessee Repair Exceptions;

(4) *Care of Lands and Premises*

The Lessee shall take good care of the Lands and Premises and keep the same in a safe, tidy and healthy condition and shall, at its own expense, bear such costs as are reasonably necessary during the term of this lease to keep the Lands and Premises in such condition;

(5) *Utilities*

The Lessee shall pay when due all rates and charges for electricity, water, sewer, telephone, cable, heating fuel, internet and any other utilities supplied to or used on or in the Lands and Premises as separately metered or separately invoiced by the supplier(s), including any utilities as supplied by the Lessor;

(6) *Waste Diversion*

Waste diversion to extend the life of the City's landfill is important to the Landlord and the citizens of the City of Whitehorse. As such, City Council has adopted the Waste Management Bylaw which bans or controls certain types of waste. The Tenant agrees that it shall comply with the Waste Management Bylaw at all times, including provision of sufficient recycling and compost bins on the Lands and Premises, to ensure that recyclable and organic waste are separated and diverted from the landfill as required by the Waste Management Bylaw. All costs associated with waste diversion shall be the responsibility of the Tenant.

(7) *Removal of Garbage*

The Lessee shall arrange at their cost for regular garbage collection of all garbage arising from the operation of the Lessee's business or their occupation of the Lands and Premises. The Lessee shall also be responsible for cleaning all garbage and refuse from within the Lands and Premises which includes all areas within 3 metres of the building;

(8) *Business Taxes*

The Lessee shall pay when due all business taxes payable by the Lessee in respect of the Lessee's occupancy of the Lands and Premises;

(9) *Assignment and Subleasing*

The Lessee shall not assign, mortgage or encumber this Lease, or sublet, or suffer or permit the Lands and Premises or any part thereof to be used by others by license or otherwise, without the prior written consent of the Lessor, which consent may be arbitrarily and unreasonably withheld;

(10) *Use of Lands and Premises*

The Lessee shall not use the Lands and Premises nor allow the Lands and Premises to be used for any purpose other than for artist residency and heritage interpretation purposes, or such other uses as are approved in writing by the Lessor. The Lessee may make application for temporary events outside the boundaries of the Lands and Premises, so long as they obtain written approval from the Lessor, whose consent may be arbitrarily and unreasonably withheld;

(11) *Nuisance*

The Lessee shall not at any time use, exercise, or carry on or permit to be used, exercised or carried on, in or upon the Lands and Premises or any part thereof any noxious, noisome, or offensive act, trade, business, occupation or calling and no act, matter or thing whatsoever shall at any time be done in or upon the Lands and Premises or any part thereof which is an unreasonable annoyance, nuisance or disturbance to the occupiers or owners of the adjoining lands and properties;

(12) *Insurance Risk*

The Lessee shall not do or permit to be done any act or thing which may render void or voidable or conflict with the requirements of any policy of insurance, on the Lands and Premises, including any regulations of fire insurance underwriters applicable to such policy. The Lessee shall ensure that all activities carried out or conducted on the Lands and Premises are done in accordance with the provisions of any policy of insurance that is in force, so that the Lessee and the Lessor have the benefit of such insurance. Any activity which cannot be insured for or which is specifically exempted from coverage under any policy of insurance that is in force shall not be permitted by the Lessee;

(13) *Bylaws*

The Lessee shall comply with all statutes, regulations, and bylaws of any governmental authority relating in any way to the use or occupation of the Lands and Premises, including, without limiting the generality of the foregoing, all laws, regulations and bylaws affecting or relating to the sale or consumption of alcoholic beverages on the Lands and the Premises;

(14) *Alterations*

The Lessee shall not make any alterations, installations, improvements or changes of any kind to the Lands and Premises without the prior written consent of the Lessor, and the Lessor may require that any or all work to be done or materials to be supplied hereunder, be done or supplied by contractors or workers approved by the Lessor;

(15) *Fixtures*

All alterations, additions, improvements and fixtures to, in or upon the Lands and Premises including everything attached to any part of the Lands and Premises, other than the Lessee's trade fixtures, machinery, plant and equipment, shall become the property of the Lessor and shall remain on the Lands and Premises

at the expiration or earlier termination of the term, subject to such exceptions that the Lessor may consent to in writing;

(16) *Removal of Goods, Chattels, or Fixtures*

The Lessee shall not remove from the Lands and Premises any goods or chattels moved into the Lands and Premises, except in the normal course of business, until all rent and other payments due or to become due during the term of this Lease are fully paid;

(17) *No Permanent Structures*

The Lessee shall not construct, install or erect any permanent structures or buildings on the Lands or additions to the Premises without the express written consent of the Lessor;

(18) *Builder's Liens*

The Lessee shall promptly pay all charges incurred by the Lessee for any work, materials or services that may be done, supplied or performed in respect of the Lands and Premises and shall not cause or permit any builder's lien to be registered against the Lands and if any such lien should be so registered the Lessee shall pay off and discharge the same forthwith and, if he shall fail or neglect to do so within 10 days after written notice thereof from the Lessor, the Lessor may but shall not be obliged to, pay and discharge such lien and may add to the next ensuing instalment of rent the amount so paid including all costs to the Lessor together with interest thereon from the date of payment.

Provided that in the event of a bona fide dispute by the Lessee of the validity or correctness of any such claim of lien, the Lessee shall be entitled to defend against the same and any proceedings brought in respect thereof after having first paid into Court the amount claimed and such costs as the Court may direct or having provided such other security as the Lessor may in writing approve to ensure payment thereof. Provided further that upon determination of the validity of any such lien, the Lessee shall immediately pay any judgment in respect thereof against the Lessor, including all proper costs and charges incurred by the Lessor and the Lessee in connection with any such lien and shall cause a discharge thereof to be registered without cost or expense to the Lessor;

(19) *Inspection*

The Lessee shall permit the Lessor or any other person authorized by the Lessor to inspect the Lands and Premises at all reasonable times;

(20) *Re-letting*

The Lessee shall permit the Lessor, at any time within 90 days prior to the expiration of the terms hereby granted, upon 24 hours' notice to the Lessee, to enter upon the Premises at all reasonable hours for the purpose of offering the same for rent and exhibiting the same to prospective tenants and to place and keep upon the Premises, signs advertising the premises for rent;

(21) *Maintenance*

The Lessee shall permit the Lessor to install, maintain, replace, repair and service or cause to be installed, maintained, replaced, repaired, and serviced, wires, ducts or other installations in, under or through the Lands and Premises for or in connection with the supply of any service or utility to any part of the Lands and Premises;

(22) *Vacant Possession*

The Lessee shall at the expiration or earlier termination of this Lease, peaceably surrender and deliver up vacant possession of the Lands and Premises in the condition required herein and deliver to the Lessor all keys, operation manuals, logs and such documents as are reasonably requested which relate to the Lands and Premises.

3. **Covenants of Lessor**

3.1 ***Promises of Lessor***

The Lessor covenants with the Lessee as follows:

(1) *Quiet Enjoyment*

The Lessee, paying the rent hereby reserved and performing the covenants herein on its part contained, shall and may peaceably possess and enjoy the Lands and Premises for the terms of this Lease or any renewal thereof without interruption or disturbance from the Lessor or any other person lawfully claiming by, from or under the Lessor;

(2) *Repairs*

The Lessor shall make any necessary repairs to any structural defects or weaknesses in the Premises not caused by the Lessee, its agents, employees or invitees and, in so doing, shall, to the extent possible, not unduly disrupt the Lessee's business;

(3) *Vandalism*

The Lessor shall make any repairs to the exterior of the Premises resulting from vandalism of the Premises including the removal of spray paint and graffiti;

(4) *HVAC Systems*

The Lessor shall be responsible for major repairs to or any required replacements of any heating, ventilation and air conditioning (HVAC) systems in the Premises not caused by the lessee, its agents, employees or invitees and, in doing such work, the Lessor shall to the extent possible, not unduly disrupt the Lessee's business; and

(5) *Grounds*

The Lessor shall provide lawn care and maintenance for all that portion of the Lands not occupied by buildings.

4. Rights and Remedies of the Lessor

4.1 *Re-entry*

If default or breach or non-performance of any of the covenants or agreements in this Lease contained on the part of the Lessee continues for 30 days after written notice thereof has been given by the Lessor to the Lessee, then it shall be lawful for the Lessor at any time thereafter without notice to re-enter the Lands and the same to have again, repossess and enjoy as of its former estate, anything herein contained to the contrary notwithstanding. If the Lessor re-enters the Lands and Premises by reason of the default of the Lessee prior to the expiry of the term of this lease, the Lessee will be liable to the Lessor for the amount of rent for the remainder of the term as if such re-entry had not been made, less the actual amount received by the Lessor after such re-entry from any subsequent leasing of the Lands during the remainder of the term after deducting the Lessor's costs of re-letting the Lands.

