

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

BYLAW NO. 2500

A Bylaw to ratify an agreement providing for the
exercise of certain powers of the Township
jointly with other municipalities

WHEREAS the Corporation of the Township of Esquimalt intends to enter into an agreement with other municipalities for the sharing of casino revenues; and

WHEREAS the *Local Government Act* requires such an agreement to be ratified by a bylaw of each municipality that is a party to the agreement;

THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT, in open meeting assembled, enacts as follows:

1. This Bylaw may be cited as "Casino Revenue Sharing Agreement Ratification Bylaw, 2002, No. 2500".
2. The Council ratifies the Secondary Revenue Sharing Agreement attached to and forming part of this Bylaw as Schedule "A".


READ a first time by the Municipal Council on the 4th day of March 2002.

READ a second time by the Municipal Council on the 4th day of March 2002.

READ a third time by the Municipal Council on the 4th day of March 2002.

ADOPTED by the Municipal Council on the 18th day of March 2002.


R.T. RICE
MAYOR


J.P.G. McLUCKIE
CORPORATE ADMINISTRATOR

SCHEDULE "A"
TO BYLAW 2500

SECONDARY REVENUE SHARING AGREEMENT

THIS AGREEMENT dated this 4th day of February, 2002 among:

DISTRICT OF LANGFORD, a municipal corporation having an office at 2nd Floor, 877 Goldstream Avenue, Victoria, BC V9B 2X8

("Langford")

AND:

DISTRICT OF METCHOSIN, a municipal corporation having an office at 4450 Happy Valley Road, Victoria, BC V9B 3Z3

("Metchosin")

AND:

CITY OF COLWOOD, a municipal corporation having an office at 3300 Wishart Road, Victoria, BC V9C 1R1

("Colwood")

AND:

CORPORATION OF THE TOWNSHIP OF ESQUIMALT, a municipal corporation having an office at 1229 Esquimalt Road, Victoria, BC V9A 3P1

("Esquimalt")

AND:

DISTRICT OF SOOKE, a municipal corporation having an office at 2205 Otter Point Road, Sooke, BC V0S 1N0

("Sooke")

AND:

DISTRICT OF HIGHLANDS, a municipal corporation having an office at 1980 Millstream Road, Victoria BC V9B 6H1

("Highlands")

WHEREAS:

- A. The Province of British Columbia and the Town of View Royal entered into an agreement on November 21, 2001 by which the Province agreed to pay ten per cent of the net gaming income from a casino in View Royal to the Town of View Royal, and a

further agreement of the same date by which the Province agreed to the payment of a portion of such funds by the Town of View Royal to other local governments impacted by the Casino (collectively, the "Host Financial Assistance Agreement"); and

- B. On February 12, 2001 the Town of View Royal, District of Langford and City of Colwood entered into an agreement in anticipation of the execution of the Host Financial Assistance Agreement, by which the signatories acknowledged that the casino would be located in View Royal and agreed to the sharing of the Town of View Royal's revenues under the Host Financial Assistance Agreement among other local governments impacted by the Casino, which agreement was amended by a further agreement dated December 3, 2001 to reflect the provisions of the Host Financial Assistance Agreement (collectively, the "Primary Revenue Sharing Agreement");
- C. The parties, as "Proximate Local Governments" under the Host Financial Assistance Agreement, have agreed to the sharing of that portion of casino revenues that is paid to Langford in trust for the parties under the Primary Revenue Sharing Agreement (the "Proximate Local Government Share of Revenue"), being 40 per cent of the revenue received by the Town of View Royal under the Host Financial Assistance Agreement, on the terms and conditions more particularly set out in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

