

**SATURNA ISLAND FIRE PROTECTION AND EMERGENCY
RESPONSE SERVICES FUNDING AGREEMENT**

THIS AGREEMENT dated for reference the 28 day of January, 2018.

BETWEEN:

CAPITAL REGIONAL DISTRICT 625 Fisgard Street
Victoria, BC V8W 2S6

(the "CRD")

OF THE FIRST PART

AND:

SATURNA ISLAND FIRE PROTECTION SOCIETY

Incorporation No. S-0031474
PO Box 168
Saturna Island, BC V0N 2Y0

(the "Society")

OF THE SECOND PART

WHEREAS:

- A. By Supplementary Letters Patent dated the 7th day of July 1983, the CRD was granted the function of fire protection and regulation for the Southern Gulf Islands Electoral Area;
- B. By the adoption of Bylaw No. 2165, being the "Saturna Island Fire Protection and Emergency Response Local Services Contribution Establishment Bylaw No. 1, 1993", (the "Bylaw"), the CRD established a service (the "CRD Service") for the purpose of contributing to the costs incurred in providing fire prevention and suppression and emergency response services (the "Local Service") on Saturna Island within the Southern Gulf Island Electoral Area of the CRD (the "Service Area");
- C. The Society was incorporated under the *Society Act* (BC) on January 14, 1994 under incorporation no. S-0031474, for the purposes of providing fire protection and emergency response services to the inhabitants of the Service Area;
- D. The Bylaw provides that the annual cost of the Local Service shall be recovered by a requisition of monies under sections 378 and 387 of the *Local Government Act* to be collected by a property value tax on land and improvements within the Service Area;
- E. The Society is committed to fulfilling its purposes under the terms of this agreement and subject to its Constitution, governing bylaws and applicable legislation;
- F. The parties hereto wish to enter into this Agreement for the purposes of setting out the roles and responsibilities of each.

NOW THEREFORE in consideration of the premises and mutual promises and covenants contained herein, the parties agree as follows:

[blank]

1.0 Principles of Agreement

- 1.1 The CRD recognizes the Society's mandate to provide fire protection and emergency response services within the Service Area.
- 1.2 The Society recognizes the CRD's responsibility and accountability to the taxpayers within the Service Area to ensure that funds provided as part of the CRD Service and assets acquired with such funds are being used for the purpose for which they were intended.

2.0 CRD's Statutory Discretion

- 2.1 Nothing in this Agreement shall be interpreted as prejudicing or impairing the CRD in the exercise of any statutory powers under the *Local Government Act* or the *Community Charter* or any other enactment, all of which may be exercised as if this Agreement had not been entered into.

3.0 Term

- 3.1 The term of this Agreement shall be for a period of ten years commencing on the first day of January, 2018 and terminating on the 31st day of December 2027 unless otherwise terminated as herein provided.

4.0 Fire Protection and Emergency Response Services

- 4.1 The Society shall provide fire prevention and suppression and emergency response services in and for the Service Area in accordance with the terms herein and subject to any applicable bylaws of the CRD and any federal or provincial enactment.

- 4.2 Without limiting the foregoing, the Society shall:

- (a) appoint a Fire Chief who shall be a person appointed as a local assistant under the *Fire Services Act* to head the Volunteer Fire Department within the Service Area;
- (b) ensure members of the Volunteer Fire Department are appropriately trained and prepared to provide fire protection and emergency response services;
- (c) develop, maintain and implement Fire Department Operational Guidelines in compliance with and in accordance with applicable laws, regulations and requirements of any government or other lawful authority having jurisdiction and provide such Guidelines to the CRD upon request;
- (d) maintain the Society in good standing and within two weeks of its annual general meeting in each year of the Term, provide a copy of its Annual Report to the CRD's Chief Financial Officer (the "Chief Financial Officer").

- 4.3 The parties agree that subject to the terms of this Agreement and the applicable legislation the Society shall have control, authority and responsibility for managing and providing the Local Service so long as this Agreement is in effect.

5.0 Budget

- 5.1 The Society shall prepare each year, in a form approved by the Chief Financial Officer, a rolling 5-year financial plan (operating and capital) with the first year being the Budget (the "Budget") and a four-year forecast to take effect the following year setting out all anticipated revenue and costs of the Society in providing fire prevention and emergency response services to the Service Area including costs of administration, development, training, maintenance, facility repairs or improvements, equipment, debt servicing and other operating expenses of the Society.
- 5.2 The Budget shall contain a request for a contribution from the CRD Service necessary to cover the costs of the Society in providing the Local Service to the Service Area as set out in section 5.1.
- 5.3 The Budget shall be delivered to the Chief Financial Officer on or before September 30th of each calendar year immediately preceding the year in which the Budget will take effect. The Chief Financial Officer shall review the Budget to ensure it complies with CRD policy and will refer the Budget to the Board of the CRD for final approval.

