

CITY OF SURREY

BY-LAW NO. 12813

A by-law to authorize the leasing of certain lands
and premises belonging to the City of Surrey.
.....

WHEREAS the lands and premises hereinafter described are the property of the City of Surrey and it is deemed advisable to lease the same to:

A.A. COASTLINE AUTO TOWING LTD.;

AND WHEREAS the Council may by by-law lease any property owned by the City pursuant to Section 542 of the "Municipal Act", being Chapter 290 R.S.B.C., 1979;

NOW, THEREFORE, the Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

1. The Council of the City of Surrey is hereby authorized to lease to:

A.A. COASTLINE AUTO TOWING LTD.,
having an address at 10553 Span Road, in the City of Surrey,
Province of British Columbia, V3V 3V5

for a term of Three (3) months commencing on the First (1st) day of February, 1996, and ending on the Thirtieth (30th) day of April, 1996; and yielding and paying therefor during the term hereof the sum of Five Thousand Dollars (\$5,000.00) for the month of February payable on the First (1st) day of February 1996; and the sum of One Thousand Two Hundred Fifty Dollars (\$1,250.00) for each of the months of March and April payable on the First (1st) day of March, 1996;

ALL AND SINGULAR that certain parcel or tract of lands and premises, situate lying and being in the City of Surrey, in the Province of British Columbia and being more particularly known and described as:

Lot D, District Lot 6, Group 2, New Westminster District, Plan 70521.

(10607/10643 Span Road)

2. The Mayor and Clerk are hereby authorized to execute the said lease on behalf of the City of Surrey, in the form attached hereto and forming Schedule "A" to this By-law.
3. This By-law shall be cited for all purposes as "A.A. Coastline Auto Towing Ltd. Land Leasing By-law, 1996, No. 12813."

PASSED THREE READINGS on the 1st day of April, A.D., 1996.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the 22nd day of April, A.D., 1996.

_____MAYOR

_____CLERK

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THIS AGREEMENT dated the 24th day of *April*, 1996.

BETWEEN:

CITY OF SURREY

A Municipal Corporation having its offices at
14245 - 56th Avenue
Surrey, British Columbia
V3X 3A2

(the "City")

AND:

A.A. COASTLINE AUTO TOWING LTD.

A body corporate duly incorporated pursuant to
the laws of the Province of British Columbia
having an office at
10553 Span Road
Surrey, British Columbia
V3V 3V5

(the "Lessee")

WHEREAS the Municipal Act R.S.B.C. 1979, c. 290 empowers
the Council by bylaw to lease any real property held or owned by
the City;

AND WHEREAS the City is the registered owner of the Lands
herein defined;

And WHEREAS the Lessee was the occupier of the Lands
pursuant to a towing contract with the City, which contract expires
on January 31, 1996 (the "Towing Contract");

AND WHEREAS the Lessee desires to continue to occupy the
Lands through a lease of the Lands for the purpose of operating and
maintaining a towing yard;

AND WHEREAS the City agrees to lease the Lands herein
defined to the Lessee on the terms and subject to the conditions
set out herein;

NOW THEREFORE in consideration of the premises the
payment of ONE (\$1.00) Dollar from each party to the other, receipt
of which by both parties is hereby acknowledged, the parties hereto
agree as follows:

1. In this Agreement, "improvements" means anything made, constructed, erected, built, altered, repaired, or added to, in, on or under land, and attached to it or intended to become a part of it, and also any clearing, excavating, digging, paving, filling, grading or ditching of, in, or under land.

2. The Lessee shall pay to the City the following:

- (a) The sum of Five Thousand Dollars (\$5,000) of lawful currency of the Dominion of Canada for the month of February commencing on the 1st day of February, 1996; and,
- (b) The sum of One Thousand and Two Hundred and Fifty Dollars (\$1,250) of lawful currency of the Dominion of Canada for each of the months of March and April commencing on the 1st day of March, 1996.

3. The City does demise unto the Lessee commencing the 1st day of February, 1996 until and including the 30st day of April, 1996 (the "Term") those lands defined in Schedule "1" attached hereto and forming part of this Agreement (the "Lands"), to have and to hold for the Term for the purpose of operating and maintaining a towing yard.

