

DENMAN ISLAND ECONOMIC ENHANCEMENT SERVICE AGREEMENT

THIS AGREEMENT is made as of the 16 day of August, 2019

BETWEEN:

COMOX VALLEY REGIONAL DISTRICT

600 Comox Road
Courtenay, BC V9N 3P6

(the "CVRD")
OF THE FIRST PART

AND

DENMAN WORKS ECONOMIC ENHANCEMENT SOCIETY

Society Registration Number: S-58326
PO Box 99
1111 Northwest Road
Denman Island, BC V0R 1T0

(the "DW")
OF THE SECOND PART

WHEREAS:

- A. The CVRD is empowered by Bylaw No 232 being the "Denman Island Economic Development Service Establishment Bylaw No. 232, 2012", to provide economic enhancement services for Denman Island and;
- B. The CVRD is the legal entity responsible for the provision of the service as established by Bylaw No. 232 the CVRD shall budget and manage directly for the following costs incurred by the CVRD in connection with the service:
 - i. administration charge for support services;
 - ii. cost of liability insurance;
 - iii. allowance for legal expenses;
 - iv. any other costs incurred by the CVRD in connection with or arising from the service, and;
- C. The DW has agreed to provide economic enhancement activities (the service), which includes the activities as listed in Schedule 'A'.

NOW THEREFORE THIS AGREEMENT WITNESSES in consideration of the mutual premises and covenants herein contained and other good and valuable consideration, the CVRD and the DW covenant and agree as follows:

1. PROVISION OF SERVICES

- 1.1. The DW shall provide the Services for a period of three (3) years (the "Term"), commencing on the January 1st, 2019 and ending on December 31, 2021, with an option to renew for an additional two (2) year term at the sole discretion of the CVRD.
- 1.2. The DW shall provide the service in accordance with the terms and conditions set out in this agreement.

2. LANDS AND PREMISES

- 2.1. The DW shall carry out the service in and from land and premises that meet the lawful requirements of any authority having regulatory jurisdiction, and that are safe for the use intended.
- 2.2. The provision of this service is limited to the list of activities set out in Schedule 'A', unless the DW provides written notice of a change to the Schedule.

3. ACCOUNTING RECORDS

- 3.1. The DW shall:
 - a) maintain, at all times, accurate books, records and accounts for the service, including all receipts and invoices supporting any expenditures in accordance with generally accepted accounting principles applied on a consistent basis from year to year; and
 - b) permit the CVRD to inspect the same at all reasonable times and to make copies thereof.

4. REPORTING

- 4.1. The DW shall annually provide the CVRD with a copy of the financial statements for their most recently completed fiscal year, prepared by an independent accounting firm on a notice to reader basis and approved by the DW's Board of Directors, by March 31st of the following year. However, at its sole discretion the CVRD may, in the penultimate year of this contract, request DW to have an independent accounting firm prepare the required financial statements on a review engagement basis for submission to the CVRD.
- 4.2. The DW shall provide the CVRD with an annual general report that includes annual objectives and measurements for each activity listed on Schedule 'A' and the results thereof.
- 4.3. The DW shall provide to the CVRD annually by January 31 the list of the DW Directors and Officers, including the DWs signing authorities, contact names and phone numbers.

5. FUNDING

- 5.1. For the period January 1, 2019 to December 31, 2021, the CVRD will provide a contribution towards the delivery of Denman Island Enhancement activities as per Schedule 'A', in an amount equal to \$45,000 annually.
- 5.2. The CVRD shall pay funds to DW, on a semi-annual basis as follows:
 - (a) in January, 1/2 of the amount approved in the CVRD Financial Plan for the previous year;
 - (b) in August, the remaining 1/2 of the amount approved in the CVRD Financial Plan for the current year subject to a pro rata adjustment for January through June for differences in the financial plan amounts approved for the current years operations.
- 5.3. Unexpended funds for any period of the Term shall be returned to the CVRD no later than June 30 of the following year.
- 5.4. DW will not provide any funding received from the CVRD to any commercial or business undertaking in order for the CVRD to remain in compliance with section 182 of the Local Government Act - Prohibition against assistance to business, which reads as follows:

182. As a limitation on section 176(1)(i), a board must not provide assistance to an industrial commercial or business undertaking..

