

NO: R074

COUNCIL DATE: April 12, 2010

REGULAR COUNCIL

TO: Mayor & Council **DATE: April 8, 2010**

FROM: General Manager, Finance & Technology **FILE: 0850 - 01**
General Manager, Parks, Recreation and Culture

SUBJECT: Renewal of the Cloverdale Fairgrounds Operating Agreement with the Lower Fraser Valley Exhibition Association

RECOMMENDATION

It is recommended that Council:

1. Receive this report as information; and
2. Approve the execution by the appropriate City officials of the Operating Agreement, attached as Appendix I, between the City and the Lower Fraser Valley Exhibition Association (the "Association") for the operation of the Cloverdale Fairgrounds during the four-year period from January 1, 2010 to December 31, 2013.

INTENT

The purpose of this report is to provide Council with an overview of the proposed Operating Agreement (the "Agreement") between the City and the Lower Fraser Valley Exhibition Association (the "Association") for the operation of the Cloverdale Fairgrounds for the years 2010 through 2013 and to obtain Council's approval to enter into the Agreement.

BACKGROUND

The City entered into a two-year operating agreement with the Association in January 2008. That agreement expired on December 31, 2009. Staff has been in discussions with the Association Executive over the last few months with a view to entering into a new agreement for the Association to continue to operate the Cloverdale Fairgrounds, which is owned by the City. A new agreement has been prepared based on those discussions. The area of the Fairgrounds covered by the Agreement is illustrated in Schedule A of the attached Appendix I.

The following sections provide a brief overview of key elements of the recently expired Agreement and the proposed new Agreement:

Key Elements of Recently Expired Agreement:

- I. **Broad Purpose** – Under the Agreement the Association provides services in connection with the operation of the Cloverdale Fairgrounds in accordance with the terms and conditions specified within the Agreement.
- II. **Facilities and Grounds Covered by the Agreement** – The Agreement covers the Fairgrounds lands and includes: the Millennium Amphitheatre; Shannon Hall; Alice McKay Building; Agriplex; Show Barn; First-Aid / Washroom Building; Stetson Bowl; Cover-all Building; the Fairgrounds Works Yard Building; and Shops. The areas covered under the Agreement are shown in Schedule A of the Agreement attached as Appendix 1.
- III. **Uses** – The Agreement provides for the Association to book trade fairs, livestock & domestic animal shows, recreational activities, agricultural activities, concerts, swap meets, flea markets and other community events for the Fairgrounds and the buildings thereon. The Agreement stipulates that the Association is not permitted to book the Fairground facilities for extreme martial arts or unsanctioned boxing matches.

The Agreement allows the City free use of the Fairgrounds to host Canada Day at the Millennium Amphitheatre.

- IV. **Funding** – The Agreement stipulated that the City would provide \$300,000 to the Association in each year of the Agreement. In addition, the City provided a \$200,000 line of credit to be used as a contingency if the operating funding is insufficient to meet all of the Association's needs during the terms of the Agreement. The Agreement stipulated that any draws that the Association made from the line of credit must be approved by the City in advance.

The Agreement provides for the City's continuing involvement in certain specified operating functions and preventative/corrective maintenance programs for Fairgrounds buildings, the Millennium Amphitheatre, and city-owned underground utilities.

- V. **Independence of the Operator** – The Agreement stipulates that the Association is an independent contractor to the City and does not create a relationship of employer and employee nor a partnership or a joint venture. The Association does not have the authority to enter into any agreements or contracts on behalf of the City except as expressly set out in the Agreement.
- VI. **Insurance and Damages** – The Agreement contains damage, insurance and indemnity clauses.
- VII. **Amendments** – The Agreement contains provisions that allow for the Agreement to be amended if amendments are considered necessary during the term.
- VIII. **Termination** – Under the terms of the Agreement, the City may terminate the Agreement subject to giving the Association 120 days of notice in writing. The Agreement also allows for termination by the Association under certain stipulated conditions.

During the discussions associated with structuring a new Agreement, the Association Executive advised that the level of funding provided by the City under the current Agreement is insufficient for the proper operation of the Fairgrounds. This relates to inflation in employee wages, insurance and other operating costs. All other aspects of the recently expired Agreement are acceptable to the Association.

Summary of Changes to the Former Agreement Incorporated in the Proposed 2010-2013 Agreement

The following summarizes the changes that have been incorporated into the Agreement that is being recommended:

1. The Operating fee payable to the Association in each of the years of the Agreement will be increased from \$300,000 to \$350,000 per year. As was the case in the previous agreement, in addition to the above-referenced funding the City will provide the Association with a line of credit of \$200,000, which will allow the Association to draw up to an additional \$200,000 in each of the four years of the Agreement, subject to the prior approval by the General Manager, Finance and Technology for any draw from the line of credit. The City will be responsible for paying down any amounts used from the line of credit at the end of each year.
2. The new Cloverdale Community Recreation Centre is being constructed on a section of the Fairgrounds, which will reduce the area of the Fairground site that will be covered under the new Agreement.
3. The proposed Agreement provides for City use of a new portable stage that was acquired by the Association in 2009.
4. The following house-keeping changes have been made in the new Agreement:
 - greater detail in the description of martial arts;
 - clauses that cover the use of the Association's new portable stage for City functions;
 - amendment of the termination clause to include a pro-rata payment of fees for the year in which such termination occurs; and
 - a number of small wording changes for the purpose of bringing more clarity to certain clauses of the Agreement.

A copy of the proposed Agreement is attached as Appendix 1.

The Association Executive is satisfied with the proposed Agreement.

Other Considerations

The Association Executive has expressed a concern that if the City chose not extend the Operating Agreement with the Association at the end of the term of the proposed Agreement or were to terminate the Agreement during the term, the Association would be left in a difficult position relative continuing to stage the annual Cloverdale Rodeo and Exhibition, which is a feature event for the City of Surrey. The Association is operating on a break even basis each year and has no financial reserves. They requested that some consideration be given to this matter in

the context of the proposed Agreement. Staff has considered this matter and has determined that the best course of action is to establish a reserve account from which Council could provide assistance to the Association if the Operating Agreement with the Association were to be terminated or not renewed. An annual deposit will be made into such a reserve account at the end of each year, which deposit would be equal to 50% of any unused portion of the line-of-credit that is stipulated in the Agreement for that year. The reserve account will be capped when it reaches a balance of \$250,000 and will only be used if the Operating Agreement with the Association is not renewed or is terminated. Any assistance provided to the Association from the reserve would require Council approval. The Association Executive has advised that they support this approach.

Review by Legal Services

Legal Services has reviewed the proposed Agreement and has no concerns.

Funding

Funding to support the fees payable in 2010 under the proposed Agreement are available within the approved 2010 budget.

SUSTAINABILITY CONSIDERATIONS

The Cloverdale Fairgrounds serve as a venue for community celebrations, festivals and local community programs, thereby contributing to the goal outlined in SC 13 of the Sustainability Charter; being “to create a fully accessible City”. The Fairgrounds acts as the venue for several agriculturally-focussed exhibitions and shows over the course of each year, which act to support and promote agriculture, thereby contributing to the goal outlined in EC12 of the Sustainability Charter, being to support the City’s agricultural sector.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the execution by the appropriate City officials of the Operating Agreement, attached as Appendix I to this report, between the City and the Lower Fraser Valley Exhibition Association (the “Association”) for the operation of the Cloverdale Fairgrounds during the four-year period from January 1, 2010 to December 31, 2013. The Agreement is considered to provide reasonable value to the City.