6.0 Payments by the CRD

- 6.1 The amount to be paid by the CRD each year for the Local Service shall be approved by the CRD Board as part of the financial plan adopted by the Board in that year, such amount to be requisitioned by the CRD in accordance with section 387 of the *Local Government Act* and collected by means of a property value tax imposed within the Service Area.
- 6.2 On or before September 30th in each year of the Term, subject to the terms and conditions of this Agreement, the CRD shall pay to the Society the amount set out in section 6.1 to be used by the Society to provide the Local Service to the Service Area.
- 6.3 The Society shall administer the funds received from CRD under section 6.2 in accordance with the Budget approved by the CRD and shall not expend such funds except as provided for in the Budget approved by the CRD.
- 6.4 The parties acknowledge that under the *Local Government Act*, the CRD must recover from the CRD Service all costs that it may incur in relation to the administration of the CRD Service.

7.0 Financial Statements and Right to Audit

- 7.1 The Society shall prepare and maintain all books of account, budgets, records and financial statements, including all receipts and invoices supporting any expenditure, in accordance with generally accepted accounting principles applied on a consistent basis from year to year.
- 7.2 The funds provided by the CRD Service and any other funds of the Society shall be separated in its books of account and the Society shall prepare at each yearend financial statements setting out the Society's assets and liabilities as well as a statement of revenue and expenditures for the year. The Society shall deliver a copy of the financial statements to the Chief Financial Officer within 30 days of the Society's Annual General Meeting.

7.3 At any time, the CRD may give to the Society written notice that it wishes to examine, all books of accounts of the Society, and the Society shall, within 30 days of receipt of such notice, provide to the CRD representative access to all records, documents, books, accounts and voucher of the Society and shall promptly provide to the CRD all information and explanations as may be, in the representative's opinion, necessary to ascertain the use of funds received from the CRD and the financial position of the Society.

8.0 Capital Assets funded by the CRD

8.1 The Society and the CRD agree that any and all assets acquired by the Society using funds received from the CRD Service (the "Assets") will be owned by the Society and held solely for the use and benefit of providing the Local Service to the Service Area.

8.2 The Society and CRD agree that the Society will have control, use and possession of the Assets described in section 8.1, and will maintain the Assets in good working condition such that they are available for provision of the Local Service.

8.3 The Society shall not sell or dispose of any Assets greater than \$1000.00 in value without prior written approval of the CRD.

8.4 In the case of dissolution of the Society, or termination pursuant to section 11.0 of this Agreement, the Society agrees that it will deliver possession and transfer ownership of all assets held by the Society, after payment of any debts and liabilities, to the CRD to be held solely for use by the CRD Service. With written consent of the CRD, the Society may transfer possession and ownership of assets to another charitable organization located on Saturna Island, provided that organization enters into an operating agreement with the CRD to deliver the Local Service, otherwise, all assets owned by the Society will be transferred to the CRD for use by the CRD Service.

8.5 The Society shall provide to the CRD in each year of the Term at the same time as it provides its Budget, a list of all Assets acquired with CRD Service funds and held by the Society with an estimate of replacement cost of such Assets. The Assets will be described with such level of specificity as may be required by the CRD from time to time.

8.6 The Society shall insure and keep insured the Assets in the control, use and possession of the Society for the provision of the Local Service to the Service Area. The cost of providing this insurance shall be borne by the Local Service.

9.0 Indemnity

9.1 The Society hereby agrees to indemnify and save harmless the CRD, its directors, officers and employees from and against all claims, actions, causes of action, damages, costs and expenses that it may incur or sustain arising out of this Agreement, the Service, the use of the funds paid by the CRD to the Society, or in connection with the provision or the lack thereof of fire protection and emergency services within the Service Area by the Society, its directors, officers, employees, agents or servants, or by the Fire Chief or the volunteer Fire Department, except to the extent that such costs, claims, damages, expenses, suits or demands are caused or contributed to by the negligence

or intentional wrongdoing of the CRD, its directors, officers or employees.