- 5.5. CVRD funds provided to DW for purposes of economic enhancement activities under this agreement must be used for the purposes identified in Schedule A and shall not be used for any activities funded by other CVRD services. In addition, any CVRD funding used for activities other than those identified on Schedule 'A' in any year of the Term shall be repaid to the CVRD no later than June 30th of the following year.
- 5.6. The DW shall be responsible for the payment of all expenses associated with the service, other than the costs paid directly by the CVRD.
- 5.7. In the event the DW fails to pay for any expenses associated with the service, the CVRD shall deduct the corresponding amounts from the funds payable to DW by the CVRD for the service, and may in its discretion pay such expenses directly.
- 5.8. All cheques of the DW disbursing funds shall be signed by the duly appointed signing officers of the DW.

6. CODE OF CONDUCT

- 6.1. The DW agrees to comply with the following code of conduct:

Professionalism

Applicable to all employees, volunteers, agents, and contractors who are required to:

- Carry out their responsibilities in a professional and competent manner.
- Continue to improve their knowledge, competence, skills, and professional ability.
- Be aware of and abide by the British Columbia *Human Rights Code*.
- Not engage in any action or conduct or make any comment, gesture, or contact which a reasonable person would regard as likely to cause offence or humiliation to anyone, whether in the workplace or any other location.
- Act, and be perceived by the public to act, in a fair and impartial manner in the performance of their duties or provision of services.
- Not make any public comments that denigrate, disparage, or are disrespectful of the CVRD, employees, and elected officials, and refrain from making negative comments about the credibility of the CVRD, employees, and elected officials.
- Conduct themselves in a friendly, courteous, and professional manner when dealing with the public.
- Refrain from engaging in any other practice that could unfavorably reflect upon the CVRD as identified solely by the CVRD.

7. COMMUNICATION

- 7.1. DW shall include on its website acknowledgement of CVRD as a funding partner and a link to the CVRD website at www.comoxvalleyrd.ca.
- 7.2. The CVRD shall include on its website acknowledgement of DW as the contractor for the delivery of economic enhancement services on Denman Island and a link to the DW website at <https://denmanworks.wordpress.com>.

7.3. The key contact for all communication matters between the parties relating to this agreement are as follows:

DW: President of the Society

CVRD: General Manager of Community Services

8. **INSURANCE**

8.1. The DW shall, at its own expense throughout the term of the agreement, maintain and pay for a comprehensive general liability insurance policy or policies with a limit of not less than \$2,000,000 inclusive per occurrence for bodily injury and property damage.

8.2. The CVRD shall be named as an additional insured to the comprehensive general liability insurance and the policy shall provide that no cancellation or lapse of or material alteration in the policy shall become effective until 30 days after written notice of such cancellation, lapse or alteration has been given to the CVRD. Every certificate, or certificates of insurance, shall include certification by the insurer that the certificate of insurance specifically conforms to all of the provisions required herein.

8.3. Any deductible amounts in the foregoing insurance which are payable by the policyholder shall be in an amount approved in writing by the CVRD.

8.4. DW shall annually provide the CVRD with a certificate of insurance as evidence that such insurance is in force including evidence of any insurance renewal or policy or policies.

8.5. If DW does not take out or maintain in force the insurance required by this agreement, the CVRD may take out the necessary insurance in the name of DW and pay the premium and such amount shall be deducted from Funds to be paid to DW for the provision of Services.

8.6. Maintenance of such insurance and the performance by DW of their obligations under sections 8.1-8.5 shall not relieve DW of liability under the indemnity provisions set forth in this agreement.