Vivienne Wilke
General Manager,
Finance and Technology

Laurie Cavan
General Manager,
Parks, Recreation and Culture

Appendix I: Proposed Cloverdale Fairgrounds Operating Agreement 2010 - 2013



SURREY
CITY OF PARKS

CLOVERDALE FAIRGROUNDS OPERATING AGREEMENT

2010-2013

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CLOVERDALE FAIRGROUNDS OPERATING AGREEMENT

THIS AGREEMENT dated the 1st day of January, 2010

BETWEEN:

CITY OF SURREY
14245 – 56 Avenue
Surrey, BC V3X 3A2

(the "**City**")

AND:

LOWER FRASER VALLEY EXHIBITION ASSOCIATION
6050A – 176 Street
Surrey, BC V3S 4E7

(the "**Operator**")

WHEREAS the City wishes to engage the Operator and the Operator agrees to provide Services in connection with the operation of Cloverdale Fairgrounds, including the Amphitheatre, Shannon Hall, Alice McKay Building (Products Building), Agriplex, Show Barn, First Aid/Washroom Building, Stetson Bowl, Coverall Building and Fairgrounds Works Yard Building and Shops and internal roads and parking substantially as outlined in bold in Schedule A (collectively the "Fairgrounds") in accordance with the terms and conditions of this Agreement.

THEREFORE in consideration of the payment of One (\$1.00) Dollar and other good and valuable consideration paid by each of the parties to the other (the receipt and sufficiency of which is hereby acknowledged) the City and the Operator agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement the following definitions apply:

"**Amphitheatre**" means Area B outlined in red on Schedule "A" attached hereto;

"**Capital Expenditures**" means all expenditures on or in the Fairgrounds of a capital nature, which are not Operating Expenses, as determined by the City;

"**City's Representative**" has the meaning set out in Section 21(a) (ii);

"**Dispute**" has the meaning set out in Section 22.1;

"**Fairgrounds**" has the meaning set out in the recital;

"Fees" has the meaning set out in Section 4.1;

"Lands" means that portion of the City owned Fairground lands in Surrey, BC as shown outlined in red as Area B on Schedule "A" attached hereto, excluding any areas leased to Orangeville Raceway Limited pursuant to the lease/easements registered in the New Westminster Land Title Office under Nos. BW135810 – BW135813, and also excluding the statutory road allowances for 62 Avenue and 62A Avenue.

"Line of Credit" has the meaning set out in subsection 4.1(b);

"Operator's Representative" has the meaning set out in Section 21(a)(i);

"Operating Expenses" means the total, without duplication, of the expenses incurred by the Operator for operating, maintaining, insuring and repairing the Fairgrounds, approved by both parties in accordance with this Agreement, including without limitation the following:

- (a) the costs of repairs, including without limitations, vandalism, maintenance and such replacements to the Fairgrounds as are properly chargeable in accordance with generally accepted accounting principles to operating expenses as distinguished from capital replacements or improvements;
- (b) the cost of insurance including deductibles for the Fairgrounds in accordance with this agreement;
- (c) the expense for garbage removal within the Fairgrounds and immediate surrounding area, sanitary control and snow removal;
- (d) wages and other costs paid to personnel or independent contractors in connection with the administration and management of the Fairgrounds (including the on-site manager for the Fairgrounds), including payments for workers' compensation, unemployment insurance, vacation pay, Canada Pension Plan, and other fringe benefits whether statutory or otherwise;
- (e) all costs of supplies and equipment required for the administration and management of the Fairgrounds;
- (f) accounting and other professional costs required for the administration and management of the Fairgrounds;
- (g) any non-recoverable sales and excise taxes;
- (h) the cost of electricity, gas, other fuel, telephone (including long distance charges), photocopying, faxes, water, sewer and other similar utilities consumed on the Fairgrounds and all business taxes, garbage taxes, licenses, rates, and other charges, taxes, other than income taxes, licenses, or rates levied or assessed on or in respect of or in relation to the Operator, the business carried on by the Operator and the assets of the

Operator within the Fairgrounds, or in respect of any fixtures, machinery, equipment, or apparatus installed in the Fairgrounds by the Operator;

- (i) audit fees and disbursements;
- (j) computer software; and
- (k) marketing, advertising/sponsorship costs.

These shall not be included in Operating Expenses:

- (a) the costs of arbitration;
- (b) each party's own legal fees and disbursements and taxes;
- (c) income taxes;
- (d) interest expense;
- (e) the cost of maintenance, repair or replacement made necessary as a result of loss or damage to the Fairgrounds caused by the Operator or its staff or agents' negligence, deliberate or reckless acts or omissions or misuse which results in damage,
- (f) losses due to the Operator or its employees, independent operators or agent's theft; and
- (g) Capital Expenditures.

"Services" has the meaning set out in Section 2.1.

"Term" has the meaning set out in Section 2.4.

1.2 Schedules

The following attached Schedules are a part of this agreement:

- (a) Schedule A – Lands;
- (b) Schedule B – Overflow Parking Area;
- (c) Schedule C – Capital Equipment to be returned to the City;
- (d) Schedule D – Capital Equipment to be retained by the Operator;
- (e) Schedule E – Potential one time lump sum payment; and
- (f) Schedule F – Snow removal by City.
- (g) Schedule G – Fees payable to Operator upon termination by the City

1.3 Surrender

The parties agree that all previous agreements for the Fairgrounds have been surrendered or terminated. The parties agree that this Agreement is the only Agreement dealing with the operation of the Fairgrounds between the parties. The Operator may enter into license agreements with third parties for use of the Fairgrounds or a portion thereof during the Term including, without limitation, indoor concessions.

2. SERVICES

2.1 Services

The City hereby retains the Operator to provide the services as described herein, including anything and everything required to be done for the fulfillment and completion of this Agreement (the "Services").

2.2 Amendment of Services

The City may from time to time, by written notice to the Operator, make changes in the Services. The City reserves the right to change the traffic access and flow at the Fairgrounds to provide access to the arena, curling rink and other buildings as required. Where changes to the Services may negatively impact Fairgrounds tenants or renters, the City will make efforts to provide reasonable notice in an effort to mitigate any such negative impacts.

2.3 Standard of Care

The Operator will perform the Services with that degree of care, skill and diligence normally provided by a qualified and experienced practitioner performing services similar to the Services, and on the understanding that the City is relying on the Operator's experience and expertise.

2.4 Term

Subject to Sections 4.1, 4.2 and 18.1, the Operator will provide the Services for the period commencing on January 1, 2010 and terminating on December 31, 2013 (the "Term"), provided that the City or any third party authorized by the City, at its option, may during the Term at any time rezone, subdivide or develop the Fairgrounds and/or the Lands or any portion thereof. Subject to Section 4.2, the Operator covenants to cooperate with the City during any subdivision or development and agrees that there will be no adjustment to the Fees as a result of any subdivision or development.

3. USE

3.1 General Uses

The Lands and all improvements thereon are to be used by the Operator for cultural uses, recreational uses, community events, trade shows as approved by the City, some examples of which are listed as follows:

- (a) Trade shows and trade fairs;
- (b) Equestrian shows;
- (c) Automotive and boat shows;
- (d) Wrestling;
- (e) Circuses as permitted under City policy;
- (f) Dog/cat shows;
- (g) Auctions – cattle, horses, machinery;
- (h) Name entertainment;
- (i) Boxing matches or martial arts matches that are sanctioned by a duly constituted Athletic Commission
- (j) Indoor and outdoor rodeo and exhibition;
- (k) Conventions;
- (l) Home shows;
- (m) 4-H activities;
- (n) Riding and driving horse shows;
- (o) Swap meets;
- (p) Flea markets;
- (q) Farmer's markets;
- (r) Horse racing;
- (s) Driver training programs;
- (t) Recreational and agricultural activities;
- (u) Demolition Derbies;
- (v) Carnivals;
- (w) Fairs; and
- (x) Filming.

and for no other purposes and specifically excluding extreme martial arts which may include, but is not limited to, Muy Thai (Thai Boxing) and Mixed Martial Arts Ultimate Fighting, whether amateur or professional. The Operator agrees to provide the City with all plans for the promotion and utilization of the Fairgrounds, including without limitation rental charges.

3.2 Canada Day

The City shall have the Fairgrounds available for its own use for the three-day period from June 30 through July 2. The City is responsible for the costs associated with Canada Day celebrations, which are held on the Fairgrounds, as agreed to between the parties.

3.3 Alcohol

Alcoholic beverages cannot be served or consumed within the Amphitheatre without the express advance permission of the City, and in compliance with any and all applicable Provincial licensing requirements and/or City Council's beer garden license arrangement.

