

THIS AGREEMENT made this 11th day of May 2021.

BETWEEN:

COMOX VALLEY REGIONAL DISTRICT

770 Harmston Ave,
Courtenay, BC V9N 2X6

(the CVRD)

AND:

**HORNBY ISLAND COMMUNITY ECONOMIC ENHANCEMENT
CORPORATION**, (Letters Patent, Industry Canada June 24, 1996 File 327208-7)

Mailing Address: 2115B Sollans Road,
Hornby Island, BC V0R 1Z0

(the HICEEC)

WHEREAS:

- A. The CVRD is empowered by Bylaw No 3005 being "Denman-Hornby Islands Economic Development service establishment Bylaw No 3005, March 29th, 2007" and amendments thereto, to provide economic development services Hornby Island.
- B. As the CVRD is the legal entity responsible for the provision of the service as established by Bylaw No. 3005, the CVRD shall budget and manage directly for the following costs incurred by the CVRD in connection with the Services:
 - i) administration charge for support services;
 - ii) cost of liability insurance;
 - iii) cost of property insurance; in accordance with the CVRD Support Services and other Cost Allocation Policy, and;
 - iv) management and any other costs incurred by the CVRD in connection with or arising from the Services.
- C. The HICEEC has agreed to provide the service of economic development activities (the "Services"), which includes the activities as listed in Schedule 'A'.

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

PROVISION OF SERVICES

- 1. The HICEEC shall provide the Services for the benefit of the residents of Hornby Island, commencing on the first day of January 1, 2021 and ending on the last day of December 31, 2023 (the "Term").
- 2. The HICEEC shall provide the Services in accordance with the terms and conditions set out in this agreement.

LAND AND PREMISES

3. The HICEEC shall carry out the Services 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.
4. The provision of this service is limited to the list of activities set out in Schedule 'A', unless the HICEEC provides written notice of a change to the list.

ACCOUNTING RECORDS

5. The HICEEC shall:
 - a) maintain, at all times, accurate books, records and accounts for the Services, 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.

REPORTING

6. The HICEEC shall provide the CVRD within one month of the annual general meeting, a copy of the financial statements prepared by an independent accounting firm, on a review engagement basis.
7. The HICEEC shall provide the CVRD with an annual general report that includes annual objectives and measurements for each activity listed on Schedule A.
8. The HICEEC shall annually provide to the CVRD the list of the HICEEC Executive Committee, including the HICEEC's signing authorities, contact names and phone numbers.

FUNDING

9. The CVRD will provide an annual contribution of \$81,000, for the year 2021, and funding as approved with the annual budget submission to the CVRD, towards the delivery of Hornby Island economic enhancement activities as per Schedule A. Additional funds for projects, identified for economic enhancement, and under separate tax levy, will be made available. Such as public transit.
10. Core payment will be as follows:
 - a) \$40,500 will be payable by April 30th, in each year of the Term.
 - b) \$40,500 will be payable by August 15th, in each year of the Term subject to receipt of reporting requirements.
11. Unexpended funds at the end of each year of the Term shall be returned to the CVRD no later than June 30th of the following year, or if the identified project is commencing, put in a reserve fund from one year for use the next, which would be an additional source of funds over the following year's annual budget requisition.
12. Requests for any additional funding are to be supported by a business case provided by HICEEC on the proposed use of the funds and supported by the HICEEC strategic plan. Approval of any request for additional funding is contingent on sufficient funds being included in the CVRD financial plan or available in the CVRD Hornby Island economic development service future expenditure reserve, and is subject to the approval of the CVRD board.
13. HICEEC 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 273 of the

Local Government Act – General Prohibition against assistance to business, which reads as follows:

273. As a limitation on section 263 (1) (c), (assistance for community benefit), a board must not provide assistance to an industrial, commercial or business undertaking.

This clause does not include fees for services provided by individual businesses or commercial undertakings.

CVRD funds provided to HICEEC 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 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 returned to the CVRD, for inclusion into the Hornby Island Economic Reserve Fund, and will be accessible from that Fund, under the predetermined avenue, no later than June 30th of the following year.

14. The HICEEC shall be responsible for the payment of all expenses associated with the Services, other than the costs paid directly by the CVRD.
15. In the event the HICEEC fails to pay for any expenses associated with the Services, the CVRD shall deduct the corresponding amounts from the funds requisitioned by the CVRD for the Services, and may in its discretion pay such expenses directly.
16. All cheques of the HICEEC disbursing funds shall be signed by the duly appointed signing officers of the HICEEC.

COMMUNICATION

17. The HICEEC shall include on its website acknowledgement of CVRD as a funding partner and a link to the CVRD website at www.comoxvalleyrd.ca.
18. The CVRD shall include on its website acknowledgement of the HICEEC as the contractor for the delivery of economic development services on Hornby Island and will include a link to the HICEEC website at www.hiceec.org
19. In addition to the Annual General Meeting, which is open to all members of the Hornby Community, HICEEC will make regular public reports, for instance at the monthly Hornby Island Residents & Ratepayers' meetings, and in print in the monthly report in the local paper, "The First Edition".
20. Complete the renewal of the 2020 Vision Statement, update to be completed by end of 2021.
21. The key contact for all communication matters between the parties relating to this agreement are as follows:

HICEEC	Economic Enhancement Officer
CVRD	General Manager of Community Services

INSURANCE

22. The HICEEC 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. The Comox Valley Regional District shall be named as an additional insured to that policy of insurance and the HICEEC shall furnish the CVRD with a certificate or certificates of insurance as evidence that such insurance is in force including evidence of any insurance renewal or policy or policies. 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.