4.2 *Right of Termination*

Upon the Lessor becoming entitled to re-enter upon the Lands and Premises, the Lessor shall have the right in addition to all other rights, to determine forthwith this lease by giving notice in writing to the Lessee and thereupon rent shall be apportioned and paid to the date of such determination and the Lessee shall forthwith deliver up possession of the Lands and Premises and the Lessor may re-enter and take possession of the same.

4.3 *Bankruptcy*

If the term hereof or any renewal thereof shall at any time be seized or taken in execution or attachment by any creditor of the Lessee or if the Lessee makes any assignment for the benefit of creditors or becomes bankrupt or insolvent or takes the benefit of any bankruptcy or insolvency legislation or in case the Lands and Premises become vacant or unoccupied for a period of ten days, the then current month's rent together with the rent accruing for the balance of the term or the next three months, whichever is less, shall immediately become due and payable and the term hereof or any renewal thereof shall at the option of the Lessor become forfeited and void. Neither this Lease nor any interest therein nor any estate hereby created shall pass to or enure to the benefit of any trustee in bankruptcy or any receiver of any assignee for the benefit of creditors or otherwise by operation of law.

4.4 *Distress*

Whensoever the Lessor shall be entitled to levy distress against the goods and chattels of the Lessee, the Lessor may use such force as it may deem necessary for that purpose and for gaining admittance to the Lands and Premises without being liable in any action in respect thereof, or for any loss or damage occasioned thereby and the Lessee hereby expressly releases the Lessor from all actions, proceedings, claims or demands whatsoever for or on account of or in respect of any such forcible entry or any loss or damage sustained by the Lessee in connection therewith.

4.5 Distress not Waiver

The exercise by the Lessor of its right of distraint for a breach or breaches by the Lessee shall not act as a waiver of such breach or breaches and the Lessor may, at its sole and unfettered discretion, after distraining or during a distraint after seizing and before the disposal of the distrained goods has been completed, exercise any of its other remedies hereunder provided or provided by law or in equity without affecting the distraint, whether completed or not, and, if not completed, the Lessee hereby agrees that the Lessor may complete the distraint whether or not the Lessee has determined this Lease.

4.6 Non-waiver

The waiver by the Lessor of any breach by the Lessee of any covenant or condition contained in this Lease shall not be construed as or constitute a waiver of any further or other breach of the same or any other covenant or condition, and the consent or approval of the Lessor to or of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent or approval to any subsequent act, similar or otherwise, by the Lessee.

4.7 Lessor's Right to Perform

If the Lessee fails to perform any of the covenants or obligations of the Lessee under or in respect of this Lease, the Lessor may from time to time, at its discretion, perform or cause to be performed any such covenants or obligations or any part thereof and for such purpose may do such things as may be required and may enter upon the Lands and Premises to do such things and all expenses incurred and expenditures made by or on behalf of the Lessor shall be paid forthwith by the Lessee to the Lessor and if the Lessee fails to pay the same the Lessor may add the same to the rent and recover the same by all remedies available to the Lessor for the recovery of rent in arrears; provided that if the Lessor commences or completes either the performance or causing to be performed of any of such covenants or obligations or any part thereof, the Lessor shall not be obliged to complete such performance or causing to be performed or be later obliged to act in a like fashion.

4.8 Interest

The Lessee shall pay to the Lessor interest at 1.5% per month being 19.62% per annum on all overdue payments of rent and other sums required to be paid under this Lease, from the date upon which the same were due until actual payment thereof.

4.9 Status as a Society

In the event the Lessee is dissolved, wound up or struck from the Corporate Registry, fails to maintain its status as a registered Society, or is in default of filing returns or notices, including its annual return and financial statements for a period in excess of one (1) year, or is otherwise no longer a not-for-profit society or organization, the Lessor shall have the absolute right to terminate this Lease upon giving the Lessee written notice to that effect. In the event the Lease is terminated pursuant to the provisions of this paragraph, the Lands and Premises shall become the sole property of the Lessor.

5. **Indemnification**

5.1 **Indemnity by Lessee**

Except for or in respect of events caused by the Lessor's actions, or those for who it is at law responsible, arising out of the use and occupation of the Lands and Premises, including wilful misconduct or negligence during the Term, the Lessee shall indemnify the Lessor and all of its servants, agents, employees, contractors, invitees and persons for whom the Lessor is in law responsible and shall hold them and each of them harmless from and against any and all liabilities, claims, damages, losses and expenses, including all legal fees, on a solicitor-and-own-client basis, or in the alternative, the highest rate allowed for the taxation of costs under the *Rules of Court* and disbursements, due to, arising from or to the extent contributed to by:

- (a) any breach by the Lessee of any of the provisions of this Lease;
- (b) any act or omission of the Lessee of any of its members, servants, agents, employees, invitees, licensees, sub-tenants, concessionaires, contractors or persons for whom the Lessee is in law responsible on the Lands and Premises;
- (c) any injury, death or damage to persons or property of the Lessee or its members, servants, agents, employees, customers, invitees, contractors or any other persons on the Lands and Premises by or with the invitation, license or consent of the Lessee;
- (d) any damage, destruction or need of repair to any part of the Premises caused by any act or omission of the Lessee or its members, servants, agents, employees, customers, invitees, contractors, or persons for whom the Lessee is in law responsible, notwithstanding any other provisions of this Lease; and
- (e) any latent or patent defect in the Lands and Premises;

and this Indemnity shall survive the expiration or earlier termination of this Lease. In the event that the Lessor incurs liabilities, claims, damages, losses and expenses which are not paid by the Lessee or acknowledged by the insurer of the Lessee, within one year of written demand being made by the Lessor for indemnity pursuant to the provisions herein, this Lease shall terminate.

5.2 **Indemnity by Lessor**

Except for or in respect of events caused by the Lessee's actions, or those for whom it is at law responsible, arising out of the use and occupation of the Lands and Premises, including wilful misconduct or negligence during the term of this Lease, the Lessor shall indemnify the Lessee and all of its servants, agents, employees, contractors, customers, invitees and persons for whom the Lessee is in law responsible and shall hold them and each of them harmless from and against any and all liabilities, claims, damages, losses and expenses, including all legal fees, on a solicitor-and-own-client basis, or in the alternative, the highest rate allowed for the taxation of costs under the *Rules of Court* and disbursements, due to, arising from or to the extent contributed to by:

- (a) any breach by the Lessor of any of the provisions of this Lease;

- (b) any act or omission of the Lessor or any of its servants, agents, employees, contractors or persons for whom the Lessor is in law responsible on the Lands and Premises; and
- (c) any injury, death or damage to persons or property of the Lessor or its servants, agents, employees, contractors or any other persons on the Lands and Premises by or with the invitation or consent of the Lessor;

except for any latent or patent defect in the Lands and Premises, and this Indemnity shall survive the expiration or earlier termination of this Lease.

5.3 Lessor Unable to Perform

Whenever and to the extent that the Lessor shall be unable to fulfil or shall be delayed or restricted in the fulfilment of any obligation hereunder in respect of the supply or provision of any service or utility or the doing of any work by reason of being unable to obtain the material goods, equipment, service, utility or labour required to enable it to fulfil such obligation or by reason of any strike or lock-out or any statute, law, or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administration, controller or board or any governmental department or officer or other authority or by reason of any cause beyond its control either of the foregoing character or not, the Lessor shall be relieved from the fulfilment of such obligation and the Lessee shall not be entitled to compensation for any loss, inconvenience, nuisance or discomfort thereby occasioned.

5.4 Liability Insurance

The Lessee shall provide and maintain in such form and to such extent and with such companies as required by the Lessor, public liability insurance in the minimum amount of \$2,000,000.00 for the protection against any claims in any way relating to the Lands and Premises. This public liability insurance shall be increased by the Lessee upon the written request of the Lessor. Such policy shall designate both the Lessor and the Lessee as the insured and provide that the same cannot be cancelled without at least 15 days prior written notice to the Lessor. The Lessee shall deposit with the Lessor a certificate of such insurance at or prior to the commencement of the term and thereafter within 10 days prior to the expiration of any such policy. The Lessee's insurance shall be in effect for the duration of the lease term.

5.5 Contents Insurance

The Lessee shall provide and maintain their own insurance for the contents of the Premises. The Lessee's contents insurance shall be in effect for the duration of the lease term.

5.6 Condition of Lands and Premises

The Lessee will examine the Lands and Premises before taking possession thereof under this Lease and unless the Lessee has furnished the Lessor with notice in writing specifying any defects in the construction or condition of the Lands and Premises, the Lessee shall conclusively be deemed to have examined the Lands and Premises and to

have found the Lands and Premises in good order and satisfactory condition. The Lessee acknowledges that there are no promises, representations or undertakings by the Lessor as to any alterations, remodelling or decorating of the Lands and Premises or installations of equipment or fixtures therein except such, if any, as are expressly set forth in this Lease.