3.4 Emergency Social Services

In the event of a large-scale disaster which may result in a mass evacuation of residents and/or livestock, the City reserves the right to access the Fairgrounds for use as an Emergency Social Service reception centre or group lodging facility as required. The City will compensate the Operator for losses as determined by the City acting reasonably associated with cancelled bookings as a result of Emergency Social Services occupying the Fairgrounds or a portion thereof.

3.5 Use of City's Arena and Curling Rink

The City's Cloverdale arena and curling rink adjacent to the Fairgrounds are to be made available to the Operator free of charge for the annual Cloverdale rodeo and exhibition from 0800 hours on the Wednesday prior to the event until 1200 hours on the Wednesday following the event provided that the Operator cleans and maintains the arena and rink during and immediately following these times to the satisfaction of the City.

4. FEES

4.1 Fees

Subject to the terms and conditions of this Agreement and in particular Section 4.2 and the continuous performance of this Agreement by the Operator, including but not limited to, all of the Services provided by the Operator, the City shall pay to the Operator as follows:

- (a) THREE HUNDRED AND FIFTY THOUSAND (\$350,000.00) DOLLARS for the period commencing January 1, 2010 and ending December 31, 2010, payable in two equal payments of \$175,000 on or within 15 days after the following dates: January 3, 2010 and March 1, 2010; and
- (b) THREE HUNDRED AND FIFTY THOUSAND (\$350,000.00) DOLLARS for the period commencing January 1, 2011 and ending December 31, 2011

payable in two equal payments of \$175,000 on or within 15 days after the following dates: January 3, 2011 and March 1, 2011.

- (c) THREE HUNDRED AND FIFTY THOUSAND (\$350,000.00) DOLLARS, plus an adjustment equal to the Statistics Canada *Consumer Price Index (CPI)* increase calculated for 2011 for the Vancouver area, for the period commencing January 1, 2012 and ending December 31, 2012 payable in two equal payments on or within 15 days after the following dates: January 3, 2012 and March 1, 2012.
- (d) THREE HUNDRED AND FIFTY THOUSAND (\$350,000.00) DOLLARS, plus an adjustment equal to the *CPI* increase calculated for 4.1 (c), compounded by the *CPI* calculated for 2012 for the Vancouver area, for the period commencing January 1, 2013 and ending December 31, 2013 payable in two equal payments on or within 15 days after the following dates: January 3, 2013 and March 1, 2013.
- (e) In addition, as an operating contingency should the Fees not be sufficient to operate the Fairgrounds for the Term, the City will provide a line of credit with all expenditures on the line of credit to be submitted by the Operator in writing to be approved by the City's General Manager, Finance and Technology acting reasonably for the purposes of this Agreement with a maximum limit of \$200,000 for each year of the Term, (the "City's Line of Credit"), on the condition that the Operator covenants and agrees to the following:
 - (i) that it has no debts,
 - (ii) that it will pay all net revenues to the City throughout the Term to reduce the balance on the City's Line of Credit, and
 - (iii) that the Operator will provide at the end of each quarter during each year a financial report outlining the revenues and expenditures to date for the year, complete with a projection to the end of the year.

It is understood by the City and the Operator that should the maximum of the Line of Credit, \$200,000, not be used in any year of the Term that the balance of the unused portion, minus any amount up to 50% of this unused portion that the City may choose to reserve, will be carried forward and added to the \$200,000 that is being made available on the Line of Credit in the subsequent year of the Term.

Payment by the City of the Fees will be full payment for the Services and the Operator will not be entitled to receive any additional payment from the City. At the end of the Term, provided that the Operator has no debt, and the Operator has not used the City's Line of Credit, the Operator will be entitled to retain any monies received during the Term, provided that the Operator continues to hold its annual rodeo and exhibition in the City. Should the Operator choose to move the rodeo and exhibition from Surrey, these monies must be returned to the City.

4.2 Adjustment of Fees

The City, by 120 days written notice to the Operator may at any time during the Term of this Agreement, advise the Operator that it intends to demolish or close Shannon Hall, Alice McKay (Products Building) or any other building or facility within the Fairgrounds. The parties agree to work cooperatively to calculate the adjustment to the Fees as a result of this notice and the related change in the scope of the operations of the Fairgrounds. In the event the parties cannot agree on the adjustment to the Fees within 120 days of the notice, the parties agree that the net revenue up to a maximum of the amount specified in Schedule E may be solely determined by the City's auditors provided that any recapture through additional use is discounted. In addition, the City may terminate this Agreement in 120 days by providing notice in writing to the Operator. The date of the notice in writing will define the start of the 120 day notice period. If such termination occurs, the City can take over the operation of the Fairgrounds and may use all the bookings of the Operator.

5. OPERATING EXPENSES

5.1 Operating Expenses

The Operator shall pay the Operating Expenses. The Operator hereby covenants and agrees that all profits realized as a result of its operation of the Fairgrounds will be allocated to the management, maintenance and operation of the Fairgrounds and for carrying out of events, which the Operator puts on, or sponsors in accordance with the financial summaries. It is understood and agreed that should the Operator receive a grant or loan for any purpose specified by the grantor or lender, the monies thus received shall be expended for the specified purpose.

5.2 Utilities

All utility billing for the Fairgrounds will be registered in the Operator's name, save for the Amphitheatre, where the City is named on electrical utility bills. All charges for gas, electricity and water and sewer under the terms of this agreement will be billed to, and paid by, the Operator, except those costs for pathway lighting at the Amphitheatre which are currently metered separately provided that if the Operator has big bookings at the Amphitheatre which draw extra power, they will reimburse the City for any costs associated therewith.

6. APPROPRIATION

The Operator recognizes and agrees that the City cannot make financial commitments beyond the City's current fiscal year. In this regard it is understood that the City shall annually make bona fide requests for appropriation of sufficient funds to cover all payments covered by this Agreement. Should such funds not be appropriated by City Council, the City will notify the Operator of its intention to renegotiate the scope of work so affected within 120 days after such non-appropriation becomes final provided that if no

consensus ad idem is reached between the parties, this Agreement is terminated effective 120 days from the date of notification by the City. The Operator shall not be entitled to any loss of anticipated profits.

7. CAPITAL EXPENDITURES

7.1 No Capital Expenses

As the City is anticipating redeveloping the Fairgrounds, neither party is responsible for Capital Expenditures except as specified in this Section.

7.2 Damage

The Operator shall be liable to pay the City the cost of maintenance, repair or replacement made necessary as a result of loss or damage to the Fairgrounds caused by the Operator or its staff or agents' negligence, deliberate or reckless acts or omissions or misuse which results in damage.

The City shall pay the cost of maintenance, repair or replacement made necessary as a result of loss or damage to the Fairgrounds caused by the City's staff or agents' negligence, deliberate or reckless acts or omissions or misuse which results in damage.

7.3 Equipment

The parties agree that all of the equipment listed in Schedule C is to be returned to the City at the end of the Term and that all of the equipment listed in Schedule D is to be retained by the Operator at the end of the Term. Any other equipment not listed in Schedules C or D is to be returned to the City at the end of the Term, including any capital expenditures throughout the Term. The City may elect to purchase additional equipment in its name and enter into a licence agreement with the Operator regarding the use of this equipment.

The City shall have the right to use the portable stage, at no cost, for Winter Fest (three days in February), Children's Festival (five days in June), Canada Day (June 30, and July 1-3) and Fusion Festival (five days in July) and at all times other than when it is being used by the Operator for the Operator's directly delivered events. The City agrees to give reasonable notice to the Operator as to when it plans to use the portable stage and will bear the expenses associated with its use by the City.

7.4 Approval

All Capital Expenditures greater than \$7,000.00 must be pre-approved by the City's General Manager, Finance and Technology in writing prior to any equipment being purchased or work being performed and the Operator must submit an invoice to the City for the same (if applicable). Capital equipment less than \$3,000 may be purchased by the Operator from operating funds, but will revert to the City at the end of this Agreement. In the event of an emergency, and

the City cannot be contacted, the Operator may proceed with rectifying the emergency if it threatens the safety of persons at the Fairgrounds.