1. The Proximate Local Government Share of Revenue shall be divided among the parties on a per capita basis, based on the most recent CRD Regional Planning annual population and household estimates, by means of payments issued by Langford to each of the other parties within ten business days of receiving payment from the Town of View Royal pursuant to the Primary Revenue Sharing Agreement and the retention by Langford of its per capita share. The payments will be by cheques signed equally by representatives of Langford and Colwood.
2. Each of the parties shall expend funds received or retained pursuant to this Agreement only on Eligible Costs as that term is defined in the Host Financial Assistance Agreement, except that no party other than Langford shall make any payment to any other Proximate Local Government as that term is defined in the Host Financial Assistance Agreement.
3. Each of the parties agrees to provide to the Town of View Royal, within 10 business days of the end of each three-month period commencing with the three-month period ending March 31, 2002, all such statements and reports regarding its expenditure of funds received pursuant to this Agreement as are reasonably required to enable the Town of View Royal to submit statements and deliver reports to the Minister of Public Safety and Solicitor General under the Host Financial Assistance Agreement. Each of the parties other than Langford shall simultaneously provide to Langford a copy of the statements and reports that it provides to the Town of View Royal, so as to confirm that the requirements of this paragraph have been met.

4. The payments referred to in paragraph 1 shall commence upon the first payment by the Town of View Royal to Langford in trust for the parties being made under the Primary Revenue Sharing Agreement.
5. This Agreement is the entire agreement among the parties concerning its subject, and replaces entirely any previous such agreement among the parties or any of them, whether oral or in writing.
6. The following Schedules are attached to and form part of this Agreement:

Schedule A: Host Financial Assistance Agreement
 Schedule B: Host Financial Assistance Agreement Addendum
 Schedule C: Revenue Sharing Agreement
 Schedule D: Amendment to Revenue Sharing Agreement.

The Corporate Seal of DISTRICT OF
 LANGFORD was hereunto affixed in the
 presence of:)
)
) C/S
)
 _____)
 Mayor)
)
 _____)
 Clerk)

The Corporate Seal of DISTRICT OF
 METCHOSIN was hereunto affixed in the
 presence of:)
)
) C/S
)
 _____)
 Mayor)
)
 _____)
 Clerk)

The Corporate Seal of CITY OF
 COLWOOD was hereunto affixed in the
 presence of:)
)
) C/S
)
 _____)
 Mayor)
)
 _____)
 Clerk)

The Corporate Seal of CORPORATION
OF THE TOWNSHIP OF ESQUIMALT
was hereunto affixed in the presence of:

Mayor

Clerk

C/S

The Corporate Seal of DISTRICT OF SOOKE was hereunto affixed in the presence of:

Mayor

Clerk

C/S

The Corporate Seal of DISTRICT OF
HIGHLANDS was hereunto affixed in the
presence of:

Mayor

Clerk

C/S

SCHEDULE "A"

HOST FINANCIAL ASSISTANCE AGREEMENT

THIS AGREEMENT made the 21st day of November, 2001.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA, represented by the Minister of Public Safety and
Solicitor General.

(the "Province")

OF THE FIRST PART

AND:

TOWN of VIEW ROYAL, 45 View Royal Avenue,
Victoria, B.C. V9B 1A6

(the "Host")

OF THE SECOND PART

WHEREAS:

- A. The Province has agreed that ten (10%) per cent of Net Gaming Income from community casinos will be paid to host local governments, as financial assistance, for any purpose that would be of public benefit to the host communities.
- B. The Province will make a payment of ten (10%) per cent of Net Gaming Income from the community casino to the Host, as financial assistance, on the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "BCLC" means the British Columbia Lottery Corporation;
- (b) "Casino" means the premises within which BCLC conducts, manages and operates Casino Gaming as more particularly described in the Casino Operational Services Agreement made between BCLC and Great Canadian Casinos Inc. dated the 1st day of March, 2001.
- (c) "Casino Gaming" means the conduct, management and operation of slot machines and table games by BCLC in the Casino from time to time.
- (d) "Casino Operational Services Agreement" means the Casino Operational Services Agreement entered into between the service provider, Great Canadian Casinos Inc. and BCLC, a copy of which is attached as Schedule "A" hereto;
- (e) "Eligible Costs" means the costs and expenses incurred by the Host for any purpose that is of public benefit to the Host community and within the lawful authority of the Host;
- (f) "FAA" means the *Financial Administration Act*, R.S.B.C. 1996, c. 138 and any amendments thereto;
- (g) "Minister" means the Minister of Public Safety and Solicitor General and includes the Deputy Minister of Public Safety and Solicitor General and any person designated by either of them to act for or on their respective behalf with respect to any provision of this Agreement;
- (h) "Net Gaming Income" means the Win from Casino Gaming less:
 - (i) fees payable to the Service Provider pursuant to the provisions of the Casino Operational Services Agreement made between the Service Provider providing Operational Services to BCLC in respect of Casino Gaming; and
 - (ii) BCLC's administrative and operating costs of conducting, managing and operating Casino Gaming as determined by BCLC in accordance with generally accepted accounting principles from time to time;
- (i) "Special Account" means the special account established by the Host:

- (i) into which the funds payable by the Province to the Host under this Agreement will be deposited; and
- (ii) the account from which the Host must make all of its payments on account of Eligible Costs;
- (j) "Win" means for any period the aggregate of all revenues collected by BCLC from the Casino less the aggregate of all Winnings; and
- (k) "Winnings" means the amount of money payable to a player as a consequence of monies paid by the player to participate in Casino Gaming and the performance by the player of the acts necessary to entitle the player to payment of such money.

TERM

- 2. The Term of this Agreement will commence on December 7, 2001 and will end on the last day of the Casino Operational Services Agreement or the last day of any renewal of the term under that Agreement or the last day of operation if there is a relocation of the casino to another local government jurisdiction.

PAYMENT OF FINANCIAL ASSISTANCE

- 3. (a) Subject to the provisions of paragraphs 6, 7, 8 and 9, the Province will pay the Host, as financial assistance, an amount equal to ten (10%) per cent of the Net Gaming Income from the Casino on a quarterly basis, the payment for each period being due and payable on October 15th for the quarter ended September 30th, January 15th for the quarter ended December 31st and April 15th for the quarter ended March 31st, and July 15th for the quarter ended June 30th, in each year during the Term of this Agreement;
- (b) Payments pursuant to subparagraph (a) of this paragraph will be made by the Province only if the applicable statements and reports described in paragraphs 6 and 8, respectively, have been delivered to and accepted by the Minister.

ACTIVITIES OF THE HOST

- 4. (a) The Host will deposit into the Special Account all funds paid to it by the Province pursuant to this Agreement and will use all such funds only on account of payment of Eligible Costs;
- (b) All payments on account of Eligible Costs by the Host will be made directly from the Special Account and the Host will not transfer funds from the Special Account to any other account;

RECORDS

5. The Host will:

- (a) establish and maintain accurate books of account and records (including, supporting documents) of all Eligible Costs and all expenditures made from the Special Account; and
- (b) permit the Minister at any time or times during normal business hours, to copy or audit, or both, any or all of the books of account and records (including, supporting documents) referred to in subparagraph (a) of this paragraph.

STATEMENTS AND ACCOUNTING

- 6. (a) The Host will submit to the Minister during the term of this Agreement quarterly detailed statements in form and content satisfactory to the Minister setting out an accounting for all the income and expenditures from the Special Account for the quarters ending January 31st, April 30th, July 31st and October 31st of each year, such statement to be certified true and correct by the Treasurer or auditor of the Host.
- (b) The quarterly statements referred to in paragraph 6(a) above shall be submitted to the Minister on or before the 15th day of February, May, August and November, respectively.

CONDITIONS OF FINANCIAL ASSISTANCE

- 7. The payments of financial assistance by the Province to the Host pursuant to this Agreement are subject to the following terms and conditions:
 - (a) the Province may withhold any payment required to be made pursuant to paragraph 3 if any event of default described in paragraph 14 has occurred and has not been remedied to the satisfaction of the Minister;
 - (b) all payments required to be made pursuant to paragraph 3 will be applied by the Host against Eligible Costs and all expenditures for Eligible Costs will be made directly from the Special Account;
 - (c) the Province may withhold from any payment required to be made pursuant to paragraph 3, an amount equal to the portion of the previous payments that have not, in the opinion of the Minister, been accounted for or applied by the Host against Eligible Costs; and
 - (d) upon the early termination of this Agreement, the Host will forthwith repay to the Province upon demand, all financial assistance required to be

paid to the Host pursuant to paragraph 3 that has not been accounted for or applied by the Host against Eligible Costs pursuant to paragraph 4(a).