4. Despite the Term, either party may terminate the Agreement upon giving 60 days' prior written notice to the other.

5. The Lessee shall:

- (a) pay rent;
- (b) pay all taxes imposed against the Lands and improvements and for which an exemption has not been granted;
- (c) pay rates for water, electricity, gas and telephone and all rates imposed;
- (d) not assign or sublet, transfer, mortgage or encumber the Lands without the prior written approval of the City Council;
- (e) not do or fail to do any act which would permit a lien to be created on the Lands;
- (f) take the Lands in its present condition;

(g) at all times and at its own cost and expense, repair, maintain, keep and make replacements to the Lands, and all equipment, fixtures, mechanical systems, and machinery within or necessarily incidental to the Lands including the heating, ventilating and air conditioning equipment and any improvement now or hereafter made to the Lands in good order and repair, as a careful owner would do, and whether such repair and maintenance is interior or exterior, non-structural, ordinary, foreseen or unforeseen, excepting from such standard of repair and maintenance reasonable wear and tear. The Lessee covenants to perform such maintenance, to effect such repairs and replacements at its own cost and expense and when necessary or reasonably required to so do by the City. The Lessee is not liable for structural repairs^{*} the roof, foundation, sub-floor, or support walls of the improvements on the Lands nor for structural repairs to the fencing or other improvements on the Lands, nor for any replacements of the fencing, building or any machinery, equipment, heating, ventilating, air conditioning equipment, or other fixtures as a result of reasonable wear and tear, or inherent defects in design, material or manufacture except where such damage is caused by the Lessee necessitating repair, then the Lessee shall be liable;

* TO
[Handwritten signature]
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(h) at all times keep the Lands in neat, safe, clean and sanitary condition and shall not allow any refuse or garbage, or loose or waste material to accumulate in or about the Lands. All trash, rubbish, waste material and other garbage shall be kept at all times from the view of the general public, and shall be disposed of by the Lessee on a regular basis, at the Lessee's sole expense. In the event the Lessee fails to clean in accordance with this section 5(h) upon written notice from the City so to do, the City may clean the same and the cost thereof shall be paid by the Lessee to the City as additional rent, upon demand;

The terms "repair" and "maintenance" and variations thereof will be deemed to include replacements, renewals, alterations, additions, substitutions, and improvements when necessary for the Lessee to comply with its obligations pursuant to these sections 5(g) and (h). All repairs will be to a standard at least substantially equal in quality of

material and workmanship to the original work and material in the improvements;

- (i) leave the Lands in good repair save and except reasonable wear and tear;
- (j) be solely responsible and liable for all environmental liabilities and soil remediation arising from the deposit of hazardous and toxic substances or from other soil contamination on the Lands that occurs during the Term and the Lessee acknowledges that it has been provided with the Environmental Site Assessment report for 10607 and 10643 Span Road prepared by Terra Environmental Consultants Ltd. and dated January 26, 1996;
- (k) store and dispose of all vehicles that were towed and stored pursuant to the Towing Contract in accordance with all terms and conditions, including rates as if the Towing Contract were still in full force and effect;
- (l) deliver up vacant possession of the Lands at the expiration of the Term or any renewal thereof;
- (m) keep the Lands clear of all debris, waste and garbage;
- (n) permit the City to enter onto the Lands at all reasonable times to inspect the Lands and improvements and any vehicles or bodies stored thereon;
- (o) permit the City to enter onto the Lands at all reasonable times to inspect and audit the Lessee's records maintained pertaining to all vehicles and bodies towed and stored on the Lands pursuant to the Towing Contract and pursuant to the Lessee's private towing operations; and
- (p) store no more than 50 vehicles impounded pursuant to the Lessee's private towing operations.

6. The Lessee acknowledges and agrees that this Agreement is without prejudice to all of the rights and remedies available to the City under the Towing Contract and under all previous agreements and at law with respect to environmental liabilities, hazardous and toxic substances, soil contamination and soil remediation up to the date of this Agreement.

7. The City:

- (a) covenants with the Lessee for quiet enjoyment of the Lands;
- (b) may, at its option, reenter and take possession of the Lands at any time following:
 - (i) nonpayment of any monies owing under this Agreement on or before the day and in the amount stipulated by this Agreement;
 - (ii) nonperformance of the covenants or any of them contained in this Agreement;
 - (iii) seizure or forfeiture of the Term; or
 - (iv) creation of a lien on the Lands.

8. If a lien is created on the Lands or any part thereof or if the Term shall be at any time seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any Act which may be in force for bankrupt or insolvent debtors, then the Term shall immediately become forfeited and void.

9. The City grants the Lands to the Lessee for the Term solely for the purpose of a towing yard and for purposes incidental and ancillary thereto.