5.7 Relief of Lessor on Sale

If the Lessor sells or otherwise conveys its interest in the Lands and Premises and the subsequent owner of such interest assumes the covenants and obligations of the Lessor hereunder, the Lessor shall, without further written agreement, be freed and relieved of all liability for such covenants and obligations. The Lessee shall from time to time at the request of the Lessor promptly execute and return to the Lessor such certificates confirming the current status of this Lease in such detail as the Lessor may require.

6. Hazardous Substances

6.1 Definitions

“Hazardous Substance” means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (1) radioactive materials;
- (2) explosives, excluding lawfully possessed ammunition;
- (3) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant;
- (4) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - (a) endangers the health, safety or welfare of persons or the health of animal life;
 - (b) interferes with normal enjoyment of life or property; or
 - (c) causes damage to plant life or to property;
- (5) toxic substances; or
- (6) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Lessor, the Lessee, or the Lands and Premises.

6.2 Compliance with Laws

The Lessee shall not bring upon the Lands and Premises or any part thereof any Hazardous Substance. Without limiting the generality of the foregoing, the Lessee shall, at the Lessee's own cost and expense, comply with all laws and regulations from time to time in force relating to a Hazardous Substance and protection of the environment, and shall immediately give written notice to the Lessor of the occurrence of any event on the Lands and Premises constituting an offence thereunder or being in

breach thereof and, if the Lessee, either alone or with others, causes the happening of such event, the Lessee shall, at its own expense, immediately give the Lessor notice to that effect and thereafter give the Lessor from time to time written notice of the extent and nature of the Lessee's compliance with this Paragraph 6; promptly remove the Hazardous Substance from the Lands and Premises, as the case may be, in a manner which conforms with all laws and regulations governing the movement of the same; and if requested by the Lessor, obtain from an independent consultant designated or approved by the Lessor a report verifying the complete and proper removal thereof from the Lands and Premises or, if such is not the case, reporting as to the extent and nature of any failure to comply with this Paragraph.

The Lessee shall, at its own expense, remedy any damage to the Lands and Premises caused by such event or by the performance of the Lessee's obligations under this Paragraph 6 as a result of such occurrence.

If any governmental authority having jurisdiction requires the clean-up of any Hazardous Substance held, released, spilled, abandoned, or placed upon the Lands and Premises or released into the environment by the Lessee in the course of the Lessee's business or as a result of the Lessee's use or occupancy of the Lands and Premises, then the Lessee shall, at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by governmental authorities having jurisdiction and carry out the work required and shall keep the Lessor fully informed and provide to the Lessor full information with respect to proposed plans and comply with the Lessor's reasonable requirements with respect to such plans.

6.3 Discharge

The Lessee shall not discharge or permit the discharge of any oil or grease or any deleterious, objectionable, dangerous materials or Hazardous Substance into any water course, culvert, drain or sewers in, under or near the Lands and Premises. The Lessee shall take all reasonable measures for ensuring that any discharge effluent shall not be corrosive, poisonous or otherwise harmful or to cause obstruction, deposit or pollution to any waters, ditches, water course, culverts, drains or sewers, nor to or within any sewage disposal works nor to the bacteriological process of sewage purification. The Lessee shall forthwith, at the Lessor's request, provide facilities for testing and monitoring the effluent from the Lessee's operations and shall permit the Lessor and its agents reasonable access to the lands for the purposes of carrying out such testing and monitoring from time to time at the Lessee's expense.

The Lessee shall construct, maintain and operate every furnace and burner used on the Lands and Premises so as to substantially consume or burn the smoke arising there from and shall not use or suffer any furnace or burner to be used negligently.

The Lessee shall not cause or permit any grit, dust, noxious or offensive effluvia or Hazardous Substance to be emitted from any engine, furnace, burner or apparatus on the Lands and Premises without using the best practicable means reasonably available for preventing or counteracting such emissions.

6.4 Ownership of Hazardous Substances

If the Lessee brings onto or creates upon the Lands and Premises any Hazardous Substance or if the conduct of the Lessee's business causes there to be any Hazardous Substance upon the Lands and Premises, then, notwithstanding any rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Lessee and shall not become the property of the Lessor, notwithstanding the degree of affixation of the Hazardous Substance or the goods containing the Hazardous Substance to the Lands and Premises and notwithstanding the expiry or earlier termination of this Lease.

6.5 Access to Information

The Lessee hereby authorizes the Lessor to make enquiries from time to time of any government or governmental agency with respect to the Lessee's compliance with any and all laws and regulations pertaining to any Hazardous Substance and the protection of the environment and the Lessee covenants and agrees that the Lessee shall from time to time provide to the Lessor such written authorization as the Lessor may reasonably require in order to facilitate the obtaining of such information. The Lessee shall, at its own expense, comply with all the laws and regulations from time to time in force regulating the manufacture, use, storage, transportation or disposal of Hazardous Substance and shall make, obtain and deliver all reports and studies required by governmental authorities having jurisdiction.

7. Termination

7.1 Termination

It is hereby agreed that during the term hereof, or any renewal thereof, the Lessor or the Lessee may terminate the Lease by giving notice in writing two (2) months before such determination, and on the day following the date specified in the notice, this Lease is terminated.

8. General Provisions

8.1 Subordination

This Lease is subject and subordinate to all mortgages, easements, or rights of way which now or hereafter during the term of this Lease or any renewal thereof shall be recorded in the Land Titles Office as a mortgage, easement, or right of way given by the Lessor against the Lands and Premises. The Lessee shall execute promptly from time to time any assurances that the Lessor may request to confirm this subordination.

8.2 No Agency or Partnership

Nothing herein contained shall be construed as creating the relationship of principal and agent or of partners or of joint venturers between the parties hereto, their only relationship being that of landlord and tenant.

8.3 Over-holding

If the Lessee continues to occupy the Lands and Premises with the consent of the Lessor after the expiration of this Lease or any renewal thereof without any further written agreement, the Lessee shall be a monthly Lessee at a monthly rental equivalent to 1/12 of the annual rental and all other sums payable hereunder pro-rated for one month.

8.4 Effect of Headings

The headings or subheadings to the clauses in this Lease form no part thereof, and are inserted for convenience and internal reference only and are not to be relied upon or considered by any person in the interpretation hereof.

8.5 Notices

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if mailed by prepaid, registered mail, faxed, telexed or telegraphed to or delivered at the address of the other party hereinafter set forth:

If to the Lessor:	City of Whitehorse 2121 Second Avenue Whitehorse, Yukon Territory Y1A 1C2 <u>Attention: Manager, Planning and Building Services</u> Fax No. (867) 668-8395
If to the Lessee:	Yukon Film Society 212 Lambert Street Whitehorse, Yukon Territory Y1A 1Z4 <u>Attention: Chris Ross, Yukon Film Society President</u>

A notice shall be deemed to have been received, if faxed, telexed, telegraphed or delivered, on the date of delivery and if mailed as aforesaid then on the fifth business day following the posting thereof, provided that in the event of disruption of postal, telex or telegraph services a notice shall be given by one of the other methods of communication.

8.6 Solicitor and Client Costs

If the Lessee defaults in paying the rent hereunder or in performing any of the covenants and agreements herein contained on the part of the Lessee to be observed and performed, the Lessor may recover from the Lessee all of the Lessor's reasonable costs in enforcing compliance with this Lease and without limitation, costs as between solicitor-and-own-client or in the alternative, costs at the highest tariff allowed under the *Rules of Court*.

8.7 Binding Agreement

This Lease shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns as the case may be. This Lease is not

assignable by the Lessee without the express written consent of the Lessor, which may be arbitrarily and unreasonably withheld.

8.8 Interpretation of Words

Wherever the singular or the masculine is used in this Lease, the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.

8.9 Time of Essence

Time shall in all respects be of the essence hereof.

8.10 Changes to Agreement

No provision of this Lease shall be deemed to have been changed unless made in writing signed by the Lessor and Lessee, and if any provision is unenforceable or invalid for any reason whatever, such unenforceability or invalidity shall not affect the remaining provisions of this Lease and such provisions shall be severable from the remainder of this Lease.

8.11 Acceptance by Lessee

The Lessee does hereby accept this Lease of the Lands and Premises, to be held by it as tenant, and subject to the conditions, restrictions and covenants above set forth.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Lease as of the day and year first written above in the City of Whitehorse, in the Yukon Territory.

