LEASE AGREEMENT

THIS LEASE dated for reference the day of, 2025	is
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BETWEEN:

THE TOWN OF CRESTON, a municipality established under the *Local Government Act* and having offices at 238-10th Avenue North, Creston, BC, V0B 1G0

("Creston")

AND: **CRESTON LIONS CLUB**, a having an address at PO Box 905, Creston, BC, V0B 1G0

(the "Tenant")

WHEREAS:

- A. Creston is the owner of the lands located at 138-10th Avenue North, Legally (the "**Lands**");
- B. Situate on the Lands is a building known as Former Ambulance Building (the "Building")
- C. Creston agrees to lease a portion of the building herein as defined in Schedule A and described as the former ambulance bays and ambulance office area adjacent to the bays to, the Tenant on the terms and subject to the conditions set out herein (the "Lease Area").

NOW THEREFORE THIS AGREEMENT is evidence that in consideration of the mutual promises contained in this Lease and other good and valuable consideration paid by each of the parties to the other (the receipt and sufficiency of which each party acknowledges), the parties covenant and agree as follows:

ARTICLE 1 – DEFINITIONS AND INTERPRETATION

- 1.1 In this Lease, words and phrases shall be defined as follows:
 - (a) "Building" has the meaning given in Recital B;
 - (b) "Business Day" means any day which is not a Saturday, a Sunday, a statutory holiday in British Columbia;
 - (c) "Commencement Date" has the meaning given in section 2.1;
 - (d) "Common Areas" means the part of the Building comprising of the building's washrooms, tenant kitchen, and conference room.

- (e) "Community Charter" means the Community Charter, SBC 2003, c. 26, as amended or re-enacted from time to time;
- (f) "Creston" means Town of Creston and where the context applies, includes its elected officials, employees, agents and contractors;
- (g) "GST" has the meaning given in section 3.4;
- (h) "Lease" means this lease, together with all schedules and attachments, as applicable, attached hereto;
- (i) "Lease Area" has the meaning given in Recital C;
- (j) "Leasehold Improvement" means any beneficial change to the Lease Area made by the Tenant;
- (k) "Maintenance Costs" means the maintenance and repair costs for which the Tenant is responsible pursuant to section 6.10;
- (l) "**Major Repair**" means any major repairs, capital costs or replacements of the Lease Area, exclusive of any leaseholder improvements, exceeding \$5,000 in value individually or \$10,000 cumulatively in any year of the Term;
- (m) "**Rent**" has the meaning given in section 3.1 of this Lease;
- (n) "**Tenant**" means the Creston Lions Club;
- (o) "Tenant's Responsible Others" has the meaning given in section 7.3(b); and
- (p) "**Term**" has the meaning given in section 2.1.
- 1.2 **Interpretation** Wherever the singular or masculine or neuter is used in this Lease, the same shall be construed as meaning the plural, the feminine or body corporate where the context so requires.
- 1.3 **References to Tenant** Any reference to the "Tenant" includes, where the context allows, subtenants and occupants of the Tenant and employees, agents, licensees and invitees of the Tenant and all others over whom the Tenant may reasonably be expected to exercise control and any default in observing or performing the Tenant's obligation by such person, will be deemed to be defaults of the Tenant.
- 1.4 **Captions** The captions appearing in this Lease have been inserted for reference and as a matter of convenience and do not define, limit or enlarge the scope or meaning of this Lease.

- 1.5 **Schedules** The following schedule is attached to and forms part of this Lease:
 - (a) Schedule A Lease Area

<u>ARTICLE 2 – DEMISE, TERM AND TERMINATION</u>

- 2.1 **Demise and Term** Creston hereby
 - (a) demises and leases to the Tenant the Lease Area on a month-to-month basis (the "Term"), commencing on <INSERT DATE> (the "Commencement Date") to have and to hold for the Term as the Tenant, and the Tenant does hereby accept the demise and lease of the Lease Area, all subject to the covenants, conditions and agreements herein contained; and

2.2 **Termination**

- (a) Creston may terminate this Lease at its sole discretion by providing the Tenant with ninety (90) days' written notice, in accordance with Section 10.1 [Notice].
- (b) The Tenant may terminate this Lease at its sole discretion by providing Creston with ninety (90) days' written notice, in accordance with Section 10.1 [Notice].
- 2.3 **Quiet Enjoyment** The Tenant will and may peaceably hold and enjoy the Lease Area during the Term without interruption or disturbance by Creston or any person lawfully claiming under Creston, subject only to sections, 6.10 [Repairs and Maintenance], 6.11 [Repairs According to Notice], 6.14 [Right to Enter and Inspect], 8.2 [Right to Perform] and 8.3 [Termination on Default].