Maintenance of such insurance and the performance by the HICEEC of their obligation under this clause shall not relieve the HICEEC of liability under the indemnity provisions here and above set forth.

At its sole discretion, the CVRD may take out and maintain additional public liability insurance for the Service, in such amounts and on such terms and conditions as the CVRD deems necessary from time to time. This coverage would be outside of the regular insurance program maintained by the CVRD.

INDEMNITY

23. The HICEEC hereby agrees to indemnify and save harmless the CVRD, its officers, employees, elected officials and agents against all claims, demands, losses, costs, damages, actions, suits or proceedings by whomever made, brought or prosecuted and in any manner based upon, arising out, related to, occasioned by or attributable to the negligent acts, errors or omissions of, or breach of this agreement by, the HICEEC, its servants, agents, sub-contractors or sub-operators, in providing the services and performing the work of the agreement, excepting always liability arising out of the negligent act or omission of the CVRD.

TERMINATION

24. This agreement is immediately terminated, if the HICEEC:
- a) voluntarily winds up its affairs or disbands;
 - b) becomes bankrupt;
 - c) fails to hold a general meeting for a period of eighteen (18) months; or
 - d) fails to maintain itself in good standing under the Canada Corporations Act or similar provincial corporations act.
25. At any time during the Term, either party may terminate this agreement on two (2) months' notice to the other party, and upon the expiration of two (2) months from the date of receipt of such notice, this agreement shall be terminated.
26. If the HICEEC 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 the HICEEC requiring the HICEEC to remedy the default within thirty (30) days from receipt of such notice, and if the HICEEC 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 forthwith.

EMPLOYMENT RELATIONSHIP

27. It is understood that this agreement is strictly between the CVRD and the HICEEC and in no way shall be interpreted as an employment relationship between the CVRD and the HICEEC and their employees and/or its agents and/or their employees, and/or its contractors and/or their employees. Should any differences arise between the HICEEC and any of its employees and/or its agents and/or their employees and/or their contractors and/or their employees, they shall be resolved directly between them and the HICEEC in this connection.
28. The HICEEC is responsible to remit all statutory payments in relation to funding provided by the CVRD under this agreement, including Income Tax, Canada Pension contributions, Employment Insurance premiums, and Workers Compensation Board premiums, as applicable for its employees.

GENERAL

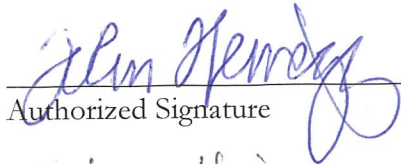
29. This agreement, and any rights or obligations hereunder, shall not be transferred or assigned by the HICEEC without the prior written consent of the CVRD, and any attempt to do so without such consent will be of no force and effect.
30. The provisions herein contained constitute the entire agreement 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.
31. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns.
32. Each of the parties hereto 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.
33. 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.
34. 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.
35. The headings to the sections of this agreement are inserted for convenience only and shall not affect the construction hereof.
36. 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.
37. 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 waiver on any occasion shall be deemed not 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.
38. All notices, requests and demands required or permitted to be given hereunder shall be given in writing and may be delivered personally, or sent by 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 telexed or faxed, on transmission; when mailed, on the seventh calendar day after being mailed and when telegraphed or delivered, when actually received.

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

COMOX VALLEY REGIONAL DISTRICT

James Warren, Corporate Legislative Officer

HORNBY ISLAND COMMUNITY ECONOMIC ENHANCEMENT CORPORATION

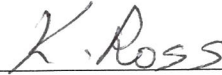


Authorized Signature

John Heinegg

Name and Title

President and Chair



Authorized Signature

Karen Ross

Name and Title

Economic Enhancement Officer

SCHEDULE A

Economic Development Activities for Hornby Island

HICEEC designs all of its Community Economic Development (CED) activities around its strategic goals and gauges their success by their ability to enhance Hornby Island's economy, resilience, environment and social well-being.

Core Economic Development Activities

For organizational infrastructure (fixed costs for staff salaries and remittances, rent, utilities, office expenses, record keeping and financial audits)

- For facilitating board development and engagement
- To foster community engagement and communications

Thematic 1: Expand the Economy

1. Upgrade internet infrastructure
2. Increase full-time and seasonal worker rentals
3. Shoulder season development
4. Support for businesses including increase live/work, commercial & trade amenities
5. Support for the arts
6. MRDT implementation

Thematic 2: Improve Affordability

7. General Community Grants
8. Transportation
9. Tax Review

Thematic 3: Enhance Self-Sufficiency

10. Promote and Invest in Green Energy
11. Promote and Invest in Food & Water Sustainability

Thematic 4: Provide Excellent Public Administration

12. Collect Hornby Statistics
13. Administration (incl. annual plan refreshing)

TOTAL BUDGET \$ 81,000

Funding received from the CVRD for purposes of CED activities must be used for the purposes identified in this Schedule A and shall not be used for other CVRD services. In addition, CVRD funding used for activities other than those identified in this Schedule A shall be deposited with the CVRD, in the Hornby Island Economic Reserve Fund, no later than June 30th of the year following the expenditure.