9. **INDEMNITY**

9.1. DW hereby agrees to indemnify, save harmless, release and forever discharge the CVRD, its elected and appointed officers and employees from and against any and all manner of actions, causes of actions, claims, debts, suits, losses, liabilities, costs, demands and expenses whatsoever, whether known or unknown, in any way arising from, in connection with or attributable to the acts or failure to act by DW, its servants, agents, officers, employees, contractors or subcontractors in connection with this agreement or anything arising from or related to this agreement or the Services to be provided hereunder or by virtue of being found to be liable with DW as a partner, joint venture, principal or agent of DW.

10. **TERMINATION**

10.1. This agreement is immediately terminated, if DW:

- voluntarily winds up its affairs or disbands;
- becomes bankrupt;
- fails to hold a general meeting for a period of eighteen (18) months; or
- fails to maintain itself under the Society Act (British Columbia) and any amendments thereto or regulations thereunder.

- 10.2. If DW fails to comply with or is in breach of any of the terms and conditions of this agreement, the CVRD may serve written notice on DW requiring DW to remedy the default within thirty days from receipt of such notice, and if DW fails to cure the default or take such steps as may be reasonably taken to correct or remedy the default within such time period, the CVRD may terminate this agreement without further notice to DW.
- 10.3. If the CVRD fails to comply with or is in breach of any of the terms and conditions of this agreement, DW may serve written notice on the CVRD requiring the CVRD to remedy the default within thirty days from receipt of such notice, and if the CVRD fails to cure the default or take such steps as may be reasonably taken to correct or remedy the default within such time period, DW may terminate this agreement without further notice to the CVRD.
- 10.4. At any time during the Term, either party may terminate this agreement on six months written notice to the other party, and upon the expiration of 90 days from the date of receipt of such notice, this agreement shall be terminated.
- 10.5. In the event of a windup or dissolution of DW or the discontinuation of any of its services funded under the various appendices to this agreement, DW shall, upon demand by the CVRD, repay to the CVRD immediately all or any of the amount of the Funds already paid for that calendar year for the discontinued services after meeting all bona fide financial obligations incurred in providing the Services.

11. RELATIONSHIP

- 11.1. It is understood that this agreement is strictly between the CVRD and DW and in no way shall be interpreted as creating an employment relationship between the CVRD and DW and its employees and/or its agents and/or their employees, and/or its contractors and/or their employees. Should any differences arise between DW and any of its employees and/or its agents and/or their employees, and/or its contractors and/or their employees, such differences shall be resolved directly between those individuals and DW. Nothing in this agreement shall be construed as creating any employment relationship between the CVRD and DW, its employees, servants, agents, contractors or subcontractors.
- 11.2. DW agrees to pay all assessments levied in respect of the Services performed by DW under this agreement under the Employment Standards Act (British Columbia), the Income Tax Act (Canada), the Canada Pension Act, Workers' Compensation Act (British Columbia), the Employment Insurance Act (Canada), the Excise Tax Act (Canada) and any other applicable enactment or code.
- 11.3. DW shall take sole responsibility for all servants, employees, volunteers, agents, contractors and subcontractors DW may engage and shall ensure that all activities of such persons are conducted in accordance with the terms and conditions of this agreement and comply with all statutes, regulations, bylaws, codes and orders of any level of government or other authority having jurisdiction.
- 11.4. DW shall comply with all requirements under the Employment Standards Act and any other applicable enactments in respect of all persons employed or engaged by DW in providing the Services, and shall obtain WorkSafe BC coverage for any of DW's employees. DW must provide satisfactory proof of WorkSafe BC coverage to the CVRD upon request.