8. AMPHITHEATRE

The Operator shall diligently follow all City rules and regulations for use of the Amphitheatre, which is to primarily serve as a grass seating area for crowds of up to 10,000 to observe events which take place on a multi-purpose stage, so as not to cause or allow damage to occur to the turf, landscaping and structures associated with the Amphitheatre. The Operator is responsible for the cost of all repairs that occur as a result of events booked by the Operator, or directly by the actions of the Operator. All repairs will follow City guidelines and requirements. The above will not apply to City-sponsored events, managed by and administered by City staff, where the City will take responsibility for damage and repairs to the facility. Repairs to be effected when weather permits. Use of the electrical conduits at the Amphitheatre must be by qualified electricians only. The City, through its Facility Management Department, shall solely make the determination as to whether electricians suggested by the Operator are considered as "qualified" for this purpose.

9. BOOKS OF ACCOUNT

The Operator shall keep proper books of account and records in respect of all revenues and expenditures arising from its operation of the Fairgrounds during the Term. The City, its agents, solicitors and internal and external auditors may at any time inspect and review copies of the books of account, records, source documents, reports, computerized records, contracts, sub-contracts and other papers of the Operator relating to the Services performed by the Operator under this Agreement on a date convenient to both parties during the working hours of a business day, provided however that the City shall have the right to inspect the same three (3) days after the date of giving verbal or written notice of such request to the Operator provided only that the City shall attempt to schedule the inspection so as to cause as little interruption as reasonably practicable to the activities of the Operator. All books of account and records referred to herein shall be retained and not destroyed without the consent of the City.

10. PROVISION OF FINANCIAL INFORMATION

The Operator is to provide the City with quarterly financial summaries. The City may cause an internal or independent/external audit to be conducted and such audit is to be at the City's sole expense. Within sixty (60) days after the end of the Operator's fiscal year end which is December 31st, the Operator shall furnish a statement in writing signed and verified by the Operator and reviewed by the auditors of the Operator, who shall be a registered chartered accountant acceptable to the City, setting out the amount of the gross revenue, Operating Expenses and available cash flow for that payment year.

11. OPERATION AND MAINTENANCE

11.1 The Operator's Responsibilities and Control of the Work

The Operator shall have control of the Fairgrounds during the Term of this Agreement and shall effectively direct and supervise the work at the Fairgrounds, using its best skill and attention, and shall be solely responsible for all housekeeping and sanitation maintenance, methods, techniques, sequences, safety and procedures and for coordinating all parts of its duties, responsibilities and obligations under this agreement. The Operator shall at all times be responsible for the total security of the Fairgrounds and equipment within this agreement.

11.2 Inspection

The City or its agents shall have the right, at all reasonable times, to enter the Lands to inspect the same and to ensure that these areas are being used, operated and maintained in accordance with applicable policies, standards and regulations. Should the Lands be found to be in disrepair, unsafe or in contravention of any policies, standards or regulations, the Operator may be ordered to repair or remedy the problem provided that it is an Operating Expense. If it is a Capital Expenditure, the City reserves the right to not remedy the problem which may result in the relevant facility being closed.

11.3 Maintenance

The Operator shall keep the Fairgrounds in a clean and tidy manner that will be equal to or exceed the standards in other City facilities. Customer satisfaction surveys will be used to determine the customer satisfaction on the cleanliness of the Fairgrounds. The Operator shall select its own site(s) for disposal of debris, trash and unsuitable materials collected and pay for and arrange for disposal of the same.

The Operator shall be responsible for the following on the Fairgrounds, except the Amphitheatre as the City will be responsible for these items only at the Amphitheatre:

- (a) Mowing, trimming and leaf control;
- (b) Drainage, including catch-basin cleaning and wet pond maintenance;
- (c) Horticulture;
- (d) Tree maintenance;
- (e) Turf maintenance;
- (f) Structure maintenance;
- (g) Electrical fixture maintenance;
- (h) Vandalism repair;

The City shall be responsible, at its own discretion, for preventative and corrective maintenance to the following on the Fairgrounds:

- (a) Mechanical equipment directly related to building systems;
- (b) Equipment associated with the heating, ventilation, and air conditioning systems;
- (c) Electrical equipment directly associated with building systems;
- (d) Plumbing systems, including but not limited to, in-ground services of the recreational vehicle lot;
- (e) Fire prevention systems, and fire fighting systems and equipment;
- (f) Indoor and outdoor lighting systems, including parking lot lighting;
- (g) Building envelope including roof systems;
- (h) City infrastructure associated with underground City utilities such as water, sanitary sewer and storm sewer, but excluding hydro and gas; and
- (i) 62 Avenue and 62A Avenue and its associated ditches;
- (j) Patching of asphalt parking lots, to a maximum of \$3,000 in each year of the Term, upon request by the Operator;
- (k) Snow and ice control on the parking lot located east of the seniors centre as shown in Schedule F.

11.4 Parking

The Operator may make use of any and all parking spaces located on the Lands and may at times, if demand for parking is such that the parking located on the Lands cannot meet the supply of parking spaces, utilize the “overflow” parking area located on the adjacent parking lot as shown outlined in red on Schedule B.

For the Canada Day celebration, parking will be free to those attending the celebration at the Fairgrounds. The City shall be guaranteed open and free access to a minimum of 80% of the Fairground site parking. For all other events booked by the Operator, the Operator may charge for parking as the market permits.

11.5 Bookings and Advertising

The Operator shall provide bookings and event administration for those events booked by the Operator. The Operator shall advertise and promote the Fairgrounds. The Operator covenants and agrees to refer all enquiries for bookings beyond the Term to the City's Representative.

11.6 Concession

The Operator is to have the right to operate a concession at the Fairgrounds on all event days other than Canada Day.

11.7 Sponsors

The Operator may solicit for sponsors or advertisers at the Fairgrounds. For the Amphitheatre, the City shall preapproved all advertising and sponsorships and shall have the right to reject any advertising and/or sponsorships in its sole discretion.

11.8 Banners and Flags

Prior approval must be obtained from the City for all proposed banners or flags to be hung/flown at the Amphitheatre.

12. EMERGENCY AND EVACUATION PROCEDURES

- (a) The Operator shall submit to the City, detailed procedures and action plans to deal with emergency and evacuation procedures. The City shall be informed if any subsequent changes to the procedures are made;
- (b) The Operator may implement emergency and evacuation procedures when any of the following incidents occur:
 - (i) Smoke or fire or alarm sounds;
 - (ii) Lighting failure;
 - (iii) Bomb threat;
 - (iv) Toxic gas leak;
 - (v) Death or injury;
 - (vi) Lost person;
 - (vii) Other situations where the public or staff's health is at risk.
- (c) The Operator shall provide trained staff who are conversant with emergency procedures in keeping with industry standards pertaining to the Fairgrounds;
- (d) The Operator will make suitable arrangements to ensure that the public are made aware of general safety precautions required at the various locations and the action they are required to take in the event of accident or other emergency and that staff are kept fully informed of all procedures in existence for ensuring the safety of themselves and the users of the Fairgrounds;
- (e) The Operator shall be responsible for the safety of all contractors and sub-contractors employees, invitees, and equipment of the Fairgrounds in accordance with the Agreement, and shall not be responsible for the safety of all contractors and sub-contractors employees, invitees, and equipment who are under the supervision, control or management of the City;
- (f) Incidents, altercations or accidents involving Fairgrounds visitors, the Operator, employees or City employees shall be reported by the Operator to the City's

Representative in a timely manner but in no case more than one (1) week for minor incidents, or more than twenty-four (24) hours for major incidents; and

- (g) The Operator shall remove or remedy any hazardous conditions immediately.