10. At its own expense and prior to the commencement of the term of the Agreement, the Lessee shall obtain and maintain or cause to be obtained and maintained in force during the term of the Agreement, insurance acceptable to the City with limits not less than those shown for each respective item as follows:

(a) Commercial General Liability Insurance

Commercial general liability insurance including contractual liability and products and completed operations, on an occurrence basis against claims for personal or bodily injury, death or property damage suffered by others arising out of the operations of the Lessee and its Employees, to a limit and with a deductible as specified in the City of Surrey Insurance Certificate as may be updated from time to time, but in no case shall this limit be less than Five Million Dollars (\$5,000,000) for any personal or bodily

injury, death, property damage or other claims in respect of any one accident or occurrence. The insurance policy or policies placed by the Lessee pursuant to this Section shall be primary and shall be fully exhausted before calling into contribution any insurance available to the City of Surrey. Any Additional Insurance placed by the Lessee in its own behalf shall be in excess of the primary insurance required under this Section.

All policies of commercial general liability insurance taken out shall contain cross liability/severability of interests endorsements so that the policies will protect the City of Surrey and the Lessee as if each were a lone insured under such policies and the City of Surrey will be added as an additional named insured;

(b) Motor Vehicle Insurance

Motor Vehicle Insurance for public liability and property damage providing coverage up to Five Million Dollars (\$5,000,000) and covering ownership, use or operation of all motor vehicles (including towing vehicles) and trailers owned, leased, hired or controlled by the Lessee and used or operated in the performance of the terms of this Agreement;

(c) Garage Auto Insurance

Garage Auto Insurance for Public Liability and Property Damage providing coverage up to Two Million Dollars (\$2,000,000) all inclusive per occurrence against liability for property damage to the property of others while in the care, custody and control of the Lessee is required;

(d) Workers' Compensation

Proof of Workers' Compensation Board status and coverage to include all employees, agents, management and principals physically involved in the performance of the Agreement is required;

(e) Evidence of Insurance and Approval of Insurance

The Lessee shall deliver the City of Surrey Insurance Certificate form or copies of all insurance policies to the City of Surrey forthwith after obtaining same but prior to commencement of the Agreement;

The City of Surrey, acting reasonably, shall have the right to approve of the insurers and the insurance policies required under this Agreement. If the City of Surrey shall disapprove of the insurers or the insurance policies required under this Section acting reasonably, the Lessee shall forthwith obtain or cause to be obtained new policies from an insurer and in a form satisfactory to the City of Surrey in accordance with the terms of this Agreement;

The Lessee shall produce to the City of Surrey as soon as reasonably feasible, and in any event no later than thirty (30) days prior to the expiry of any policy of insurance placed pursuant to this Agreement, evidence of the renewal or replacement of such insurance;

(f) Non-Cancellation

Each of the policies of insurance provided pursuant to the Agreement shall contain an agreement by the insurer to the effect that it will not cancel or alter or refuse to renew such policy prior to its expiration, whether by reason of non-payment of premium, non-fulfilment of condition or otherwise, except after thirty (30) days' prior written notice to the City of Surrey; and

(g) City of Surrey's Right to Insure

The Lessee shall advise the City of Surrey of any cancellation, material alteration or lapse of any policies of insurance required to be provided pursuant to Schedule "2". If the Lessee fails to effect and keep or cause to be kept such insurance in force, or if such insurance is in an amount less than the amount required under this Agreement, the City of Surrey shall have the right, upon thirty (30) days notice to the Lessee in a non-emergency

situation or forthwith in an emergency situation and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Lessee and all outlays by the City of Surrey shall be payable by the Lessee to the City of Surrey forthwith upon demand without prejudice to any other rights and recourse of the City of Surrey hereunder. No such insurance taken out by the City of Surrey shall relieve the Lessee or its obligations to insure hereunder and the City of Surrey shall not be liable for any loss or damage suffered by the Lessee in connection therewith.

11. Should the Lessee neglect to obtain and maintain insurance or either of these as aforesaid or deliver such policy or policies to the City, then it shall be lawful for the City to obtain and maintain such insurance or either of these, and the Lessee hereby appoints the City as true and lawful agent to do all things necessary for this purpose. All monies expended by the City for insurance premiums under the provisions of this clause shall be charged to the Lessee.

12. The Lessee hereby releases, indemnifies and saves the City, its officers, invitees, licensees, employees, servants or agents harmless from all actions, causes of action, losses, damages, costs, claims, debts and demands whatsoever by any person, whether known or unknown which have arisen or may arise out of or in any way due, directly or indirectly to the granting or existence of this Agreement including:

- (a) any breach of any covenant or agreement on the part of the Lessee contained in this Agreement or any steps taken by the City to enforce this Agreement upon a breach by the Lessee or to obtain redress in respect of any such breach; and
- (b) any injury to persons, including bodily injury and death, or damage to or loss of property on or about the Lands;

but the covenant of indemnity given by the Lessee herein shall not be applicable to the extent that loss or damage is sustained as a result of the negligence of or any breach of any covenant herein, upon such being declared by a Court of competent jurisdiction of the City, its officers, invitees, licensees, employees, servants or agents.