) THE CORPORATE SEAL OF
) **The City of Whitehorse**
) was hereunto affixed in the presence of:
)
)
)
) _____
) Mayor
)
) _____
) Assistant City Clerk

) **Yukon Film Society**
) Per:
)
)
) _____
) Chris Ross, President

Witness

Affidavit of Witness

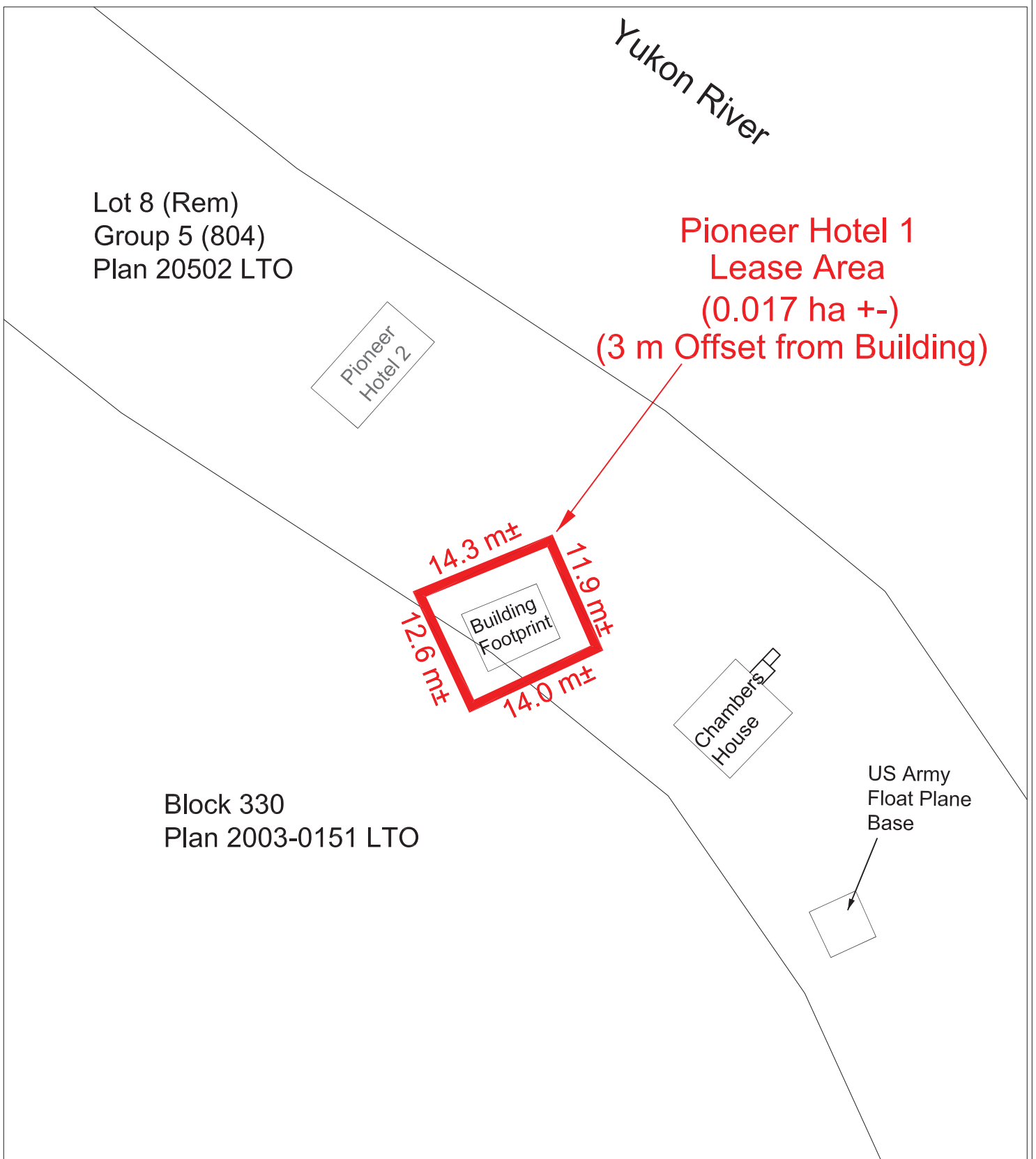
CANADA) I, _____
)
YUKON TERRITORY) of the City of Whitehorse,
) in the Yukon Territory,
)
TO WIT:) MAKE OATH AND SAY AS FOLLOWS:

- 1) I was personally present and did see Chris Ross named in the within instrument, who identified himself to me to be the person named therein, duly sign and execute the same for the purpose therein named;
- 2) The said instrument was executed at the City of Whitehorse, in the Yukon Territory, and that I am the subscribing witness thereto;
- 3) The said party is in my belief of the full age of nineteen years.

SWORN BEFORE ME)
at the City of Whitehorse in the)
Yukon Territory, this ____ day)
of _____, 2016.)

A Notary Public in and for the)
Yukon Territory)

Witness Signature



LEASE AGREEMENT

between the City of Whitehorse and the Yukon Film Society.

LEGEND



SUBJECT AREA

CITY OF WHITEHORSE

BYLAW 2016-13

A bylaw to authorize a lease agreement with the Yukon Literacy Coalition with respect to the heritage property Pioneer Hotel 2

WHEREAS section 265 of the *Municipal Act* (2002) provides that council may pass bylaws for municipal purposes respecting the municipality's leasing of any real or personal property; and

WHEREAS it is deemed desirable that the City enter into an agreement with the Yukon Literacy Coalition for the lease of the heritage property Pioneer Hotel 2, also known as the Hatch House, and a 0.022 hectare parcel of land for a three year lease term from May 1, 2016 to and including October 31, 2019;

NOW THEREFORE the council of the municipality of the City of Whitehorse, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. The City of Whitehorse is hereby authorized to enter into a lease agreement with the Yukon Literacy Coalition with respect to that portion of Lot 8 (Remainder), Group 5 (804), Plan 20502 LTO, in the City of Whitehorse, as shown on the sketch attached hereto as Appendix "A" and forming part of this bylaw.
2. The Mayor and Clerk are hereby authorized to execute on behalf of the City of Whitehorse the Lease Agreement attached hereto as Appendix "B" and forming part of this bylaw.
3. This bylaw shall come into full force and effect upon the final passing thereof.

FIRST and SECOND READING:

THIRD READING and ADOPTION:

Mayor

City Clerk



Bylaw 2016-13

A bylaw to authorize the City of Whitehorse to enter into a lease agreement with the Yukon Literacy Coalition with respect to the heritage property known as the Pioneer Hotel 2, comprising approximately 0.022 hectares in area.

LEGEND



SUBJECT AREAS

THIS LEASE AGREEMENT, made the _____ day of _____, 2016 in triplicate, to be effective as of and from the 1st day of May, 2016.

BETWEEN

The City of Whitehorse, a municipality duly incorporated pursuant to the provisions of the *Municipal Act*
(the "Lessor")

AND

Yukon Literacy Coalition
(the "Lessee")

WHEREAS

- A. The Lessor is the tenant of the Lands as described in Paragraph 1.1(1) herein pursuant to a License of Occupation (Disposition Number 2009-3080) with the Government of Yukon (the "License of Occupation");
- B. The Lessee will occupy the building known as the Pioneer Hotel 2 – also known as the Hatch House – which the Lessee will operate as a downtown location for the Family Literacy Centre (the "Premises");
- C. The Premises are situated on the Lands and the Lessee desires to enter into a lease agreement with the Lessor in accordance with the terms and conditions contained in this lease.

1. **Demise**

1.1 Lease

Witness that in consideration of the rents, covenants, conditions and agreements herein reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor, being licensee of the Government of Yukon under the License of Occupation, does hereby demise and lease unto the Lessee on the terms and conditions herein contained, the Premises and that parcel of land more particularly described as follows:

- (1) That portion of Lot 8 (Remainder), Group 5 (804), Plan 20502 LTO, City of Whitehorse, Yukon Territory;

Comprising approximately 0.022 hectares more or less and shown outlined in red in the sketch attached hereto as Schedule "A" (the "Lands")

1.2 Term

To have and to hold the Lands and Premises, within which the Lessee will operate as a programming, activities and events space for the Yukon Literacy Centre, for and during the term of May 1, 2016 up to and including October 31, 2019.

1.3 Rent

Yielding and paying therefore during the term hereof unto the Lessor the sum of Five Hundred dollars (\$500.00) per year, plus Goods and Services Tax, of lawful money of Canada to be paid in advance of the first day March each year.

1.4 Property Taxes

The tenant shall be responsible for all real property taxes including local improvements rates levied or assessed by any competent authority upon or in respect of the Land.

1.5 Carefree Lease

The Lessee acknowledges that it is intended that this Lease be a net-net lease for the Lessor and that all and every cost, expense, charge or out lay of any nature whatsoever in any way related to the Lands and Premises or their occupancy by the Lessee shall be borne by the Lessee excepting as otherwise expressly provided herein.

1.6 Heritage Integrity

The Lessor and Lessee hereby recognize that the Pioneer Hotel 1 (Jenni House) is a heritage building and that the historic integrity, especially the exterior, must be maintained. Any alterations, repairs, or applications for signage must receive prior approval from the Lessor.