10.0 Funds may be Withheld in the Event of Breach

10.1 In the event that the Society is in breach of any of the terms of this Agreement and fails to cure such breach within 30 days of receipt of written notice from the CRD advising of the breach, the CRD may withhold all or part of payments that would otherwise be made by the CRD under section 6 of this Agreement.

11.0 Dispute Resolution

11.1 If a breach of this Agreement occurs or is threatened, or if there is a disagreement as to the meaning of this Agreement, the CRD or Society may give notice to the other party requiring a meeting of both parties within ten (10) working days of receipt of the notice.

11.2 All activities giving rise to a breach or threatening a breach of this Agreement, or giving rise to a disagreement as to the meaning of this Agreement, shall immediately cease upon receipt of the notice.

11.3 The parties must attempt to resolve the matter, acting reasonably and in good faith, within ten (10) working days of the notice.

11.4 If the parties are not able to resolve the matter within the time set out in section 10.3 the parties may appoint a mutually acceptable person to mediate the matter, the cost of which shall be shared equally by all parties, and the parties must act reasonably and in good faith and cooperate with the mediator and with each other in an attempt to resolve the matter within twenty (20) working days after the mediator is appointed

12.0 Termination

12.1 Either party may terminate this Agreement upon giving the other party 90 days' notice of its intention to terminate if:

- (a) the Society winds up or dissolves, fails to file its annual report, or is otherwise no longer in good standing under the *Society Act*;
- (b) either party defaults or fails to perform any term or condition of this Agreement and the default is not resolved by dispute resolution; or
- (c) the CRD Service is terminated or amended such that the Society is not the recipient of the contribution provided for thereunder.

13.0 Notices

13.1 Any notice to be given by one party to another will be in writing and may be mailed by registered mail to the address set forth below, or such other address of which notice is given by a party pursuant to the provisions of this section. Such notice will be deemed to have been given and received on the expiration of four business days after it was posted.

If to the CRD:

Capital Regional District
625 Fisgard Street
PO Box 1000
Victoria, BC V8W 2S6
Attention: Nelson Chan, Chief Financial Officer

If to the Society:

Saturna Island Fire Protection Society
P.O. Box 168
Saturna Island, BC V0N 2Y0
Attention: Eva Hage, Treasurer

14.0 Relationship of Parties

14.1 The parties agree that nothing in this Agreement shall be interpreted as creating nor shall create an agency relationship, joint venture, partnership or employment relationship between the CRD and the Society, its employees, agents or contractors.

15.0 Other Acts

15.1 The parties agree that they will do all such further acts, deeds or things and execute and deliver all such further documents as may be necessary or advisable for the purpose of assuring and confirming to the parties the rights hereby created or intended and of giving effect to and carrying out the intention of facilitating the performance of the terms of this Agreement.

16.0 No Assignment

16.1 The Society may not assign, transfer or pledge all or any part of this Agreement without the written permission of the CRD.

17.0 Enurement

17.1 This Agreement shall inure to the benefit of and be binding upon, the parties and their respective successors and assigns.

18.0 Survival

18.1 The rights and obligations set out in sections 7.4, 8.4 and 9.1 survive the expiry or early termination of this Agreement.

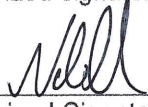
19.0 No Deemed Waiver

19.1 The failure of either of the parties to insist on performance of any covenant or condition contained in this Agreement, or to exercise any right or option hereunder, shall not be construed or operate as a waiver or relinquishment for the future of any such covenant, condition, right or option and no waiver shall be inferred from or implied by anything done or omitted by any of the parties hereto, save only as an express waiver in writing.

20.0 Counterparts

20.1 This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the dates set out below.

CAPITAL REGIONAL DISTRICT by its
authorized signatories:)
)
)
_____)
Authorized Signatory)
)
_____)
Authorized Signatory)

Feb 14, 2018,
2018
Date of Execution

SATURNA ISLAND FIRE PROTECTION)
SOOCIETY by its authorized signatories:)
)
_____)
Authorized Signatory)
)
John Hutchinson, President)
_____)
Authorized Signatory)

Jan 28,
2018
Date of Execution

AGREEMENT AUTHORIZATION

Content	Initial	Date
Procurement	VM	Feb 7/18
Financial	KM	Feb 7/18
Content	VM	Feb 7/18
GM Approval	ML	Feb 7 2018
Form	VM	Feb 7/18
Authority	PJ	Feb 8/18