13. The Lessee covenants and agrees that in the event of any action being brought by any person, persons or corporation, to recover damages or compensation arising from the use of the Lands by the Lessee, or as incident to or in consequence of the execution of this Agreement then the City shall have a remedy over and against the Lessee and may recover from the Lessee all costs, damages, compensation and expenses, to which the City may be put by reason of such action or proceedings, and may enforce payment of the same by the Lessee.

14. The parties agree that if the Lessee shall hold over after the expiration of the Term hereby granted and the City shall accept rent, the new tenancy hereby created shall be a tenancy from month to month and not a tenancy from year to year, and shall be subject to the covenants and conditions herein contained so far as the same are applicable to the tenancy from month to month.

~~15. The Lessee covenants and agrees that in the event that the term is not renewed or extended, for whatever reason, the Lessee shall meet all requirements of the City's then in place zoning bylaw with respect to towing yards.~~

W.A.H.
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dk

16. Whenever it is required or permitted that notice be served or delivered by one party to the other, it shall be deemed to have occurred on the day of service or delivery if served or delivered personally to the address shown for the recipient party on page 1 herein, or to whatever address the parties hereto may from time to time in writing agree to (all of which is called herein the "Address") or mailed to the Address, on the date received by the recipient party or on the sixth (6th) day after receipt for posting by a Canada Post Office, whichever is earlier.

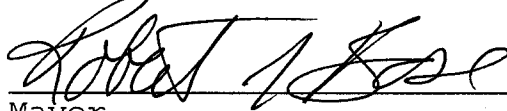
17. Wherever the singular or masculine are used in this Agreement, the same shall be deemed to include the plural, feminine, body politic or corporate as the context or the parties so require; all references to each party hereto includes the heirs, executors, administrators, successors, assigns, officers, employees or agents of that party; this Agreement shall enure to the benefit of and be binding upon the parties hereto and upon their respective successors and assigns; this Agreement shall be interpreted pursuant to the laws of British Columbia; and if any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder.

18. Time is of the essence herein.

19. The Lessee has furnished to the City pursuant tot he Towing Contract a good and sufficient letter of credit in the sum of Ten Thousand Dollars (\$10,000) as a guarantee for the due and faithful performance of the Towing Contract by the Lessee and the Lessee agrees that said letter of credit shall continue to be held by the City to ensure full performance of the Lessee's obligations under the Towing Contact and this Agreement. Said letter of credit shall be maintained and remain in full effect for thirty (30) days following expiry of this Agreement.

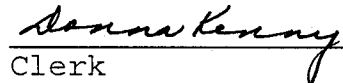
IN WITNESS WHEREOF the parties have hereunto executed this Agreement.

The Corporate Seal of the City)
was hereunto affixed the 24TH)
day of ~~January~~ ^{June}, 1996 in the)
presence of:)



Mayor)

C/S



Clerk)

The Corporate Seal of the)
Lessee was hereunto affixed)
this day of January, 1996)
in the presence of:)



Authorized Signatory)

C/S

Authorized Signatory)

Schedule "1"

Parcel Identifier: 002-492-857
Lot D
District Lot 6
Group 2
New Westminster District
Plan 70521

Schedule "2"

Certificate of Insurance

Certificate of Insurance

This is to certify that policies of insurance as described below have been issued to the insured named below and are in force at this time. It is understood and agreed that thirty (30) days' notice of any material alteration, transfer, assignment or cancellation of any of the policies listed below, other in part or in whole, will be given to the holder of this certificate.