1.7 Parking

The Lessee, their employees and any other individuals associated with the programs and activities associated with the building shall use the designated public parking area in the Shipyards Park parking lot for vehicle parking. The parking spaces are on a first-come, first-serve basis, with no reserved spaces. Vehicles are prohibited from driving and parking on any other land in Shipyards Park, unless there are exceptional circumstances and the Lessee has received verbal permission from the Lessor.

1.8 Access

The Lessee agrees that vehicles shall not drive or park on any portion of Lot 8 (Remainder), Group 5 (804), Plan 20502 LTO, City of Whitehorse, Yukon Territory without prior verbal permission from the Lessor.

1.9 Special Events

The Lessor and Lessee hereby recognize that special events and festivals will be occurring in Shipyards Park during the lease term, which may limit the availability of parking and compromise access to the Lands and Premises. The Lessor shall make every reasonable effort to ensure that access to the Lands and Premises is maintained during special events and festivals. In the event that access will be unable to be maintained to the Lands and Premises as a result of any special event or festival, the Lessor shall notify the Lessee in advance of the special event or festival (not to include any regular events such as the weekly Fireweed Market).

2. **Covenants of Lessee**

2.1 ***Promises of Lessee***

The Lessee covenants and agrees with the Lessor as follows:

(1) *Rent*

The Lessee shall during the terms of this lease or any renewal thereof pay to the Lessor the rent hereby reserved, and all other sums to be paid by the Lessee hereunder in the manner herein provided without any deduction whatsoever. The Lessee shall produce to the Lessor from time to time, at the request of the Lessor, satisfactory evidence of the due payment by the Lessee of all other payments required to be made by the Lessee under this lease;

(2) *Repair*

The Lessee shall well and sufficiently repair, maintain, amend and keep the Lands and Premises in good and substantial repair when, where and so often as need shall be, damage by fire and other risks against which the Lessor is insured (the “Lessee Repair Exceptions”) only excepted unless such damage is caused by the negligence or wilful act of the Lessor, its employees, agents or invitees;

(3) *Notice to Repair*

The Lessor and its agents may at all reasonable times enter the Lands and Premises to examine the condition thereof, and all want of repair that upon such examination may be found and for the amendment of which notice in writing is left at the Lands and Premises, the Lessee shall well and sufficiently repair and make good according to such notice within 15 days from the date on which such notice is left at the Lands and Premises, subject to the Lessee Repair Exceptions;

(4) *Care of Lands and Premises*

The Lessee shall take good care of the Lands and Premises and keep the same in a safe, tidy and healthy condition and shall, at its own expense, bear such costs as are reasonably necessary during the term of this lease to keep the Lands and Premises in such condition;

(5) *Utilities*

The Lessee shall pay when due all rates and charges for electricity, water, sewer, telephone, cable, heating fuel, internet and any other utilities supplied to or used on or in the Lands and Premises as separately metered or separately invoiced by the supplier(s), including any utilities as supplied by the Lessor;

(6) *Waste Diversion*

Waste diversion to extend the life of the City’s landfill is important to the Landlord and the citizens of the City of Whitehorse. As such, City Council has adopted the Waste Management Bylaw which bans or controls certain types of waste. The Tenant agrees that it shall comply with the Waste Management Bylaw at all times, including provision of sufficient recycling and compost bins on the Lands

and Premises, to ensure that recyclable and organic waste are separated and diverted from the landfill as required by the Waste Management Bylaw. All costs associated with waste diversion shall be the responsibility of the Tenant.

(7) *Removal of Garbage*

The Lessee shall arrange at their cost for regular garbage collection of all garbage arising from the operation of the Lessee's business or their occupation of the Lands and Premises. The Lessee shall also be responsible for cleaning all garbage and refuse from within the Lands and Premises which includes all areas within 3 metres of the building;

(8) *Business Taxes*

The Lessee shall pay when due all business taxes payable by the Lessee in respect of the Lessee's occupancy of the Lands and Premises;

(9) *Assignment and Subleasing*

The Lessee shall not assign, mortgage or encumber this Lease, or sublet, or suffer or permit the Lands and Premises or any part thereof to be used by others by license or otherwise, without the prior written consent of the Lessor, which consent may be arbitrarily and unreasonably withheld;

(10) *Use of Lands and Premises*

The Lessee shall not use the Lands and Premises nor allow the Lands and Premises to be used for any purpose other than as operations and programming for the Family Literacy Centre, or such other uses as are approved in writing by the Lessor. The Lessee may make application for temporary events outside the boundaries of the Lands and Premises, so long as they obtain written approval from the Lessor, whose consent may be arbitrarily and unreasonably withheld;

(11) *Nuisance*

The Lessee shall not at any time use, exercise, or carry on or permit to be used, exercised or carried on, in or upon the Lands and Premises or any part thereof any noxious, noisome, or offensive act, trade, business, occupation or calling and no act, matter or thing whatsoever shall at any time be done in or upon the Lands and Premises or any part thereof which is an unreasonable annoyance, nuisance or disturbance to the occupiers or owners of the adjoining lands and properties;

(12) *Insurance Risk*

The Lessee shall not do or permit to be done any act or thing which may render void or voidable or conflict with the requirements of any policy of insurance, on the Lands and Premises, including any regulations of fire insurance underwriters applicable to such policy. The Lessee shall ensure that all activities carried out or conducted on the Lands and Premises are done in accordance with the provisions of any policy of insurance that is in force, so that the Lessee and the Lessor have the benefit of such insurance. Any activity which cannot be insured for or which is specifically exempted from coverage under any policy of insurance that is in force shall not be permitted by the Lessee;

(13) *Bylaws*

The Lessee shall comply with all statutes, regulations, and by-laws of any governmental authority relating in any way to the use or occupation of the Lands and Premises, including, without limiting the generality of the foregoing, all laws, regulations and bylaws affecting or relating to the sale or consumption of alcoholic beverages on the Lands and the Premises;

(14) *Alterations*

The Lessee shall not make any alterations, installations, improvements or changes of any kind to the Lands and Premises without the prior written consent of the Lessor, and the Lessor may require that any or all work to be done or materials to be supplied hereunder, be done or supplied by contractors or workers approved by the Lessor;

(15) *Fixtures*

All alterations, additions, improvements and fixtures to, in or upon the Lands and Premises including everything attached to any part of the Lands and Premises, other than the Lessee's trade fixtures, machinery, plant and equipment, shall become the property of the Lessor and shall remain on the Lands and Premises at the expiration or earlier termination of the term, subject to such exceptions that the Lessor may consent to in writing;

(16) *Removal of Goods, Chattels, or Fixtures*

The Lessee shall not remove from the Lands and Premises any goods or chattels moved into the Lands and Premises, except in the normal course of business, until all rent and other payments due or to become due during the term of this Lease are fully paid;

(17) *No Permanent Structures*

The Lessee shall not construct, install or erect any permanent structures or buildings on the Lands or additions to the Premises without the express written consent of the Lessor;

(18) *Builder's Liens*

The Lessee shall promptly pay all charges incurred by the Lessee for any work, materials or services that may be done, supplied or performed in respect of the Lands and Premises and shall not cause or permit any builder's lien to be registered against the Lands and if any such lien should be so registered the Lessee shall pay off and discharge the same forthwith and, if he shall fail or neglect to do so within 10 days after written notice thereof from the Lessor, the Lessor may but shall not be obliged to, pay and discharge such lien and may add to the next ensuing instalment of rent the amount so paid including all costs to the Lessor together with interest thereon from the date of payment.

Provided that in the event of a bona fide dispute by the Lessee of the validity or correctness of any such claim of lien, the Lessee shall be entitled to defend against the same and any proceedings brought in respect thereof after having

first paid into Court the amount claimed and such costs as the Court may direct or having provided such other security as the Lessor may in writing approve to ensure payment thereof. Provided further that upon determination of the validity of any such lien, the Lessee shall immediately pay any judgment in respect thereof against the Lessor, including all proper costs and charges incurred by the Lessor and the Lessee in connection with any such lien and shall cause a discharge thereof to be registered without cost or expense to the Lessor;

(19) *Inspection*

The Lessee shall permit the Lessor or any other person authorized by the Lessor to inspect the Lands and Premises at all reasonable times;

(20) *Re-letting*

The Lessee shall permit the Lessor, at any time within 90 days prior to the expiration of the terms hereby granted, upon 24 hours' notice to the Lessee, to enter upon the Premises at all reasonable hours for the purpose of offering the same for rent and exhibiting the same to prospective tenants and to place and keep upon the Premises, signs advertising the premises for rent;

(21) *Maintenance*

The Lessee shall permit the Lessor to install, maintain, replace, repair and service or cause to be installed, maintained, replaced, repaired, and serviced, wires, ducts or other installations in, under or through the Lands and Premises for or in connection with the supply of any service or utility to any part of the Lands and Premises;

(22) *Vacant Possession*

The Lessee shall at the expiration or earlier termination of this Lease, peaceably surrender and deliver up vacant possession of the Lands and Premises in the condition required herein and deliver to the Lessor all keys, operation manuals, logs and such documents as are reasonably requested which relate to the Lands and Premises.