12. GENERAL

- 12.1. DW shall comply with all statutes, regulations, bylaws, codes and orders of any level of government or other authority having jurisdiction when fulfilling the duties and obligations of DW hereunder.
- 12.2. DW shall carry out all duties and obligations of DW in this agreement with due diligence and care.
- 12.3. DW shall generally do and perform, and contract for, all services and things necessary for the proper and efficient provision and operation of the service on terms and conditions satisfactory to the CVRD.
- 12.4. This agreement, and any rights or obligations of either party hereunder, shall not be transferred or assigned without the prior written consent of the other party.
- 12.5. The provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations and agreements, whether verbal or written, between the parties with respect to the subject matter hereof.
- 12.6. The invalidity or unenforceability of any provision of this agreement will not affect the validity or enforceability of any other provision and any invalid provision will be severable from this agreement.
- 12.7. This agreement shall ensure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns.
- 12.8. The Schedules attached to this agreement form part of this agreement.
- 12.9. This agreement must be construed in accordance with and governed by the laws applicable in the province of British Columbia.
- 12.10. No remedy under this agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 12.11. Each of the parties hereby covenants and agrees to execute such further and other documents and instruments, and to do such further and other things as may be necessary to implement and carry out the intent of this agreement.
- 12.12. This agreement may not be modified or amended except by an instrument in writing signed by the parties hereto or by their successors or assigns.
- 12.13. Wherever the singular or masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so requires.
- 12.14. The headings to the sections of this agreement are inserted for convenience only and shall not affect the interpretation hereof.
- 12.15. Time is expressly declared and stipulated to be of the essence of this agreement in respect of all payments to be made hereunder and all covenants and agreements to be performed and fulfilled.
- 12.16. Either party may, in writing, from time to time and at any time waive, in whole or in part, the benefit to it of any provision of this agreement or any default by the other party, but any such waiver on any occasion shall not be deemed to be a waiver of that provision thereafter or of any subsequent default, or a waiver of any other provision or default under this agreement.

12.17. All notices, requests and demands required or permitted to be given hereunder shall be given in writing and may be delivered personally, or facsimile transmission to the parties at the addresses on the first page of this agreement. All notices, requests and demands shall be deemed to have been received when faxed, on transmission; when mailed, on the seventh calendar day after being mailed and delivered, when actually received.

his is the entire agreement between the parties.

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

COMOX VALLEY REGIONAL DISTRICT

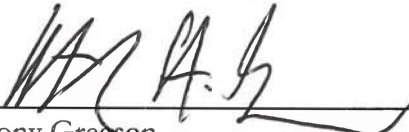


Bob Wells
Chair



James Warren
Corporate Legislative Officer

DENMAN WORKS! ECONOMIC ENHANCEMENT SOCIETY



Tony Gregson
President



Mike Van Santvoord
Treasurer & Secretary

SCHEDULE 'A'

Economic Enhancement Activities for Denman Island For the period January 1, 2019 to December 31, 2021

Core Economic Enhancement Activities:

- Contribute to Denman Island community economic enhancement activities.
- Develop and implement economic strategies with the Denman Island community.
- Encourage economic opportunities for Denman Island through educational forums.

Core activities may include strategic planning, board support, record keeping, program administration, staff/contract supervision, research, grant applications, communications and liaison with CVRD and other relevant organizations.

Resource Centre Program:

Operate a resource service, including staffing and facility, to:

- Provide information, referrals, and advice for economic enhancement on Denman Island.
- Facilitate interaction and cooperation for economic enhancement for the benefit of the economy of Denman Island.
- Maintain repositories of information of economic value to businesses, residents and non-profit community entities of Denman Island.

Workshop Program:

Organize and provide funding for workshops or other educational events on economic enhancement topics of interest for Denman Island.

Grant Facilitator Program:

Provide the services of grant facilitator(s) to non-profit community entities to assist in project design, identification and research into external funding sources, preparation of grant applications, and coordination of grant application activities.

Community Grant Program:

Provide grants to non-profit community entities for projects that directly support economic enhancement strategies.

Project Support Program:

Provide grants to non-profit community entities for qualified projects that advance economic enhancement goals for Denman Island.

Tourism Brochure Program:

Provide funding to assist in the production of the Hornby/Denman Visitor brochure in addition to such other local Denman Island brochures that may be issued by Denman Works."

Total Budget (January 1, 2019 — December 31, 2021): \$135,000

Funding received from the CVRD for purposes of economic enhancement activities must be used for the purposes identified in this Schedule and shall not be used for other CVRD services. In addition, funding received from the CVRD used for activities other than those identified in this Schedule A shall be repaid to the CVRD no later than June 30th of the year following the expenditure.