This Certificate is issued to: **The City of Surrey
14245 - 56 Avenue
Surrey, B.C. V3X 3A2**

Insured

Name: _____
Address: _____

Broker

Name: _____
Address: _____

Location and nature of operation or contract to which this Certificate applies:

Type of Insurance	Company and Policy Number	Policy Dates		Limits of Liability/Amounts	
		Effective	Expiry	Deductible	
Section 1 Comprehensive (Commercial) General Liability including: • Attached Machinery; • Blanket Contract; • Demand From Property Damage; • Completed Operations; • Cross Liability Clause; • Non Owned Automobile				\$2,000,000 \$2,000,000 \$1,000	Inclusive Aggregate Deductible
Section 2 Automobile Liability				\$2,000,000	Inclusive Deductible
Section 3 Umbrella/Excess Liability				\$ _____	Inclusive Deductible
Section 4 Property Insurance: Buildings Risk Installation Floater Other				\$ _____ \$ _____ \$ _____	Site Other Location Transit
Section 5 Tenants "All Risks" Legal Liability				\$ _____	Limit
Section 6 Equipment Insurance				\$500,000 \$500,000 \$5,000	Each claim and Aggregate Deductible
Section 7 Professional Liability/ Errors and Omissions				\$1,000,000 \$1,000	Property Damage Deductible

Section 8
Boiler and Machinery Insurance
It is understood and agreed that the policy/policies noted above shall contain amendments to reflect the following:
Any Deductible or Reimbursement Clause contained in the policy shall not apply to the City of Surrey and shall be the sole responsibility of the party named above.

It is agreed that with respect to Section 1, 3 and 5: The City of Surrey is added as an Additional Named Insured.

Any exclusions relating to:

- the use of explosives for blasting; or
- vibration from pile driving or other work; or
- the removal or weakening of support of such property, building or land, whether such support shall be natural or otherwise;
- any other work below ground level;
- demolition;

shall not apply in respect to the operation or contract declared above.
It is agreed that with respect to Sections 4 and 6 - Property, Builders Risk, Installation Floater and Equipment Insurance:
The insureds subrogated rights are waived against the City of Surrey.
To the extent that the City of Surrey has an insurable interest, the policy will indicate the City as First Loss Payee.

(Authorized to Sign on Behalf of Insurers)

CPA 12345678
1234 56789 1011

THIS AGREEMENT dated the 24th day of *April*, 1996.

BETWEEN:

CITY OF SURREY

A Municipal Corporation having its offices at
14245 - 56th Avenue
Surrey, British Columbia
V3X 3A2

(the "City")

AND:

A.A. COASTLINE AUTO TOWING LTD.

A body corporate duly incorporated pursuant to
the laws of the Province of British Columbia
having an office at
10553 Span Road
Surrey, British Columbia
V3V 3V5

(the "Lessee")

WHEREAS the Municipal Act R.S.B.C. 1979, c. 290 empowers
the Council by bylaw to lease any real property held or owned by
the City;

AND WHEREAS the City is the registered owner of the Lands
herein defined;

And WHEREAS the Lessee was the occupier of the Lands
pursuant to a towing contract with the City, which contract expires
on January 31, 1996 (the "Towing Contract");

AND WHEREAS the Lessee desires to continue to occupy the
Lands through a lease of the Lands for the purpose of operating and
maintaining a towing yard;

AND WHEREAS the City agrees to lease the Lands herein
defined to the Lessee on the terms and subject to the conditions
set out herein;

NOW THEREFORE in consideration of the premises the
payment of ONE (\$1.00) Dollar from each party to the other, receipt
of which by both parties is hereby acknowledged, the parties hereto
agree as follows:

1. In this Agreement, "improvements" means anything made, constructed, erected, built, altered, repaired, or added to, in, on or under land, and attached to it or intended to become a part of it, and also any clearing, excavating, digging, paving, filling, grading or ditching of, in, or under land.

2. The Lessee shall pay to the City the following:

- (a) The sum of Five Thousand Dollars (\$5,000) of lawful currency of the Dominion of Canada for the month of February commencing on the 1st day of February, 1996; and,
- (b) The sum of One Thousand and Two Hundred and Fifty Dollars (\$1,250) of lawful currency of the Dominion of Canada for each of the months of March and April commencing on the 1st day of March, 1996.

3. The City does demise unto the Lessee commencing the 1st day of February, 1996 until and including the 30st day of April, 1996 (the "Term") those lands defined in Schedule "1" attached hereto and forming part of this Agreement (the "Lands"), to have and to hold for the Term for the purpose of operating and maintaining a towing yard.