13. OCCUPATIONAL HEALTH AND SAFETY

- (a) The Operator, for all its operations on the Fairgrounds, shall ensure compliance with and conform to all health and safety laws, by-laws or regulations of the Province of British Columbia. The City may, on twenty-four (24) hour written notice to the Operator, rectify any conditions creating an immediate hazard existing that would be likely to result in injury to any person. However, in no case shall the City be responsible for ascertaining or discovering, through inspections or review of the operations of the Operator or otherwise, such deficiency or immediate hazard;
- (b) Without limiting the generality of any other indemnities granted by the Operator herein, the Operator shall indemnify and save harmless the City, its elected and appointed officials, employees and agents from and against any loss or expense or penalty suffered or incurred by the City by reason of failure of the Operator, its agents or employees, or any sub operators of the Operator, its agents or employees to comply or ensure compliance with the health and safety laws, by-laws and regulations;
- (c) The Operator shall fulfill all its duties, obligations and responsibilities in such a manner that it ensures the safety of the public and in accordance with the safety regulations of the Workers Compensation Board and shall install signs and barriers as required to ensure the safety of the public and of its employees in the use of the Fairgrounds; and
- (d) The Operator understands and undertakes to comply with all the Workers Compensation Board Industrial Health and Safety Regulations for hazardous materials and substances, and in particular with the Workplace Hazardous Materials Information Systems Regulations.

14. WORKERS COMPENSATION BOARD COVERAGE

- (a) The Operator agrees that it shall procure and carry or cause to be procured and carried and paid for, full Workers' Compensation Board coverage for itself and all workers, employees, servants and others hired by the Operator, engaged in or upon any work or service which is the subject of this Agreement. The City shall have the right to withhold payment under this Agreement until the Workers' Compensation Board premiums, assessments or penalties in respect of the work done or service performed in fulfilling this Agreement have been paid in full;
- (b) The Operator agrees that it is the principal operator for the purposes of the Workers' Compensation Board Industrial Health and Safety Regulations for the Province of British Columbia. The Operator shall have a safety program

acceptable to the Workers' Compensation Board and shall ensure that all Workers' Compensation Board safety rules and regulations are observed during performance of this Agreement, not only by the Operator, but by all sub-operators, workers, material men and others engaged by the Operator in the performance of this Agreement; and

- (c) The Operator shall provide the City with the Operator's Workers' Compensation Board registration number and a letter from the Workers' Compensation Board confirming that the Operator is registered in good standing with the Workers' Compensation Board and that all assessments have been paid to the date thereof prior to the City having any obligations to pay monies under this Agreement. The Operator will maintain good standing throughout the Term of this Agreement.
- (d) The Operator agrees that it's the "Prime Contractor" for the purposes of the *Workers Compensation Act* of B.C. The Operator will have a safety program in place that meets the requirements of the WCB Occupational Health & Safety Regulation & the *Workers Compensation Act*. The "Prime Contractor" is responsible for appointing a qualified coordinator for ensuring the health & safety activities for the location of their work.

15. PERSONNEL

15.1 Qualified Personnel

The Operator will provide only personnel who have the qualifications, experience and capabilities to perform the Services.

15.2 Replacement of Personnel or Sub-Contractors

If the City reasonably objects to the performance, experience, qualifications or suitability of any of the Operator's personnel or sub-contractors, then the Operator will, on written request from the City, stop the unqualified person from performing the work, and find suitable replacement personnel or sub-contractors.

15.3 Assignment

The Operator will not assign its obligations under this Agreement, in whole or in part, without the prior written approval of the City. Such approval may be unreasonably withheld.

15.4 Agreements with Sub-Contractors

The Operator will preserve and protect the rights of the City with respect to any Services performed under sub-contract and incorporate the terms and conditions of this Agreement into all sub-contracts as necessary to preserve the rights of the City under this Agreement. The Operator will be as fully responsible to the City for acts and omissions of sub-contractors and of persons directly or indirectly employed by them as for acts and omissions of persons directly employed by the Operator.

16. LIMITED AUTHORITY

16.1 Agent of City

The Operator is not and this Agreement does not render the Operator an agent or employee of the City, and without limiting the above, the Operator does not have authority to enter into any contract or reach any agreement on behalf of the City, except for the limited purposes as may be expressly set out in this Agreement, or as necessary in order to perform the Services. The Operator will make such lack of authority clear to all persons with whom the Operator deals in the course of providing the Services.

16.2 Independent Contractor

The Operator is an independent contractor. This Agreement does not create the relationship of employer and employee, a partnership, or a joint venture. The City will not control or direct the details, means or process by which the Operator performs the Services. The Operator will determine the number of days and hours of work required to properly and completely perform the Services. The Operator will be solely liable for the wages, fringe benefits, work schedules and work conditions of any partners, employees or sub-contractors.

17. INSURANCE AND DAMAGES

17.1 Structure and Personal Property

The City will insure the basic structure of the buildings on the Lands. The Operator will be responsible for insurance coverage of the personal property within the Lands.

17.2 Operator's Insurance Policies

The Operator will, without limiting its obligations or liabilities and at its own expense, provide and maintain throughout this Agreement the following insurance in forms and amounts acceptable to the City from insurers licensed to conduct business in Canada:

- (a) commercial general liability insurance on an occurrence basis, in an amount not less than five million (\$5,000,000) dollars inclusive per occurrence against death, bodily injury and property damage arising directly or indirectly out of the provision of the Services by the Operators, its employees, agents, and sub-operators. The insurance policy will be endorsed to add the City as additional insured and will include cross liability and severability of interests such that the coverage shall apply in the same manner and to the same extent as though a separate policy had been insured to each insured. The insurance will include, but not be limited to:

- Blanket contractual;
 - Employees as additional insureds;
 - Non-owned automobile;
 - Owners and contractors protective liability;
 - Contingent employers liability;
 - Personal injury; and
 - Where such further risk exists, advertising liability;
- (b) automobile liability insurance on all vehicles owned, operated or licensed in the name of the Operator in an amount not less than two million (\$2,000,000) dollars per occurrence for bodily injury, death and damage to property.

17.3 Insurance Requirements

The Operator will provide the City with evidence of the required insurance prior to the commencement of this Agreement. Such evidence will be in the form of a completed Certificate of Insurance acceptable to the City. The Operator will, on request from the City, provide certified copies of all of the Operator's insurance policies providing coverage relating to the Services, including without limitation any professional liability insurance policies. All required insurance will be endorsed to provide the City with thirty (30) days advance written notice of cancellation or material change. The Operator will require and ensure that each sub Operator maintain insurance comparable to that required above. The Operator will be responsible for deductible amounts under the insurance policies. All of the Operator's insurance policies will be primary and not require the sharing of any loss by the City or any insurer of the City.

17.4 Waiver of Subrogation

The Operator hereby waives all rights of recourse against the City for loss or damage to the Operator's property.

17.5 Additional Insurance

Subject to any specific agreements the City and the Operator may have reached with respect to insurance, as may be set out in other provisions of this Agreement, the Operator will, as part of the Services, cooperate with the City to obtain additional insurance covering the Services if the City, in its discretion, determines that additional insurance is required. The City may pay the cost of the premiums for any additional insurance.

The Operator acknowledges that any requirements of the City as to the amount of coverage under any policy of insurance will not constitute a representation by the

City that the amount required is adequate and the Operator acknowledges and agrees that the Operator is solely responsible for obtaining and maintaining policies of insurance in adequate amounts. The insurance policy coverage limits shall not be construed as relieving the Operator from responsibility for any amounts which may exceed these limits, for which the Operator may be legally liable.

17.6 Notice of Claims

If at any time during the performance of the Services the Operator becomes aware of a claim or potential claim against any insurance policy that the Operator has, pursuant to this Agreement, indicated to the City may apply to the Services, then the Operator will immediately advise the City in writing of such claim, including particulars.