REPORTS

8. (a) The Host will deliver to the Minister such written reports, in form and content satisfactory and prepared by a person acceptable to the Minister as the Minister may, from time to time, request concerning any receipts and expenditures under this Agreement and, without limiting the generality of the foregoing, the Host will, notwithstanding the expiration or sooner termination of this Agreement, deliver to the Minister a report as aforesaid within fifteen (15) days of the request;
- (b) The Province will deliver to the Host with the quarterly payments of financial assistance as set out in paragraph 3(a) of this Agreement, a written report detailing the calculation of the amount of financial assistance payable for the quarter pursuant to the terms of this Agreement.

APPLICATION OF FAA

9. Notwithstanding any other provision of this Agreement the obligation of the Province to make a payment or payments to the Host pursuant to this Agreement is subject to the provisions of the FAA.

ASSIGNMENT AND SUBCONTRACTING

10. The Host will not, without the prior written consent of the Minister assign, either directly or indirectly, this Agreement or any right of the Host under this Agreement.

RELATIONSHIP

11. No partnership, joint venture, agency or other legal entity will be created by or will be deemed to be created by this Agreement or any actions of the parties pursuant to this Agreement.
12. The Host will not in any manner whatsoever commit or purport to commit either or both the Province or the Minister to the payment of money to any person, firm or corporation.

COVENANTS, REPRESENTATIONS AND WARRANTIES

13. The Host covenants, represents and warrants to the Province and the Minister, with the intent that they will rely thereon in entering into this Agreement that:

- (a) to the best of its knowledge, it is not in breach of, or in default under, any law, statute or regulation of Canada or of the Province of British Columbia applicable to or binding on it in relation to this Agreement;
- (b) it has the power and capacity to accept, execute and deliver this Agreement;
- (c) it will use its best efforts and do all things necessary and in its power to facilitate the successful operation of the destination casino project and in particular will not do anything that directly or indirectly interferes with the conduct, management and operation of Casino Gaming by BCLC in the Casino; and
- (d) this Agreement is binding upon and enforceable against it in accordance with its terms.

DEFAULT

14. If any of the following events of default occurs, namely:

- (a) the Host fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Host in entering into this Agreement is untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Host pursuant to or as a result of this Agreement is untrue or incorrect;

then, at the option of the Minister, exercisable by written notice from the Minister to the Host, an amount equal to the aggregate financial assistance required to be paid to the Host pursuant to paragraph 3 that has not been expended and accounted for by the Host against Eligible Costs pursuant to paragraph 6, will become due and be payable by the Host forthwith to the Province within ten (10) days of actual or deemed receipt by the Host of the notice given by the Minister.

REMEDIES

- 15. Where the Minister is of the opinion that an event of default has occurred, the Minister shall give a notice to the Host specifying the event of default and requiring rectification or mitigation. Upon receiving such notice from the Minister claiming a default, the Host shall have thirty (30) days to cure the event of default or mitigate the consequences. If the event of default cannot reasonably be cured or the consequences cannot reasonably be mitigated within the thirty (30) day period and if the Host shall immediately commence and diligently continue reasonable efforts to rectify the event of default or mitigate the

consequences, the cure period shall be extended for such time as it is deemed reasonably necessary by the Minister to complete rectification or mitigation.

16. Despite paragraph 15, if, in the opinion of the Minister, the Host is in default and the Host is unable to cure or mitigate the default then the Minister may by a written notice terminate this Agreement and an amount equal to the aggregate financial assistance paid to the Host pursuant to paragraph 3 that has not been expended and accounted for by the Host against Eligible Costs pursuant to paragraph 6, will become due and be payable by the Host to the Province within ten (10) days of actual or deemed receipt by the Host of the Notice given by the Minister.