4. Despite the Term, either party may terminate the Agreement upon giving 60 days' prior written notice to the other.

5. The Lessee shall:

- (a) pay rent;
- (b) pay all taxes imposed against the Lands and improvements and for which an exemption has not been granted;
- (c) pay rates for water, electricity, gas and telephone and all rates imposed;
- (d) not assign or sublet, transfer, mortgage or encumber the Lands without the prior written approval of the City Council;
- (e) not do or fail to do any act which would permit a lien to be created on the Lands;
- (f) take the Lands in its present condition;

(g) at all times and at its own cost and expense, repair, maintain, keep and make replacements to the Lands, and all equipment, fixtures, mechanical systems, and machinery within or necessarily incidental to the Lands including the heating, ventilating and air conditioning equipment and any improvement now or hereafter made to the Lands in good order and repair, as a careful owner would do, and whether such repair and maintenance is interior or exterior, non-structural, ordinary, foreseen or unforeseen, excepting from such standard of repair and maintenance reasonable wear and tear. The Lessee covenants to perform such maintenance, to effect such repairs and replacements at its own cost and expense and when necessary or reasonably required to so do by the City. The Lessee is not liable for structural repairs to the roof, foundation, sub-floor, or support walls of the improvements on the Lands nor for structural repairs to the fencing or other improvements on the Lands, nor for any replacements of the fencing, building or any machinery, equipment, heating, ventilating, air conditioning equipment, or other fixtures as a result of reasonable wear and tear, or inherent defects in design, material or manufacture except where such damage is caused by the Lessee necessitating repair, then the Lessee shall be liable;

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(h) at all times keep the Lands in neat, safe, clean and sanitary condition and shall not allow any refuse or garbage, or loose or waste material to accumulate in or about the Lands. All trash, rubbish, waste material and other garbage shall be kept at all times from the view of the general public, and shall be disposed of by the Lessee on a regular basis, at the Lessee's sole expense. In the event the Lessee fails to clean in accordance with this section 5(h) upon written notice from the City so to do, the City may clean the same and the cost thereof shall be paid by the Lessee to the City as additional rent, upon demand;

The terms "repair" and "maintenance" and variations thereof will be deemed to include replacements, renewals, alterations, additions, substitutions, and improvements when necessary for the Lessee to comply with its obligations pursuant to these sections 5(g) and (h). All repairs will be to a standard at least substantially equal in quality of

material and workmanship to the original work and material in the improvements;

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- (k) store and dispose of all vehicles that were towed and stored pursuant to the Towing Contract in accordance with all terms and conditions, including rates as if the Towing Contract were still in full force and effect;
- (l) deliver up vacant possession of the Lands at the expiration of the Term or any renewal thereof;
- (m) keep the Lands clear of all debris, waste and garbage;
- (n) permit the City to enter onto the Lands at all reasonable times to inspect the Lands and improvements and any vehicles or bodies stored thereon;
- (o) permit the City to enter onto the Lands at all reasonable times to inspect and audit the Lessee's records maintained pertaining to all vehicles and bodies towed and stored on the Lands pursuant to the Towing Contract and pursuant to the Lessee's private towing operations; and
- (p) store no more than 50 vehicles impounded pursuant to the Lessee's private towing operations.

6. The Lessee acknowledges and agrees that this Agreement is without prejudice to all of the rights and remedies available to the City under the Towing Contract and under all previous agreements and at law with respect to environmental liabilities, hazardous and toxic substances, soil contamination and soil remediation up to the date of this Agreement.

7. The City:

- (a) covenants with the Lessee for quiet enjoyment of the Lands;
- (b) may, at its option, reenter and take possession of the Lands at any time following:
 - (i) nonpayment of any monies owing under this Agreement on or before the day and in the amount stipulated by this Agreement;
 - (ii) nonperformance of the covenants or any of them contained in this Agreement;
 - (iii) seizure or forfeiture of the Term; or
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8. If a lien is created on the Lands or any part thereof or if the Term shall be at any time seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any Act which may be in force for bankrupt or insolvent debtors, then the Term shall immediately become forfeited and void.

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(a) Commercial General Liability Insurance

Commercial general liability insurance including contractual liability and products and completed operations, on an occurrence basis against claims for personal or bodily injury, death or property damage suffered by others arising out of the operations of the Lessee and its Employees, to a limit and with a deductible as specified in the City of Surrey Insurance Certificate as may be updated from time to time, but in no case shall this limit be less than Five Million Dollars (\$5,000,000) for any personal or bodily

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(b) Motor Vehicle Insurance

Motor Vehicle Insurance for public liability and property damage providing coverage up to Five Million Dollars (\$5,000,000) and covering ownership, use or operation of all motor vehicles (including towing vehicles) and trailers owned, leased, hired or controlled by the Lessee and used or operated in the performance of the terms of this Agreement;

(c) Garage Auto Insurance

Garage Auto Insurance for Public Liability and Property Damage providing coverage up to Two Million Dollars (\$2,000,000) all inclusive per occurrence against liability for property damage to the property of others while in the care, custody and control of the Lessee is required;

(d) Workers' Compensation

Proof of Workers' Compensation Board status and coverage to include all employees, agents, management and principals physically involved in the performance of the Agreement is required;