3. **Covenants of Lessor**

3.1 ***Promises of Lessor***

The Lessor covenants with the Lessee as follows:

(1) *Quiet Enjoyment*

The Lessee, paying the rent hereby reserved and performing the covenants herein on its part contained, shall and may peaceably possess and enjoy the Lands and Premises for the terms of this Lease or any renewal thereof without interruption or disturbance from the Lessor or any other person lawfully claiming by, from or under the Lessor;

(2) *Repairs*

The Lessor shall make any necessary repairs to any structural defects or weaknesses in the Premises not caused by the Lessee, its agents, employees or invitees and, in so doing, shall, to the extent possible, not unduly disrupt the Lessee's business;

(3) *Vandalism*

The Lessor shall make any repairs to the exterior of the Premises resulting from vandalism of the Premises including the removal of spray paint and graffiti;

(4) *HVAC Systems*

The Lessor shall be responsible for major repairs to or any required replacements of any heating, ventilation and air conditioning (HVAC) systems in the Premises not caused by the lessee, its agents, employees or invitees and, in doing such work, the Lessor shall to the extent possible, not unduly disrupt the Lessee's business; and

(5) *Grounds*

The Lessor shall provide lawn care and maintenance for all that portion of the Lands not occupied by buildings.

4. **Rights and Remedies of the Lessor**

4.1 *Re-entry*

If default or breach or non-performance of any of the covenants or agreements in this Lease contained on the part of the Lessee continues for 30 days after written notice thereof has been given by the Lessor to the Lessee, then it shall be lawful for the Lessor at any time thereafter without notice to re-enter the Lands and the same to have again, repossess and enjoy as of its former estate, anything herein contained to the contrary notwithstanding. If the Lessor re-enters the Lands and Premises by reason of the default of the Lessee prior to the expiry of the term of this lease, the Lessee will be liable to the Lessor for the amount of rent for the remainder of the term as if such re-entry had not been made, less the actual amount received by the Lessor after such re-entry from any subsequent leasing of the Lands during the remainder of the term after deducting the Lessor's costs of re-letting the Lands.

4.2 *Right of Termination*

Upon the Lessor becoming entitled to re-enter upon the Lands and Premises, the Lessor shall have the right in addition to all other rights, to determine forthwith this lease by giving notice in writing to the Lessee and thereupon rent shall be apportioned and paid to the date of such determination and the Lessee shall forthwith deliver up possession of the Lands and Premises and the Lessor may re-enter and take possession of the same.

4.3 Bankruptcy

If the term hereof or any renewal thereof shall at any time be seized or taken in execution or attachment by any creditor of the Lessee or if the Lessee makes any assignment for the benefit of creditors or becomes bankrupt or insolvent or takes the benefit of any bankruptcy or insolvency legislation or in case the Lands and Premises become vacant or unoccupied for a period of 10 days, the then current month's rent together with the rent accruing for the balance of the term or the next three months, whichever is less, shall immediately become due and payable and the term hereof or any renewal thereof shall at the option of the Lessor become forfeited and void. Neither this Lease nor any interest therein nor any estate hereby created shall pass to or enure to the benefit of any trustee in bankruptcy or any receiver of any assignee for the benefit of creditors or otherwise by operation of law.

4.4 Distress

Whensoever the Lessor shall be entitled to levy distress against the goods and chattels of the Lessee, the Lessor may use such force as it may deem necessary for that purpose and for gaining admittance to the Lands and Premises without being liable in any action in respect thereof, or for any loss or damage occasioned thereby and the Lessee hereby expressly releases the Lessor from all actions, proceedings, claims or demands whatsoever for or on account of or in respect of any such forcible entry or any loss or damage sustained by the Lessee in connection therewith.

4.5 Distress not Waiver

The exercise by the Lessor of its right of distraint for a breach or breaches by the Lessee shall not act as a waiver of such breach or breaches and the Lessor may, at its sole and unfettered discretion, after distraining or during a distraint after seizing and before the disposal of the distrained goods has been completed, exercise any of its other remedies hereunder provided or provided by law or in equity without affecting the distraint, whether completed or not, and, if not completed, the Lessee hereby agrees that the Lessor may complete the distraint whether or not the Lessee has determined this Lease.

4.6 Non-waiver

The waiver by the Lessor of any breach by the Lessee of any covenant or condition contained in this Lease shall not be construed as or constitute a waiver of any further or other breach of the same or any other covenant or condition, and the consent or approval of the Lessor to or of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent or approval to any subsequent act, similar or otherwise, by the Lessee.

4.7 Lessor's Right to Perform

If the Lessee fails to perform any of the covenants or obligations of the Lessee under or in respect of this Lease, the Lessor may from time to time, at its discretion, perform or cause to be performed any such covenants or obligations or any part thereof and for such purpose may do such things as may be required and may enter upon the Lands

and Premises to do such things and all expenses incurred and expenditures made by or on behalf of the Lessor shall be paid forthwith by the Lessee to the Lessor and if the Lessee fails to pay the same the Lessor may add the same to the rent and recover the same by all remedies available to the Lessor for the recovery of rent in arrears; provided that if the Lessor commences or completes either the performance or causing to be performed of any of such covenants or obligations or any part thereof, the Lessor shall not be obliged to complete such performance or causing to be performed or be later obliged to act in a like fashion.

4.8 Interest

The Lessee shall pay to the Lessor interest at 1.5% per month being 19.62% per annum on all overdue payments of rent and other sums required to be paid under this Lease, from the date upon which the same were due until actual payment thereof.

4.9 Status as a Society

In the event the Lessee is dissolved, wound up or struck from the Corporate Registry, fails to maintain its status as a registered Society, or is in default of filing returns or notices, including its annual return and financial statements for a period in excess of one (1) year, or is otherwise no longer a not-for-profit society or organization, the Lessor shall have the absolute right to terminate this Lease upon giving the Lessee written notice to that effect. In the event the Lease is terminated pursuant to the provisions of this paragraph, the Lands and Premises shall become the sole property of the Lessor.

5. Indemnification

5.1 Indemnity by Lessee

Except for or in respect of events caused by the Lessor's actions, or those for who it is at law responsible, arising out of the use and occupation of the Lands and Premises, including wilful misconduct or negligence during the Term, the Lessee shall indemnify the Lessor and all of its servants, agents, employees, contractors, invitees and persons for whom the Lessor is in law responsible and shall hold them and each of them harmless from and against any and all liabilities, claims, damages, losses and expenses, including all legal fees, on a solicitor-and-own-client basis, or in the alternative, the highest rate allowed for the taxation of costs under the *Rules of Court* and disbursements, due to, arising from or to the extent contributed to by:

- (a) any breach by the Lessee of any of the provisions of this Lease;
- (b) any act or omission of the Lessee of any of its members, servants, agents, employees, invitees, licensees, sub-tenants, concessionaires, contractors or persons for whom the Lessee is in law responsible on the Lands and Premises;
- (c) any injury, death or damage to persons or property of the Lessee or its members, servants, agents, employees, customers, invitees, contractors or any other persons on the Lands and Premises by or with the invitation, license or consent of the Lessee;

- (d) any damage, destruction or need of repair to any part of the Premises caused by any act or omission of the Lessee or its members, servants, agents, employees, customers, invitees, contractors, or persons for whom the Lessee is in law responsible, notwithstanding any other provisions of this Lease; and
- (e) any latent or patent defect in the Lands and Premises;

and this Indemnity shall survive the expiration or earlier termination of this Lease. In the event that the Lessor incurs liabilities, claims, damages, losses and expenses which are not paid by the Lessee or acknowledged by the insurer of the Lessee, within one year of written demand being made by the Lessor for indemnity pursuant to the provisions herein, this Lease shall terminate.

5.2 Indemnity by Lessor

Except for or in respect of events caused by the Lessee's actions, or those for whom it is at law responsible, arising out of the use and occupation of the Lands and Premises, including wilful misconduct or negligence during the term of this Lease, the Lessor shall indemnify the Lessee and all of its servants, agents, employees, contractors, customers, invitees and persons for whom the Lessee is in law responsible and shall hold them and each of them harmless from and against any and all liabilities, claims, damages, losses and expenses, including all legal fees, on a solicitor-and-own-client basis, or in the alternative, the highest rate allowed for the taxation of costs under the *Rules of Court* and disbursements, due to, arising from or to the extent contributed to by:

- (a) any breach by the Lessor of any of the provisions of this Lease;
- (b) any act or omission of the Lessor or any of its servants, agents, employees, contractors or persons for whom the Lessor is in law responsible on the Lands and Premises; and
- (c) any injury, death or damage to persons or property of the Lessor or its servants, agents, employees, contractors or any other persons on the Lands and Premises by or with the invitation or consent of the Lessor;

except for any latent or patent defect in the Lands and Premises, and this Indemnity shall survive the expiration or earlier termination of this Lease.