ARTICLE 3 – RENT, OPERATING COSTS, TAXES & UTILITIES

- 3.1 **Rent** The Tenant shall pay to Creston prepaid rent for the Term in the amount of \$1.00 per month (the "**Rent**") during the term to be paid commencing on the Commencement Date and thereafter, on the first (1st) day of every month during the Term subject to the terms and conditions of this lease.
- 3.2 **Interest on Amount in Arrears** The Tenant will pay to Creston, interest at a rate equal to three percent per year above the prime commercial lending rate per year charged by the Royal Band of Canada at its main branch in Vancouver, at the start of each month, calculated and compounded monthly, upon all Rent or other expenses required to be paid under this Lease, from the due date for payment until paid. This stipulation for interest will not prejudice any other right or remedy of Creston under this Lease or at law or at equity.
- 3.3 **Operating Costs** Creston will pay all operating costs relating to the Building, other than those expressly assumed by the Tenant under sections 3.4, 3.5, and 6.10 of this Lease.

- 3.4 **Taxes and Fees** The Tenant shall pay to Creston all taxes, charges, levies and other fees, including GST, or any replacement tax, which may be payable in respect of this Lease.
- 3.5 **Utilities and Janitorial** The Tenant shall pay all charges for utilities, janitorial, telephone service, cablevision or communication service rendered in respect of the Lease Area.
- 3.6 **No Abatement** The Tenant is not entitled to any abatement, reduction, or deduction from the Rent.

ARTICLE 4 – CONDITION AND USE OF LEASE AREA

- 4.1 **Lease Area Accepted "As Is"** The Tenant accepts the Lease Area "as is" and acknowledges that Creston has made no representations or warranties respecting the Lease Area, including without limitation with respect to the suitability of the Lease Area for the Tenant's intended use thereof, the condition of the Lease Area ore the state of repair of the Building.
- 4.2 **Use of Lease Area** The Tenant covenants and agrees that:
 - (a) the Tenant will use the Lease Area only for the purpose of operating their "Returnables Project" and the use of the ambulance office to be used for meeting space.
 - (b) for greater certainty, the Tenant agrees that the Lease Area must not be used for any other purposes unless the Tenant obtains the prior written approval of Creston, which approval may be withheld or conditioned by Creston at its sole discretion.
 - (c) The Tenant will not change any locks. If a lock change is required it will be completed at by Creston at the Tenant's expense.

ARTICLE 5 – ASSIGING AND SUBLETTING

5.1 Assigning and Subletting –The Tenant shall not assign this Lease in whole or in part and shall not sublet all or any part of the Lease Area without the Tenant obtaining the prior written consent of Creston in each instance, which consent may be withheld by Creston in its sole discretion. In requesting Creston's consent to an assignment, sublease, or license of the Lease Area, the Tenant must provide Creston with all information reasonably requested by Creston. The Tenant must, if required by Creston, enter into sub-leases, assignment agreements or licenses of the Lease Area on terms the required by Creston, including requirements for insurance and indemnities. No assignment or subleasing by the Tenant will release the Tenant from its obligation to observe or perform the Tenant's obligations under this Lease.

ARTICLE 6 – TENANT'S REPRESENTATIONS AND UNDERTAKINGS

- 6.1 **Legal Status** The Tenant warrants, represents and agrees that:
 - (a) it has taken all necessary actions, steps and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Lease;
 - (b) the Tenant is duly incorporated and validly existing under its jurisdiction of incorporation, is in good standing under the legislation governing it, and has made all filings required under such legislation; and
 - (c) it has the power and capacity to enter into and carry out its obligations under this Lease.
- 6.2 **Construction** The Tenant may, if the Tenant is not then in default under this Lease and with the prior written consent of Creston, undertake improvements, construction or renovations of the Lease Area. In giving its consent, Creston may impose any conditions, including, without limitation, location requirements, use restrictions, financial restrictions, insurance requirements and security obligations. Any Leasehold Improvements, made by the Tenant pursuant to this section 6.2 shall be maintained by and at the expense of the Tenant, to Creston's satisfaction. The Tenant acknowledges that all Leasehold Improvements become the property of Creston upon affixation to the Lease Area, without any obligation by Creston to pay for the Leasehold Improvements. The Tenant acknowledges that all improvements to the Lease Area, past and present, are to remain affixed to the Lands.
- 6.3 **Permits Required** The Tenant acknowledges that prior to undertaking any improvements, construction or renovations of the Lease Area, the Tenant must obtain a building permit and comply with all other bylaw requirements imposed by Creston on construction and development within its boundaries.
- 6.4 **Compliance with Laws** The Tenant will at all times during the Term use and occupy the Lease Area and in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws relating to environmental matters, including all the rules, regulations, policies, guidelines, criteria or the like made under or pursuant to any such laws.
- 6.5 **Zoning** Without limiting section 6.4, the Tenant acknowledges that the Tenant must not use the Lease Area or permit a use in breach of Creston's applicable zoning bylaws.
- 6.6 **No Nuisance** The Tenant will make reasonable efforts to not, at any time during the Term, use, exercise or carry on or permit or suffer to be used, exercised or carried on, in or upon the Lease Area or any part thereof any noisy, noxious or offensive art, trade, business,

occupation, or event and, the Tenant will not carry on, or suffer or permit to be carried on, any act, matter or thing which will or may constitute a nuisance or an unreasonable annoyance to Creston, to any occupant of Lands or Building or to owners or occupiers of any lands or premises in the vicinity of the Lease Area or to the public generally.