18. TERMINATION

18.1 By the City

- (a) The City, by 120 days written notice to the Operator, may for any reason terminate this Agreement before the completion of all the Services. If the City terminates this Agreement before the completion of all the Services, the parties agree to work cooperatively to calculate the adjustment to the Fees as a result of this notice. In the event the parties cannot agree on the adjustment to the Fees within 120 days of the notice, the parties agree that the amount payable by the City will be the amount specified in Schedule G, despite which year in the Term the notice of termination is given by the City.
- (b) It is understood between the parties that if the City has already paid the Fees outlined in Section 4.1, the Operator would be required to repay the City the net amounts of the over-payment of Fees previously made by the City to the Operator, such overpayment to be calculated with reference to Schedule G.
- (c) Upon payment of Fees by the City, no other or additional payment will be owed by the City to the Operator, and, for certainty, no amount will be owing on account of lost profits relating to the portion of the Services not performed or other profit opportunities.
- (d) At the end of the Term, whether by the passage of time or otherwise, the Operator shall deliver up vacant possession of the Lands and shall leave the Lands in a sanitary, neat, tidy and safe condition free from all nuisance, debris and rubbish and shall ensure that the Lands are to the standard of repair that they were at the commencement of this Agreement.
- (e) At the end of the Term, whether by the passage of time or otherwise, the Operator shall deliver up all capital equipment listed in Schedule C attached hereto, and including those capital items purchased during the Term, in good order to the standard of repair that they were at the commencement of this Agreement, to the

City for its sole use and disposition. All other capital equipment, as listed in Schedule D attached hereto, may be retained by the Operator for its use. Should the Operator wind up its affairs, or choose to hold an annual rodeo and exhibition event outside the City of Surrey, the capital equipment listed in Schedule C would revert to the City for its sole use and disposition

18.2 By the Operator

The Operator may, by 120 days written notice to the City, terminate the Agreement before the completion of all Services.

18.3 Termination for Cause

The City may terminate this Agreement for cause as follows:

- (a) If the Operator is adjudged bankrupt, or makes a general assignment for the benefit of creditors because of its insolvency, or if a receiver is appointed because of its insolvency, the City may, without prejudice to any other right or remedy the City may have, terminate this Agreement by giving the Operator or receiver or trustee in bankruptcy written notice;
- (b) If the Operator is in breach of any term or condition of this Agreement, and such breach is not remedied to the reasonable satisfaction of the City within ten (10) days after delivery of written notice from the City to the Operator, then the City may, without prejudice to any other right or remedy the City may have, terminate this Agreement by giving the Operator further written notice.

If the City terminates this Agreement as provided by this Section, then the City may:

- (c) enter into contracts, as it in its sole discretion sees fit, with other persons to complete the Services;
- (d) withhold payment of any amount owing to the Operator under this agreement for the performance of the Services;
- (e) set off the total cost of completing the Services incurred by the City against any amounts owing to the Operator under this Agreement, and at the completion of the Services pay to the Operator any balance remaining; and
- (f) the Operator and the City may appoint a mediator if the Operator disputes the set off in subsection 18.3(e) herein.

18.4 Curing Defaults

If the Operator is in default of any of its obligations under this Agreement, then the City may without terminating this Agreement, upon ten (10) days written notice to

the Operator, remedy the default and set off all costs and expenses of such remedy against any amounts owing to the Operator. Nothing in this Agreement will be interpreted or construed to mean that the City has any duty or obligation to remedy any default of the Operator.

19. APPLICABLE LAWS, BUILDING CODES AND BY-LAWS

19.1 Applicable Laws

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia. The City and the Operator accept the jurisdiction of the courts of British Columbia and agree that any action under this Agreement be brought in such courts.

19.2 Codes and By-Laws

The Operator will provide the Services in full compliance with all applicable laws and regulations.

20. CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

20.1 No Disclosure

Except as provided for by law or otherwise by this Agreement, the Operator will keep strictly confidential any information supplied to, obtained by, or which comes to the knowledge of the Operator as a result of the performance of the Services and this Agreement, and will not, except to its members, acting reasonably without the prior express written consent of the City, publish, release, disclose or permit to be disclosed any such information to any person or corporation, either before, during or after termination of this Agreement, except as reasonably required to complete the Services.

20.2 Freedom of Information and Protection of Privacy Act

The Operator acknowledges that the City is subject to the *Freedom of Information and Protection of Privacy Act* and agrees to any disclosure of information by the City required by law.

21. LIAISON

- (a) Each party shall maintain liaison with the other party in accordance with their respective obligations under this Agreement. In particular:
 - (i) The Operator shall appoint the Operator's president ("Operator's Representative") or designate who shall have the duty of instituting and maintaining liaison with the City as to the requirements of this Agreement, plus an alternative representative to so act in the absence or inability to act of the Operator's Representative,

- (ii) The City shall appoint a representative ("City's Representative") who shall have the duty of instituting and maintaining liaison with the Operator's Representative as to the requirements of this Agreement, plus an alternative representative to so act in the absence or inability to act of the City's Representative; and
- (b) Each party's representative shall have the full power and authority to act on behalf of and to bind such party in all matters relating to this Agreement and to carry out such party's obligations hereunder and each party's representative may be relied upon by the other party as the official representative of such party. Meetings between the Operator's Representative and the City's Representative may be held by telephone with the consent of all parties participating in such meetings. Each party may change their respective representative or alternative representative by written notice to the other.

22. DISPUTE RESOLUTION

22.1 Dispute Resolution Procedures

The parties will make reasonable efforts to resolve any dispute, claim, or controversy arising out of this Agreement or related to this Agreement ("Dispute") using the dispute resolution procedures set out as follows:

(a) Negotiation

The parties will make reasonable efforts to resolve any Dispute by amicable negotiations and will provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate negotiations.

(b) Mediation

If all or any portion of a Dispute cannot be resolved by good faith negotiations within 30 days, either party may by notice to the other party refer the matter to mediation. Within seven (7) days of delivery of the notice, the parties will mutually appoint a mediator. If the parties fail to agree on the appointment of the mediator, then either party may apply to the British Columbia International Commercial Arbitration Centre for appointment of a mediator. The parties will continue to negotiate in good faith to resolve the Dispute with the assistance of the mediator. The place of mediation will be Surrey, British Columbia. Each party will equally bear the costs of the mediator and other out-of-pocket costs, and each party will bear its own costs of participating in the mediation.

(c) Litigation

If within 90 days of the request for mediation the Dispute is not settled, or if the mediator advises that there is no reasonable possibility of the parties

reaching a negotiated resolution, then either party may without further notice commence litigation.

23. JURISDICTION

Nothing in this Agreement limits or abrogates, or will be deemed to limit or abrogate, the jurisdiction of the Council of the City in the exercise of its powers, rights or obligations under any public or private statute, regulation or by-law or other enactment.

24. GENERAL

24.1 Clear Title

The Operator shall keep the title to the Fairgrounds and every part thereof free and clear of any lien or encumbrance.

24.2 Entire Agreement

This Agreement, including the Appendices and any other documents expressly referred to in this Agreement as being a part of this Agreement, contains the entire Agreement of the parties regarding the provision of the Services and no understandings or agreements, oral or otherwise, exist between the parties except as expressly set out in this Agreement. This Agreement supersedes and cancels all previous Agreements between the parties relating to the provision of the Services.

24.3 Amendment

This Agreement may be amended only by agreement in writing, signed by both parties.

24.4 Survival of Obligations

All of the Operator's obligations to perform the Services in a professional and proper manner will survive the termination or completion of this Agreement.

24.5 Cumulative Remedies

The City's remedies under this Agreement are cumulative and in addition to any right or remedy which may be available to the City at law or in equity.

24.6 No Interest in Land

The parties hereto acknowledge and agree that this Agreement is an operating agreement and not a lease. Nothing herein contained shall be deemed or construed by the parties or by any third party as creating the relationship of landlord and tenant between the parties. The Operator acknowledges that the rights granted in this Agreement are contractual only and do not give the Operator an interest in the Lands.

24.7 Notices

Any notice, report or other document that either party may be required or may wish to give to the other must be in writing, unless otherwise provided for, and will be deemed to be validly given to and received by the addressee, if delivered personally, on the date of such personal delivery, if delivered by facsimile, on transmission, or if by mail, five calendar days after posting. The addresses for delivery will be as follows:

To the City:

City of Surrey
Parks, Recreation & Culture
14245 – 56th Avenue
Surrey, BC V3X 3A2

Attention: Manager of Parks
Facsimile No.: (604) 598-5781

To the Operator:

Lower Fraser Valley Exhibition Association
6050A – 176 Street
Surrey, BC V3S 4E7

Attention: General Manager
Facsimile No.: (604) 576-0216

24.8 Unenforceability

If any provision of this Agreement is invalid or unenforceable, it will be severed from the Agreement and will not affect the enforceability or validity of the remaining provisions of the agreement.