NOTICES

17. Any notice, consent, waiver, statement, other document or monies that the Province or the Minister may be required or may desire to give, deliver or pay or that the Host may be required or may desire to give, deliver or pay to the Province and the Minister or either of them will be conclusively deemed validly given, delivered or paid to and received by the addressee, if delivered personally, on the date of deliver, or, if mailed, on the third business day after the mailing of the same in Canada by prepaid post addressed, if to the Province and the Minister or either of them:

Minister of Public Safety and Solicitor General
c/o PO Box 9311 Stn Prov Govt,
506 Government Street,
Victoria, BC V8W 9N1

Attention: General Manager
Gaming Policy and Enforcement Branch

And if to the Host:

Town of View Royal
45 View Royal Avenue
Victoria, B.C. V9B 1A6

Attention: Chief Administrative Officer

18. Any party may, from time to time, give written notice to the other parties of any change of address of the party giving such notice and after the giving of such notice the address therein specified will, for purposes of paragraph 17 be conclusively deemed to be the address of the party giving such notice.

NON-WAIVER

19. No term or condition of this Agreement and no breach by the Host of any such term or condition will be deemed to have been waived unless such waiver is in writing signed by the Minister.
20. The written waiver by the Minister of any breach by the Host of any term or condition of this Agreement will not be deemed a waiver of any subsequent breach by the Host of the same or any other term or condition of this Agreement.

ENTIRE AGREEMENT

21. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement.

FURTHER ACTS AND ASSURANCES

22. Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Agreement.

TIME OF ESSENCE

23. Time will be of the essence of this Agreement.

SURVIVAL OF PROVISIONS

24. All of the provisions of this Agreement in favour of the Province and the Host and all of the rights and remedies of the Province and the Host, either at law or in equity, will survive any expiration or sooner termination of this Agreement.

INTERPRETATION

25. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.
26. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope of any provision of this Agreement.
27. Any reference to a statute in this Agreement, whether or not that statute has been defined, includes all regulations at any time made under or pursuant to that statute and any amendments to that statute.

SCHEDULE "B"

HOST FINANCIAL ASSISTANCE AGREEMENT ADDENDUM

THIS AGREEMENT made the 21st day of November, 2001.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA, represented by the Minister of Public Safety and
Solicitor General.

(the "Province")

OF THE FIRST PART

AND:

TOWN of VIEW ROYAL, 45 View Royal Avenue,
Victoria, B.C. V9B 1A6

(the "Host")

OF THE SECOND PART

W H E R E A S:

- A. By an agreement (the "HFAA") dated for reference the 17th day of October, 2001, the parties recorded their agreement relating to the payment by the Province of 10% of the Net Gaming Income from the Casino to the Host and the rights and obligations of the Host in relation to such funds;
- B. The Host requested clarification from the Province relating to the proposed payment by the Host of part of such funds to Langford and Colwood and the possible participation in the sharing of part of such funds by other local governments;
- C. The Province has advised the Host that the payment of part of such funds from the Host to Langford, Colwood or other local governments on Vancouver Island will qualify as an Eligible Cost provided that:
 - (i) the payment of such funds by the Host is paid by the Host out of the Special Account;
 - (ii) the local government receiving payment of such funds or part of such funds from the Host uses such funds for a purpose that is of public benefit to the community of such local government and within the lawful authority of such local government or, to the extent not so used, pays such funds to another local government on Vancouver Island and each such local government receiving such funds provides detailed reports to the Host for the use or payment of such funds; and

- (iii) the Host submits statements and delivers reports to the Minister concerning the expenditures of each such local government out of such funds in the same manner and at the same time that the Host is required to submit statements and deliver reports to the Minister under the HFAA;

D. The parties have agreed to enter into this agreement to record the clarification given by the Province to the Host as aforesaid by amending the definition of Eligible Costs in the HFAA;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties agree as follows:

1. All capitalized terms used in this Agreement (including the recitals to this Agreement) have the same meaning as in the HFAA unless such terms are otherwise defined in this Agreement.