5.3 Lessor Unable to Perform

Whenever and to the extent that the Lessor shall be unable to fulfil or shall be delayed or restricted in the fulfilment of any obligation hereunder in respect of the supply or provision of any service or utility or the doing of any work by reason of being unable to obtain the material goods, equipment, service, utility or labour required to enable it to fulfil such obligation or by reason of any strike or lock-out or any statute, law, or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administration, controller or board or any governmental department or officer or other authority or by reason of any cause beyond its control either of the foregoing character or not, the Lessor shall be relieved from the fulfilment

of such obligation and the Lessee shall not be entitled to compensation for any loss, inconvenience, nuisance or discomfort thereby occasioned.

5.4 Liability Insurance

The Lessee shall provide and maintain in such form and to such extent and with such companies as required by the Lessor, public liability insurance in the minimum amount of \$2,000,000.00 for the protection against any claims in any way relating to the Lands and Premises. This public liability insurance shall be increased by the Lessee upon the written request of the Lessor. Such policy shall designate both the Lessor and the Lessee as the insured and provide that the same cannot be cancelled without at least 15 days prior written notice to the Lessor. The Lessee shall deposit with the Lessor a certificate of such insurance at or prior to the commencement of the term and thereafter within 10 days prior to the expiration of any such policy. The Lessee's insurance shall be in effect for the duration of the lease term.

5.5 Contents Insurance

The Lessee shall provide and maintain their own insurance for the contents of the Premises. The Lessee's contents insurance shall be in effect for the duration of the lease term.

5.6 Condition of Lands and Premises

The Lessee will examine the Lands and Premises before taking possession thereof under this Lease and unless the Lessee has furnished the Lessor with notice in writing specifying any defects in the construction or condition of the Lands and Premises, the Lessee shall conclusively be deemed to have examined the Lands and Premises and to have found the Lands and Premises in good order and satisfactory condition. The Lessee acknowledges that there are no promises, representations or undertakings by the Lessor as to any alterations, remodelling or decorating of the Lands and Premises or installations of equipment or fixtures therein except such, if any, as are expressly set forth in this Lease.

5.7 Relief of Lessor on Sale

If the Lessor sells or otherwise conveys its interest in the Lands and Premises and the subsequent owner of such interest assumes the covenants and obligations of the Lessor hereunder, the Lessor shall, without further written agreement, be freed and relieved of all liability for such covenants and obligations. The Lessee shall from time to time at the request of the Lessor promptly execute and return to the Lessor such certificates confirming the current status of this Lease in such detail as the Lessor may require.

6. **Hazardous Substances**

6.1 **Definitions**

“Hazardous Substance” means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (1) radioactive materials;
- (2) explosives, excluding lawfully possessed ammunition;
- (3) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant;
- (4) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - (a) endangers the health, safety or welfare of persons or the health of animal life;
 - (b) interferes with normal enjoyment of life or property; or
 - (c) causes damage to plant life or to property;
- (5) toxic substances; or
- (6) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Lessor, the Lessee, or the Lands and Premises.

6.2 **Compliance with Laws**

The Lessee shall not bring upon the Lands and Premises or any part thereof any Hazardous Substance. Without limiting the generality of the foregoing, the Lessee shall, at the Lessee's own cost and expense, comply with all laws and regulations from time to time in force relating to a Hazardous Substance and protection of the environment, and shall immediately give written notice to the Lessor of the occurrence of any event on the Lands and Premises constituting an offence thereunder or being in breach thereof and, if the Lessee, either alone or with others, causes the happening of such event, the Lessee shall, at its own expense, immediately give the Lessor notice to that effect and thereafter give the Lessor from time to time written notice of the extent and nature of the Lessee's compliance with this Paragraph 6; promptly remove the Hazardous Substance from the Lands and Premises, as the case may be, in a manner which conforms with all laws and regulations governing the movement of the same; and if requested by the Lessor, obtain from an independent consultant designated or approved by the Lessor a report verifying the complete and proper removal thereof from the Lands and Premises or, if such is not the case, reporting as to the extent and nature of any failure to comply with this Paragraph.

The Lessee shall, at its own expense, remedy any damage to the Lands and Premises caused by such event or by the performance of the Lessee's obligations under this Paragraph 6 as a result of such occurrence.

If any governmental authority having jurisdiction requires the clean-up of any Hazardous Substance held, released, spilled, abandoned, or placed upon the Lands and Premises or released into the environment by the Lessee in the course of the Lessee's business or as a result of the Lessee's use or occupancy of the Lands and Premises, then the Lessee shall, at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by governmental authorities having jurisdiction and carry out the work required and shall keep the Lessor fully informed and provide to the Lessor full information with respect to proposed plans and comply with the Lessor's reasonable requirements with respect to such plans.

6.3 Discharge

The Lessee shall not discharge or permit the discharge of any oil or grease or any deleterious, objectionable, dangerous materials or Hazardous Substance into any water course, culvert, drain or sewers in, under or near the Lands and Premises. The Lessee shall take all reasonable measures for ensuring that any discharge effluent shall not be corrosive, poisonous or otherwise harmful or to cause obstruction, deposit or pollution to any waters, ditches, water course, culverts, drains or sewers, nor to or within any sewage disposal works nor to the bacteriological process of sewage purification. The Lessee shall forthwith, at the Lessor's request, provide facilities for testing and monitoring the effluent from the Lessee's operations and shall permit the Lessor and its agents reasonable access to the lands for the purposes of carrying out such testing and monitoring from time to time at the Lessee's expense.

The Lessee shall construct, maintain and operate every furnace and burner used on the Lands and Premises so as to substantially consume or burn the smoke arising there from and shall not use or suffer any furnace or burner to be used negligently.

The Lessee shall not cause or permit any grit, dust, noxious or offensive effluvia or Hazardous Substance to be emitted from any engine, furnace, burner or apparatus on the Lands and Premises without using the best practicable means reasonably available for preventing or counteracting such emissions.

6.4 Ownership of Hazardous Substances

If the Lessee brings onto or creates upon the Lands and Premises any Hazardous Substance or if the conduct of the Lessee's business causes there to be any Hazardous Substance upon the Lands and Premises, then, notwithstanding any rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Lessee and shall not become the property of the Lessor, notwithstanding the degree of affixation of the Hazardous Substance or the goods containing the Hazardous Substance to the Lands and Premises and notwithstanding the expiry or earlier termination of this Lease.

6.5 Access to Information

The Lessee hereby authorizes the Lessor to make enquiries from time to time of any government or governmental agency with respect to the Lessee's compliance with any and all laws and regulations pertaining to any Hazardous Substance and the protection of the environment and the Lessee covenants and agrees that the Lessee shall from time to time provide to the Lessor such written authorization as the Lessor may reasonably require in order to facilitate the obtaining of such information. The Lessee shall, at its own expense, comply with all the laws and regulations from time to time in force regulating the manufacture, use, storage, transportation or disposal of Hazardous Substance and shall make, obtain and deliver all reports and studies required by governmental authorities having jurisdiction.

7. Termination

7.1 Termination

It is hereby agreed that during the term hereof, or any renewal thereof, the Lessor or the Lessee may terminate the Lease by giving notice in writing two (2) months before such determination, and on the day following the date specified in the notice, this Lease is terminated.

8. General Provisions

8.1 Subordination

This Lease is subject and subordinate to all mortgages, easements, or rights of way which now or hereafter during the term of this Lease or any renewal thereof shall be recorded in the Land Titles Office as a mortgage, easement, or right of way given by the Lessor against the Lands and Premises. The Lessee shall execute promptly from time to time any assurances that the Lessor may request to confirm this subordination.

8.2 No Agency or Partnership

Nothing herein contained shall be construed as creating the relationship of principal and agent or of partners or of joint venturers between the parties hereto, their only relationship being that of landlord and tenant.

8.3 Over-holding

If the Lessee continues to occupy the Lands and Premises with the consent of the Lessor after the expiration of this Lease or any renewal thereof without any further written agreement, the Lessee shall be a monthly Lessee at a monthly rental equivalent to 1/12 of the annual rental and all other sums payable hereunder pro-rated for one month.

8.4 Effect of Headings

The headings or subheadings to the clauses in this Lease form no part thereof, and are inserted for convenience and internal reference only and are not to be relied upon or considered by any person in the interpretation hereof.