24.9 Headings

The headings in this Agreement are inserted for convenience of reference only and will not form part of nor affect the interpretation of this Agreement.

24.10 Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same will be construed as meaning the singular, plural, masculine, feminine, neuter or body corporate where the context so requires.

24.11 Waiver

No waiver by either party of any breach by the other party of any of its covenants, obligations and agreements will be a waiver of any subsequent breach or of any other covenant, obligation or agreement, nor will any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.

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

CITY OF SURREY

**LOWER FRASER VALLEY EXHIBITION
ASSOCIATION**

Per: _____
M. Dinwoodie, City Manager

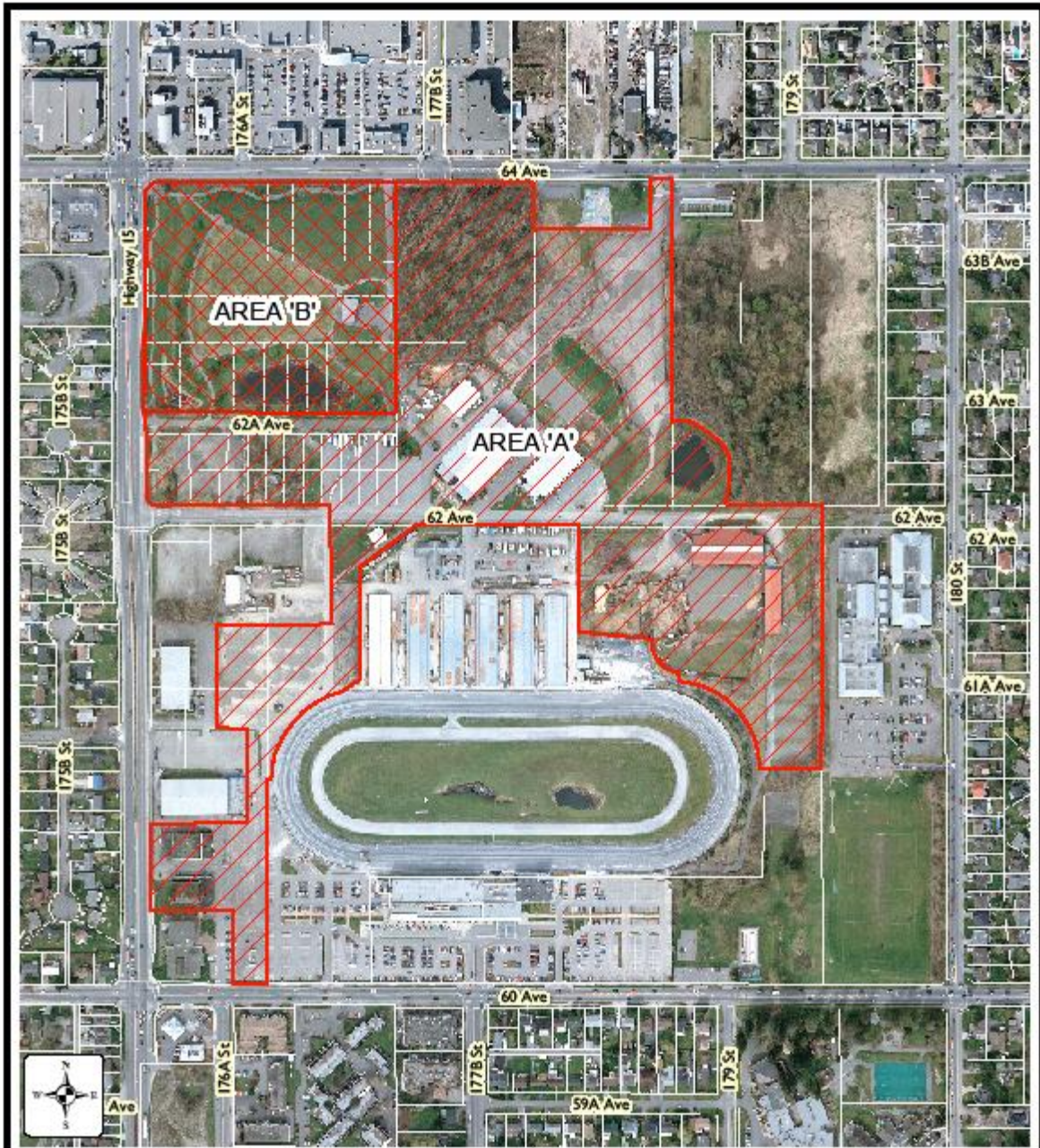
Per: _____
S. Claypool, President

\\file-server3\annex\park-rec\parks\restrctd\lvea\2010\fairgrounds operating agreement 2010-2013 containing all amendments to april 6.docx

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SCHEDULE A

LANDS



PRODUCED BY ENGINEERING, GIS SECTION: March 9, 2009, JJR

Date of Aerial Photography: April 2008



Schedule A "LANDS"

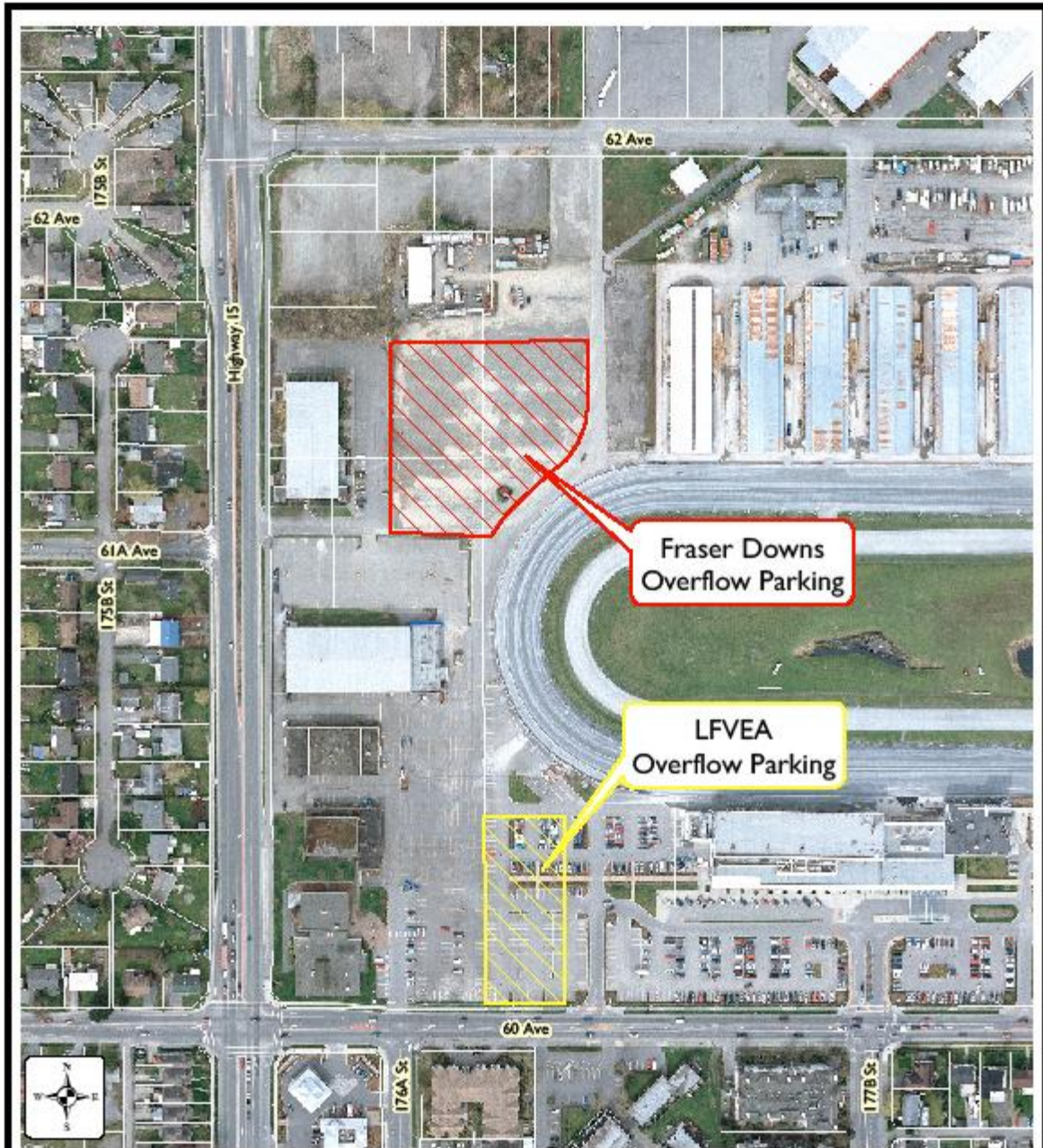
GIS SECTION

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.
This information is provided for information and convenience purposes only.
Lot sizes, legal descriptions and encumbrances must be confirmed at the Land Title Office.