2. Paragraph 1 of the HFAA is amended by deleting subparagraph (e) and substituting the following therefor:

“(e) “Eligible Costs” means:

- (i) the costs and expenses incurred by the Host for any purpose that is of public benefit to the Host community and within the lawful authority of the Host, and
- (ii) payments by the Host out of the Special Account to a Proximate Local Government provided that such Proximate Local Government uses such funds for a purpose that is of public benefit to the community of that Proximate Local Government and within the lawful authority of that Proximate Local Government or, to the extent not so used, pays such funds to another Proximate Local Government that uses such funds for a purpose that is of public benefit to the community of that other Proximate Local Government and within the lawful authority of that other Proximate Local Government and each such Proximate Local Government receiving such funds, whether from the Host or from a Proximate Local Government, provides detailed reports to the Host for the use or payment of such funds and provided further that the Host submits statements and delivers reports to the Minister concerning the expenditures of each Proximate Local Government out of such funds in the same manner and at the same time that the Host is required to submit statements and deliver reports to the Minister pursuant to this Agreement,

and as used in this paragraph 1(e) “Proximate Local Government” means Colwood and Langford and any other municipality or regional district (as

3. The parties hereby ratify and confirm the HF²AA as amended by this Agreement.
4. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.
5. In this Agreement wherever the singular or neuter is used it will be construed as if the plural or masculine or feminine, as the case may be, had been used where the context so requires.
6. This Agreement may not be amended except by a written instrument executed by the Province and the Host.
7. This Agreement will enure to the benefit of, and be binding upon, the Host and its successors and permitted assigns, and the Province and its assigns.

SIGNED on behalf of Her Majesty the Queen in)
right of the Province of British Columbia by a duly)
authorized representative of the Minister Public)
Safety and Solicitor General in the presence of:)

For the Minister of Public Safety and
Solicitor General

Per Michael

HOST FINANCIAL ASSISTANCE AGREEMENT ADDENDUM between HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA and TOWN OF VIEW ROYAL

SCHEDULE "C"

REVENUE-SHARING AGREEMENT

(Part 5-Local Government Act)

This Revenue-Sharing Agreement made in triplicate

and dated this 12th day of February, 2001.

BETWEEN:

Town of View Royal ("View Royal")
and
District of Langford ("Langford")
and
City of Colwood ("Colwood")

(collectively, the "Municipalities")

PREAMBLE:

- A. The Municipalities have held discussions concerning the location of gaming facilities in their geographic area, and certain financial benefits that may arise to the Municipalities from revenues produced by operation of such facilities; and
- B. The Municipalities have mutually agreed that one gaming facility would serve the residents of the Municipalities; and
- C. Her Majesty the Queen in Right of the Province of British Columbia ("the Province") requires View Royal to enter into a "Host Financial Assistance Agreement" prior to obtaining funds described therein as "Net Gaming Income" and to abide by all the terms and conditions of that agreement
- D. Each of the Municipalities agrees that View Royal is the acceptable location of the gaming facility provided that the "Net Gaming Income" (hereinafter referred to as "revenue") derived by View Royal as a Host local government is shared by an agreed formula;

AGREEMENT:

----- In consideration of the terms, agreements and conditions following, each of the
Municipalities individually and a collectively agree as follows: -----

1. The gaming facility authorized to generate revenue to View Royal as a Host local government will be physically located in View Royal.
2. Neither Langford or Colwood will seek or consent to another host local government revenue-generating gaming facility being located within their respective geographic areas.
3. Any revenue derived by View Royal under the Host Agreement in respect of the gaming facility will be divided and disbursed, within ten (10) business days, among the parties as follows:
 - 45% to be retained by View Royal;
 - 15% to be paid to Langford; and the remaining
 - 40% to be paid to Langford, in trust, for Langford, Colwood, and such other local governments as Langford and Colwood may agree to a share of the 40% allocation.
4. This Agreement shall commence upon the first payment to View Royal of revenue from the Province under the "Host Financial Assistance Agreement" executed by the Province and View Royal and shall continue until that agreement expires or is otherwise terminated.
5. The Municipalities acknowledge that the "Host Financial Assistance Agreement" requires that revenue derived under that agreement must be expended upon "Eligible Costs" as defined therein and each party obtaining revenue under this Agreement will expend revenues as is limited by the definition of "Eligible Costs".
6. The Municipalities further acknowledge that the "Host Financial Assistance Agreement" prohibits View Royal from assigning, either directly or indirectly, that agreement or any right of it as "Host" under that agreement; and that the Province must provide the written consent of the "Minister" as defined therein prior to View Royal sharing revenue under this Agreement. View Royal will immediately request the Minister's consent.
7. The Municipalities acknowledge that View Royal must account to the Province as required by the "Host Financial Assistance Agreement" and if the Province requires View Royal to account for use of revenue by Langford or Colwood then each will provide the required accounting and evidence in a timely manner to View Royal to allow View Royal to meet the requirements of the Province.
8. The Municipalities acknowledge and understand the terms and conditions of the "Host Financial Assistance Agreement", a copy of which is attached as schedule "A" and to the extent required when using revenue derived thereunder will abide by the terms and conditions contained in that agreement.