(e) Evidence of Insurance and Approval of Insurance

The Lessee shall deliver the City of Surrey Insurance Certificate form or copies of all insurance policies to the City of Surrey forthwith after obtaining same but prior to commencement of the Agreement;

The City of Surrey, acting reasonably, shall have the right to approve of the insurers and the insurance policies required under this Agreement. If the City of Surrey shall disapprove of the insurers or the insurance policies required under this Section acting reasonably, the Lessee shall forthwith obtain or cause to be obtained new policies from an insurer and in a form satisfactory to the City of Surrey in accordance with the terms of this Agreement;

The Lessee shall produce to the City of Surrey as soon as reasonably feasible, and in any event no later than thirty (30) days prior to the expiry of any policy of insurance placed pursuant to this Agreement, evidence of the renewal or replacement of such insurance;

(f) Non-Cancellation

Each of the policies of insurance provided pursuant to the Agreement shall contain an agreement by the insurer to the effect that it will not cancel or alter or refuse to renew such policy prior to its expiration, whether by reason of non-payment of premium, non-fulfilment of condition or otherwise, except after thirty (30) days' prior written notice to the City of Surrey; and

(g) City of Surrey's Right to Insure

The Lessee shall advise the City of Surrey of any cancellation, material alteration or lapse of any policies of insurance required to be provided pursuant to Schedule "2". If the Lessee fails to effect and keep or cause to be kept such insurance in force, or if such insurance is in an amount less than the amount required under this Agreement, the City of Surrey shall have the right, upon thirty (30) days notice to the Lessee in a non-emergency

situation or forthwith in an emergency situation and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Lessee and all outlays by the City of Surrey shall be payable by the Lessee to the City of Surrey forthwith upon demand without prejudice to any other rights and recourse of the City of Surrey hereunder. No such insurance taken out by the City of Surrey shall relieve the Lessee or its obligations to insure hereunder and the City of Surrey shall not be liable for any loss or damage suffered by the Lessee in connection therewith.

11. Should the Lessee neglect to obtain and maintain insurance or either of these as aforesaid or deliver such policy or policies to the City, then it shall be lawful for the City to obtain and maintain such insurance or either of these, and the Lessee hereby appoints the City as true and lawful agent to do all things necessary for this purpose. All monies expended by the City for insurance premiums under the provisions of this clause shall be charged to the Lessee.

12. The Lessee hereby releases, indemnifies and saves the City, its officers, invitees, licensees, employees, servants or agents harmless from all actions, causes of action, losses, damages, costs, claims, debts and demands whatsoever by any person, whether known or unknown which have arisen or may arise out of or in any way due, directly or indirectly to the granting or existence of this Agreement including:

- (a) any breach of any covenant or agreement on the part of the Lessee contained in this Agreement or any steps taken by the City to enforce this Agreement upon a breach by the Lessee or to obtain redress in respect of any such breach; and
- (b) any injury to persons, including bodily injury and death, or damage to or loss of property on or about the Lands;

but the covenant of indemnity given by the Lessee herein shall not be applicable to the extent that loss or damage is sustained as a result of the negligence of or any breach of any covenant herein, upon such being declared by a Court of competent jurisdiction of the City, its officers, invitees, licensees, employees, servants or agents.

13. The Lessee covenants and agrees that in the event of any action being brought by any person, persons or corporation, to recover damages or compensation arising from the use of the Lands by the Lessee, or as incident to or in consequence of the execution of this Agreement then the City shall have a remedy over and against the Lessee and may recover from the Lessee all costs, damages, compensation and expenses, to which the City may be put by reason of such action or proceedings, and may enforce payment of the same by the Lessee.

14. The parties agree that if the Lessee shall hold over after the expiration of the Term hereby granted and the City shall accept rent, the new tenancy hereby created shall be a tenancy from month to month and not a tenancy from year to year, and shall be subject to the covenants and conditions herein contained so far as the same are applicable to the tenancy from month to month.

~~15. The Lessee covenants and agrees that in the event that the term is not renewed or extended, for whatever reason, the Lessee shall meet all requirements of the City's then in place zoning bylaw with respect to towing yards.~~

W.A.H.
7/15
dk

16. Whenever it is required or permitted that notice be served or delivered by one party to the other, it shall be deemed to have occurred on the day of service or delivery if served or delivered personally to the address shown for the recipient party on page 1 herein, or to whatever address the parties hereto may from time to time in writing agree to (all of which is called herein the "Address") or mailed to the Address, on the date received by the recipient party or on the sixth (6th) day after receipt for posting by a Canada Post Office, whichever is earlier.