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SCHEDULE B

OVERFLOW PARKING



PRODUCED BY ENGINEERING, GIS SECTION: March 9, 2009, JJR

Date of Aerial Photography: April 2008



Schedule B
"OVERFLOW PARKING"

GIS
SECTION

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.
This information is provided for information and convenience purposes only.
Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.

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**SCHEDULE C
EQUIPMENT LIST**

CAPITAL EQUIPMENT TO BE RETURNED TO THE CITY AT END OF TERM

<i>Equipment Type</i>	<i>Year (if applicable)</i>	<i>Comments</i>
Flat deck Truck	1995	
TrailTech H360 Trailer	1995	
TrailTech L760 Trailer	2001	
Dodge Dakota	2003	
Sweeper	1991	
Bobcat	1995	
Massey Ferguson Tractor	1996	Sell and City retain 86% of value
John Deere Gator	1996	
Bagger Mower	1998	
John Deere JA60 Lawnmower	1999	Sell and City retain 35% of value
John Deere 325 Tractor	2001	
John Deere 48C Mower	2001	
Daewoo Forklift	2002	
John Deere Gator	2005	
10 KW GenSet		
Stihl Chainsaw	2003	
Stihl Hedge trimmer	2003	
Light Towers(10)		
Tent Heaters (2)	2002	
Bleachers, All		
Golf Cart	2003	
Cover-all Building & Apron	2002	
Cover-all Building & Apron	2010	
Portable Stage	2010	The parties to negotiate the hand-over of the stage in accordance with any restrictions imposed under the applicable federal grant.
Dodge Calibre	2008	

SCHEDULE D

EQUIPMENT LIST

EQUIPMENT TO BE RETAINED BY THE OPERATOR

<i>Equipment Type</i>	<i>Year (if applicable)</i>	<i>Comments</i>
Automotive		
China Top	1990	
Trailer – Robinson; feed trailer		40 foot
Mobile antique concession stand	2002	
Tractors		
People movers		
Train People Mover	2009	
Office Equipment		
Showcases	1988	
Filing cabinets	1989	
Filing cabinets	1990	
Laminating machine	1994	
Currency counter		
Toshiba Phone system	2005	
Shredder	1999	
Shredder	2009	
Cell phone	2004	
Office Furniture		
Desks		
Small Equipment		
Radios (10)	2008	
Mascots (4)		
Sound equipment	1993	
Wheelchairs (2)		
Dollies/carts		
Kitchen equipment		
Handicap ramps		
Cooler/Fridges	1995	
Tarp		
Stove		
CR Logo vests		
Fire hoses		
Fryers		
Sound equipment	1997	
Parade of Lights		
CD Player	1999	

<i>Equipment Type</i>	<i>Year (if applicable)</i>	<i>Comments</i>
Decorative lighting		
Large power tools	2000	
Extension cords		
Concession equipment		
Portable power equipment		
Wheelbarrows (3)		
Rentable Units		
Ticket booths	1989	
Souvenir booths		
Portable stalls	1991	
Tables/chairs	1993	
Carpets	1990	
Sheep Pens (50)		
Portable stage		
Old ticket booths		
Crowd control		
Portable bar		
Stage coach		
Folding display		
Hand sink cart (2)		
Condiment cart		
Traffic barricades		
ACC White picket fencing		
122 Chinook stalls	2005	
Shannon Hall		
Alarm system		
Hot food tables		
Berkel manual slicer		
Cooking equipment	2003	
Air compressor – bar	2004	
Mackay Building		
Awning	1987	
Alarm System	2002	
Shop		
Shelving	1990	
Fuel Tank Stand	1992	
Fencing		
Gravity meter	2004	
Wagons (2)		
Costume Racks (6)		
Hot Water Tanks (2)		
Agriplex		

<i>Equipment Type</i>	<i>Year (if applicable)</i>	<i>Comments</i>
Bar	1998	
Storage Area		
Riding Ring – fencing		
Riding Ring – fencer posts		
Show barn		
Stetson Bowl		
Office trailer		
Chutes	1997	
Gate	2003	
Grounds		
Fencing	1992	
Signs/décor	1993	
Planter boxes		
Picnic tables		
Eatons sign holders		
Software		
Dynamics	1999	
Great Plains Pervasive	2001	
Windows NT Server		
Windows XP Office	2002	
Video Card		
Volunteer Database		
Web site design	2003	
Computers		
Old Server	1988	
Pentium 3 – Events office		
Pentium 3 – Reception		
Pentium 3 – Accountant		
HP Pavilion Computer		
Compaq computer sys. (Amelia)		
Dell Inspirion Notebook (Matwiv)		
HP Laserjet 4		
HP Deskjet 5650 – (Amelia)		
Samsung printer		
LG Satellite Notebook (Jamie)	2007	
HP Laserjet 1320 (Accountant)		
Hardware, cables, etc. (DSL)	2001	
Canon printer – i550 (Reception)	2004	
Intel Pentium III 866 – Sarah		
LCD Monitor (3)		

<i>Equipment Type</i>	<i>Year (if applicable)</i>	<i>Comments</i>
4 Casio cash registers		
CD – RW with buffer		
Reception Computer		
Art		
Brent Lynch oil	1994	
Framing for 1994 oil	1995	
Brent Lynch Oil	1995	
Framing for 1995 Oil	1996	
Original Poster	1998	
Brent Lynch Oil	2000	
Framing for 2000	2001	
Brent Lynch Oil	2001	
Western Oil Paintings	2004	
Hank Funk Painting	2005	

SCHEDULE E

POTENTIAL ONE TIME LUMP SUM PAYMENT

Shannon Hall

Potential Operator's loss	Select month in which Shannon Hall is closed
January	*\$61,000
February	*\$55,916.67
March	*\$50,833.33
April	*\$45,750.00
May	*\$40,666.67
June	*\$35,583.33
July	*\$30,500.00
August	*\$25,416.67
September	*\$20,333.33
October	*\$15,250.00
November	*\$10,166.67
December	*\$5,083.33

Alice McKay (Products Building)

Potential Operator's loss	Select month in which Alice McKay (Products Building) is closed
January	*\$34,000
February	*\$31,166.67
March	*\$28,333.33
April	*\$25,500.00
May	*\$22,666.67
June	*\$19,833.33
July	*\$17,000.00
August	*\$14,166.67
September	*\$11,333.33
October	*\$8,500.00
November	*\$5,666.67
December	*\$2,833.33

*These amounts are approximate and are subject to audit.

SCHEDULE F
SNOW REMOVAL AREA



SCHEDULE G

**PRO-RATA CALCULATION OF FEES PAYABLE BY THE CITY TO THE OPERATOR UPON
TERMINATION BY THE CITY**

Month	Amount	Cumulative Total
January	\$29,167	\$29,167
February	\$29,167	\$58,334
March	\$29,167	\$87,501
April	\$29,167	\$116,668
May	\$29,167	\$145,835
June	\$29,167	\$175,002
July	\$29,167	\$204,169
August	\$29,167	\$233,336
September	\$29,167	\$262,503
October	\$29,167	\$291,670
November	\$29,167	\$320,837
December	\$29,167	\$350,000