9. If any dispute arises among the Municipalities concerning the interpretation or application of this Agreement the Municipalities agree that they will mediate the dispute and failing obtaining a mediated settlement the dispute will be arbitrated pursuant to the provisions of the Commercial Arbitration Act, RSBC 1996, c.55, as amended or superceded.

FURTHER REVENUE:

10. If View Royal obtains any other licence or enters into any new agreement with the Province which results in the generation of new revenue from gaming activities it will be shared as provided for in paragraph 3, herein. Langford and Colwood will also provide evidence and documentation required by the Province in order for View Royal to be able to meet its obligations to account to the Province under a new licence or agreement.

OTHER:

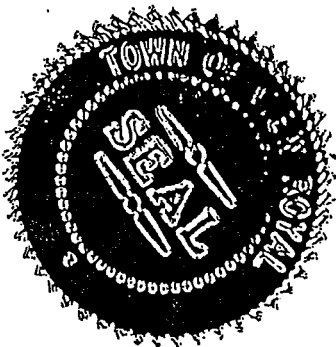
11. View Royal agrees:

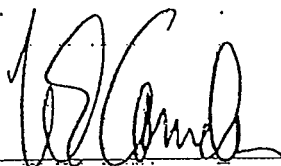
- (a) to join the Greater Victoria Library at the start of the first calendar year after the casino becomes operational; and
(b) to participate in the Juan de Fuca Recreation Centre operations either as a full-time participant, or on an essentially equivalent contractual basis, at the start of the first calendar year after the casino becomes operational.

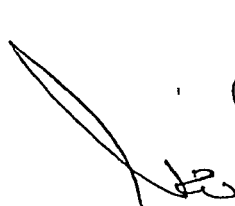
Signed sealed and delivered by the Undersigned Municipalities:

AUTHORIZED SIGNATORIES

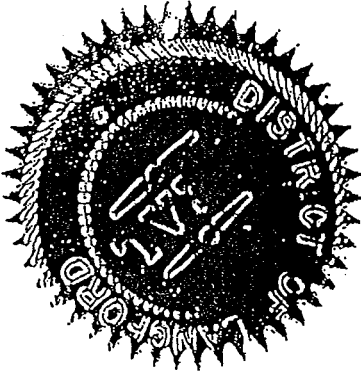
Town of View Royal

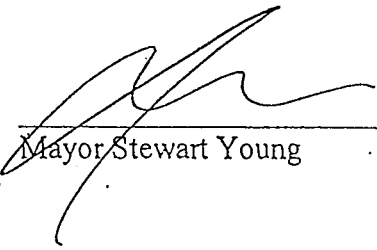




Mayor Bill Camden


J.W. Copland
Clerk Administrator

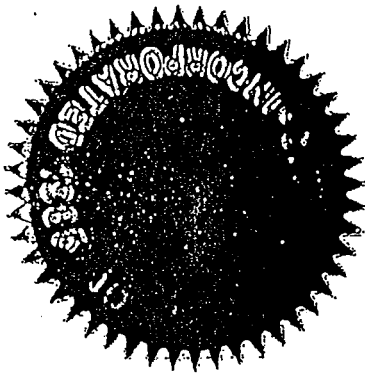
District of Langford



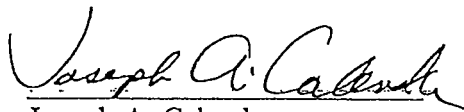

Mayor Stewart Young


Geoff Pearce
Clerk Administrator

City of Colwood




Mayor Beth Gibson


Joseph A. Calenda
Chief Administrative Officer

Schedule "A" is attached to and forms part of this agreement.