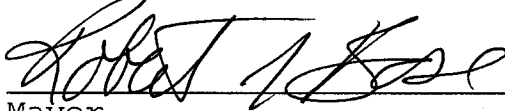
17. Wherever the singular or masculine are used in this Agreement, the same shall be deemed to include the plural, feminine, body politic or corporate as the context or the parties so require; all references to each party hereto includes the heirs, executors, administrators, successors, assigns, officers, employees or agents of that party; this Agreement shall enure to the benefit of and be binding upon the parties hereto and upon their respective successors and assigns; this Agreement shall be interpreted pursuant to the laws of British Columbia; and if any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder.

18. Time is of the essence herein.

19. The Lessee has furnished to the City pursuant tot he Towing Contract a good and sufficient letter of credit in the sum of Ten Thousand Dollars (\$10,000) as a guarantee for the due and faithful performance of the Towing Contract by the Lessee and the Lessee agrees that said letter of credit shall continue to be held by the City to ensure full performance of the Lessee's obligations under the Towing Contact and this Agreement. Said letter of credit shall be maintained and remain in full effect for thirty (30) days following expiry of this Agreement.

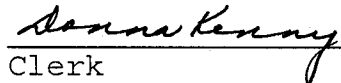
IN WITNESS WHEREOF the parties have hereunto executed this Agreement.

The Corporate Seal of the City)
was hereunto affixed the 24TH)
day of ~~January~~ ^{June}, 1996 in the)
presence of:)



Mayor)

C/S



Clerk)

The Corporate Seal of the)
Lessee was hereunto affixed)
this day of January, 1996)
in the presence of:)



Authorized Signatory)

C/S

Authorized Signatory)

Schedule "1"

Parcel Identifier: 002-492-857
Lot D
District Lot 6
Group 2
New Westminster District
Plan 70521

Schedule "2"

Certificate of Insurance

Certificate of Insurance

This is to certify that policies of insurance as described below have been issued to the insured named below and are in force at this time. It is understood and agreed that thirty (30) days' notice of any material alteration, transfer, assignment or cancellation of any of the policies listed below, other in part or in whole, will be given to the holder of this certificate.

This Certificate is issued to: **The City of Surrey
14245 - 56 Avenue
Surrey, B.C. V3X 3A2**

Insured

Name: _____
Address: _____

Broker

Name: _____
Address: _____

Location and nature of operation or contract to which this Certificate applies:

Type of Insurance	Company and Policy Number	Policy Dates		Limits of Liability/Amounts	
		Effective	Expiry	Deductible	
Section 1 Comprehensive (Commercial) General Liability including: • Attached Machinery; • Blanket Contract; • Demand From Property Damage; • Completed Operations; • Cross Liability Clause; • Non Owned Automobile				\$2,000,000 \$2,000,000 \$1,000	Inclusive Aggregate Deductible
Section 2 Automobile Liability				\$2,000,000	Inclusive Deductible
Section 3 Umbrella/Excess Liability				\$ _____	Inclusive Deductible
Section 4 Property Insurance: Buildings Risk Installation Floater Other				\$ _____ \$ _____ \$ _____	Site Other Location Transit
Section 5 Tenants "All Risks" Legal Liability				\$ _____	Limit
Section 6 Equipment Insurance				\$500,000 \$500,000 \$5,000	Each claim and Aggregate Deductible
Section 7 Professional Liability/ Errors and Omissions				\$1,000,000 \$1,000	Property Damage Deductible

Section 8
Boiler and Machinery Insurance
It is understood and agreed that the policy/policies noted above shall contain amendments to reflect the following:
Any Deductible or Reimbursement Clause contained in the policy shall not apply to the City of Surrey and shall be the sole responsibility of the party named above.

It is agreed that with respect to Section 1, 3 and 5: The City of Surrey is added as an Additional Named Insured.

Any exclusions relating to:

- the use of explosives for blasting; or
- vibration from pile driving or other work; or
- the removal or weakening of support of such property, building or land, whether such support shall be natural or otherwise;
- any other work below ground level;
- demolition;

shall not apply in respect to the operation or contract declared above.
It is agreed that with respect to Sections 4 and 6 - Property, Builders Risk, Installation Floater and Equipment Insurance:
The insureds subrogated rights are waived against the City of Surrey.
To the extent that the City of Surrey has an insurable interest, the policy will indicate the City as First Loss Payee.

(Authorized to Sign on Behalf of Insurers)

CPA 12345678
1234 56789 1011