8.5 Notices

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if mailed by prepaid, registered mail, faxed, telexed or telegraphed to or delivered at the address of the other party hereinafter set forth:

If to the Lessor: City of Whitehorse
2121 Second Avenue
Whitehorse, Yukon Territory
Y1A 1C2
Attention: Manager, Planning and Building Services
Fax No. (867) 668-8395

If to the Lessee: Yukon Literacy Coalition
#207 – 100 Main Street
Whitehorse, Yukon Territory
Y1A 2A8
Attention: Beth Mulloy, Executive Director

A notice shall be deemed to have been received, if faxed, telexed, telegraphed or delivered, on the date of delivery and if mailed as aforesaid then on the fifth business day following the posting thereof, provided that in the event of disruption of postal, telex or telegraph services a notice shall be given by one of the other methods of communication.

8.6 Solicitor and Client Costs

If the Lessee defaults in paying the rent hereunder or in performing any of the covenants and agreements herein contained on the part of the Lessee to be observed and performed, the Lessor may recover from the Lessee all of the Lessor's reasonable costs in enforcing compliance with this Lease and without limitation, costs as between solicitor-and-own-client or in the alternative, costs at the highest tariff allowed under the *Rules of Court*.

8.7 Binding Agreement

This Lease shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns as the case may be. This Lease is not assignable by the Lessee without the express written consent of the Lessor, which may be arbitrarily and unreasonably withheld.

8.8 Interpretation of Words

Wherever the singular or the masculine is used in this Lease, the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.

8.9 Time of Essence

Time shall in all respects be of the essence hereof.

8.10 Changes to Agreement

No provision of this Lease shall be deemed to have been changed unless made in writing signed by the Lessor and Lessee, and if any provision is unenforceable or invalid for any reason whatever, such unenforceability or invalidity shall not affect the remaining provisions of this Lease and such provisions shall be severable from the remainder of this Lease.

8.11 Acceptance by Lessee

The Lessee does hereby accept this Lease of the Lands and Premises, to be held by it as tenant, and subject to the conditions, restrictions and covenants above set forth.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Lease as of the day and year first written above in the City of Whitehorse, in the Yukon Territory.

) THE CORPORATE SEAL OF
) **The City of Whitehorse**
) was hereunto affixed in the presence of:
)
)
) _____
) Mayor
)
) _____
) Assistant City Clerk

) **Yukon Literacy Coalition**
) Per:
)
)
)
) _____
) Beth Mulloy, Executive Director

 Witness

Affidavit of Witness

CANADA) I, _____
)
 YUKON TERRITORY) of the City of Whitehorse,
) in the Yukon Territory,
)
 TO WIT:) MAKE OATH AND SAY AS FOLLOWS:

- 1) I was personally present and did see Beth Mulloy named in the within instrument, who identified herself to me to be the person named therein, duly sign and execute the same for the purpose therein named;
- 2) The said instrument was executed at the City of Whitehorse, in the Yukon Territory, and that I am the subscribing witness thereto;
- 3) The said party is in my belief of the full age of nineteen years.

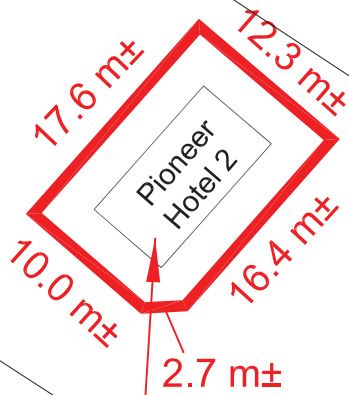
SWORN BEFORE ME)
 at the City of Whitehorse in the)
 Yukon Territory, this _____ day)
 of _____, 2016.)
)
)
)
)
)
 _____)
 A Notary Public in and for)
 the Yukon Territory)

 Witness Signature



Yukon River

Lot 8 (Rem)
Group 5 (804)
Plan 20502 LTO



Pioneer
Hotel 2

2.7 m±

Block 330
Plan 2003-0151 LTO

Riverfront Trail

Chambers
House

Shipyards Skating Loop

US Army
Float Plane
Base

**Pioneer Hotel 2
Lease Area
(0.022 ha ±)
(3 m offset from building)**

LEASE AGREEMENT

between the City of Whitehorse and the Yukon Literacy Coalition.

LEGEND



SUBJECT AREAS

CITY OF WHITEHORSE

BYLAW 2016-18

A bylaw to authorise an agreement with Subway Franchise Restaurants of Canada, Ltd. with respect to the lease of premises at the Canada Games Centre

WHEREAS section 265 of the *Municipal Act* provides that council may by bylaw lease any real or personal property; and

WHEREAS it is deemed desirable that the City enter into an agreement with **Subway Franchise Restaurants of Canada, Ltd.** for the amendment of a lease at the Canada Games Centre and the renewal of the said lease for a five year period commencing January 1, 2017 and expiring December 31, 2026;

NOW THEREFORE the council of the municipality of the City of Whitehorse, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. The City of Whitehorse is hereby authorised to enter into a five year lease amendment agreement with Subway Franchise Restaurants of Canada, Ltd. with respect to premises at the Canada Games Centre, located at 200 Hamilton Boulevard.
2. The Mayor and Assistant City Clerk are hereby authorised to execute on behalf of the City of Whitehorse the Amendment to Lease agreement attached hereto as Appendix "A" and forming part of this bylaw.
3. This bylaw shall come into full force and effect upon the final passing thereof.

FIRST and SECOND READING:
THIRD READING and ADOPTION:

Mayor

City Clerk

#27598

AMENDMENT TO LEASE

THIS AGREEMENT is dated for reference purposes the 23rd day of March, 2016

Between:

THE CITY OF WHITEHORSE ("Landlord")

-and-

SUBWAY FRANCHISE RESTAURANTS OF CANADA, LTD. ("Tenant")

WHEREAS:

Pursuant to a lease dated October 23rd, 2006 (the "Lease") between Landlord and Tenant for 423.6 square foot premises located at:

200 Hamilton Boulevard
Whitehorse, Yukon

For good and valuable consideration, it is hereby agreed that the Lease shall be amended as follows:

1. Tenant has exercised its option to renew this Lease for a period of five (5) years commencing January 1, 2017 and expiring on December 31, 2021. The monthly base rent shall be \$65.50 per square foot, or \$2,312.15 monthly, or \$27,745.80 annually, plus GST plus additional rent.
2. Tenant shall be granted one (1) additional five (5) year option period commencing January 1, 2022 and expiring on December 31, 2026. Monthly base rent in the option period shall be agreed between the parties and shall be based on current fair market rent for similar premises in similar vicinities at the commencement of the renewal term. Failing such agreement, it shall be settled by arbitration pursuant to the Arbitration Act (Yukon). Tenant shall provide Landlord with written notice of its intention to renew this Lease at least ninety (90) days prior to the expiration of the then current term.
3. Tenant shall have the option to rent a one (1) sided illuminated panel sign on the roadside pylon sign for the Facility measuring approximately 2' x 5' at \$125.00 per month plus GST for the term of the Lease and renewals. The Landlord will supply the sign panels and the Tenant shall be responsible for the artwork and graphics, subject to the Landlord's prior consent as to colour, graphics and content, such consent not to be unreasonably withheld. The Landlord, at its own expense, will be responsible for the maintenance and utilities associated with the sign. This signage will be removed upon termination of the Lease.
4. Tenant shall have the option to provide a road intersection/entrance directory sign. The Tenant will supply the sign panels and shall be responsible for the artwork and graphics, subject to the Landlord's prior consent as to dimensions, colour, graphics and content, such consent not to be unreasonably withheld. The Landlord, at its own expense, shall be responsible for installation, maintenance and utilities associated with the sign. This signage will be removed upon termination of the Lease

Lease Renewal Agreement Bylaw 2016-18

5. Landlord's address for notice is:

City of Whitehorse
2121 Second Avenue
Whitehorse, Yukon, Y1A 1C2
Email: krista.mroz@whitehorse.ca

6. The parties acknowledge that no defaults exist by either of the parties in the performance of the terms, covenants, and conditions of the Lease. Tenant and Landlord hereby agree that all financial obligations of either party have been charged and paid in accordance with the Lease.

7. This Amendment may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. Execution of this Amendment by electronic means including transmission via facsimile or portable document format (PDF) shall be valid and given equal force and effect as ink signatures.

All other terms and conditions shall remain the same. In witness whereof, the parties hereto have executed this Amendment to Lease:

LANDLORD:

THE CITY OF WHITEHORSE

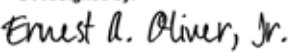
Dan Curtis, Mayor

Norma L. Felker, Assistant City Clerk

TENANT:

SUBWAY FRANCHISE RESTAURANTS OF CANADA, LTD.

By:

DocuSigned by:

FB23D9A9A432434...

Ernest A. Oliver, Jr., Duly authorized

Dated 05 April 2016