SCHEDULE "D"

AMENDMENT TO REVENUE SHARING AGREEMENT

This Amendment Agreement dated for reference and made as of the 3rd day of December, 2001.

BETWEEN:

Town of View Royal
45 View Royal Avenue
Victoria, B.C. V9B 1A6

(hereinafter called the "View Royal")

OF THE FIRST PART

AND:

District of Langford
2805 Carlow Road
Victoria, B.C. V9B 5V9

(hereinafter called the "Langford")

OF THE SECOND PART

AND:

City of Colwood
3300 Wishart Road
Victoria, B.C. V9C 1R1

(hereinafter called the "Colwood")

OF THE THIRD PART

(Collectively, the "Municipalities")

WHEREAS:

- A. The Municipalities have entered into a Revenue Sharing Agreement dated February 12th, 2001 (the "Revenue Sharing Agreement"); and
- B. The Municipalities have mutually agreed to amend the Revenue Sharing Agreement;

~~NOW THEREFORE~~, in consideration of Colwood and Langford agreeing to provide reports to View Royal to satisfy the requirements under the Host Financial Assistance Agreement Addendum and to extend the time for View Royal to satisfy section 11 of

the Revenue Sharing Agreement and the covenants herein contained the parties hereto agree as follows:

1. The Revenue Sharing Agreement between the Municipalities is hereby amended by deleting Article 6 and Article 11 and substituting for the deleted Article 11 the following as Article 11:

"11. View Royal agrees:

- (a) to join the Greater Victoria Library at the start of the first calendar year after the Casino becomes operational; and
- (b) to participate in the West Shore Parks and Recreation Service (formerly Juan de Fuca Recreation Centre) operations either as a full-time participant, or on an essential equivalent contractual basis, at the start of the first calendar year after the casino becomes operational.

11.1 Notwithstanding paragraphs 11(a) and (b) if the Casino is operational before January 1, 2002, View Royal will not undertake its obligations in paragraphs 11(a) and (b) until June 7, 2002."

2. The Revenue Sharing Agreement between the Municipalities is hereby amended by adding a new Article 12 as follows:

"12. (a) For the purposes of this Agreement, "Eligible Costs" and "Proximate Local Government" have the meanings given to them in the November 21st, 2001 Host Financial Assistance Agreement Addendum ("Addendum").

(b) Langford and Colwood agree to establish and maintain accurate books of accounts and records, including supporting documents, of all Eligible Costs and all expenditures made from revenue received from View Royal under the Casino Host Financial Assistance Agreement and Addendum.

(c) Colwood and Langford agree to submit to View Royal quarterly detailed statements in a form and content satisfactory to View Royal which set out an accounting for all the incoming expenditures from the revenue derived from View Royal under the Host Financial Assistance Agreement and Addendum for themselves or a Proximate Local Government for the quarters ending January 31st, April 30th, July 31st and October 31st of each year and such a statement is to be certified as true by the treasurer or auditor of Colwood, Langford or a Proximate Local Government.

These quarterly statements must be provided to View Royal within 10 business days of the end of each quarter.

- (d) If Colwood or Langford fail to provide to View Royal the documents and reports referred to in paragraph 12(c), View Royal will be entitled to withhold revenue derived under the Host Financial Assistance Agreement and Addendum from the party who has failed to provide the said documents and reports until that party complies with paragraph 12(c)."
3. The Revenue Sharing Agreement between the Municipalities is hereby amended by inserting after each instance of "Host Agreement" or "Host Financial Assistance Agreement" the following: "and Addendum".
4. All other conditions and terms of the Revenue Sharing Agreement are confirmed.

IN WITNESS WHEREOF the parties hereto have duly executed this agreement as of the date hereof.

The Corporate Seal of the Town of
View Royal was hereto affixed in the
presence of its authorized signatories:

(seal)

Mayor

Clerk

The Corporate Seal of the District of
Langford was hereto affixed in the
presence of its authorized signatories:

(seal)

Mayor

Clerk

The Corporate Seal of the City of

~~Colwood~~ was hereto affixed in the
presence of its authorized signatories:

(seal)

Mayor

Clerk

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