- 6.7 **Waste** The Tenant will not commit, suffer, or permit any wilful or voluntary waste, spoil or destruction of the Lease Area.
- 6.8 **Liens and Judgments** The Tenant will not permit any liens, judgments or other charges to be registered against the Lands except those charges permitted in writing by Creston. Unless otherwise agreed in writing, if any lien, judgment or other charge is registered, the Tenant will obtain its discharge within 30 days of the said registration.
- 6.9 **Filing Notice of Interest** Throughout the Term, Creston is entitled to file a Notice of Interest pursuant to the *Builders Lien Act, SBC* 1997, c. 45 as amended or re-enacted, in the appropriate Land Title Office against title to the Lands.
- 6.10 **Repairs and Maintenance** Throughout the Term, the Tenant shall at its own expense repair and maintain the Lease Area in good condition and repair, and in a neat, tidy, safe, clean and sanitary condition, to Creston's satisfaction and the Tenant will be responsible for custodial and cleaning costs and day-to-day maintenance and minor repairs of the Lease Area, but excluding any Major Repairs, and Creston shall be responsible for all other expenses related to the Building including, building insurance and Major Repairs.
- 6.11 **Repair According to Notice** Without restricting the generality of section 6.10, the Tenant will do all repairs and maintenance that it is obliged to do pursuant to section 6.10 promptly upon written notice from the Creston. If the Tenant does not perform all repairs and maintenance promptly upon written notice from the Creston, Creston reserves the right to enter the Lease Area to perform the repairs and maintenance as required under Section 6.10. The Tenant will pay to the Creston, on demand, the Creston's reasonable cost of so doing.
- 6.12 **Environmental Disclosure** Creston will provide the Tenant will full disclosure of any environmental issues it becomes aware of with respect to the Building during the Term of this Lease.
- 6.13 **Environmental Contamination** The Tenant will, at all times, and in all respects comply with and abide by the requirements of all applicable Federal, Provincial or Municipal statutes, bylaws, regulations, orders and guidelines, which deal with environmental protection and safety and any contaminant, pollutant, dangerous substance, liquid waste, industrial waste, hauled liquid waste, and hazardous material or hazardous substance. Without limiting the foregoing, the Tenant will comply with the following provisions:
 - (a) the Tenant will comply with any and all duties, obligations or liabilities under any relevant law in respect of the Lease Area and, including but not limited to any costs, expenses or liabilities for any remedial action for any pollution of the Lease Area

- caused by the Tenant, or those for whom the Tenant is at law responsible, during the Term;
- (b) the Tenant will provide Creston with immediate notice, in writing, of any contamination of the Lease Area or any condition on the Lease Area or that may result in any fines, penalties, orders, proceedings, investigations, litigation or enforcement proceedings, made or threatened by any third parties or governmental agencies upon becoming aware of such condition; and
- (c) the Tenant shall not discharge or cause or permit to be discharged or in any way to pass into the sewer systems, storm drains or surface drainage facilities on the Lands, any contaminants or other materials harmful to such systems as determined by Creston, in its sole discretion, and in the event of discharge or escape of such substances, the Tenant shall be solely responsible for all costs of clean-up to the satisfaction of Creston.

6.14 **Right to Enter and Inspect**

(a) The Tenant shall permit Creston to enter the Lease Area at all reasonable times to determine if the Tenant is complying with all its obligations under this Lease.

<u>ARTICLE 7 – INSURANCE AND INDEMNITY</u>

- 7.1 **Insurance** The parties agree as follows:
 - (a) Creston shall be responsible for and pay for all fire and other property damage insurance in respect of the Building;
 - (b) the Tenant shall be responsible for maintaining fire and property insurance on its own property in the Building and in respect of all activities carried on by it under this Lease;
 - (c) the Tenant shall be responsible for maintaining a general liability insurance policy with a limit of not less than Five Million Dollar (\$5,000,000), inclusive per occurrence for bodily injury and property damage;
 - (d) Creston shall be added as an additional named insured under the Tenant's insurance policies;
 - (e) the Tenant shall, immediately following the execution of this Lease and upon request by Creston from time to time, furnish Creston with evidence that such insurance is in force; and
 - (f) it shall be the full responsibility of the Tenant to determine its own additional insurance coverages, if any, that are necessary and advisable for its own protection

and/or to fulfill its obligations under this Lease. Any such additional insurance shall be provided and maintained by the Tenant at its own expense.

- 7.2 **Release** The Tenant hereby releases Creston and its elected officials, officers, employees, agents and others for whom Creston is responsible at law, from and against all demands and claims which the Tenant may have, now or in the future, in relation to this Lease, the Lease Area or the Tenant's use or occupancy of the Lease Area or any of the perils against which the Tenant shall have insured or pursuant to the terms of this Lease is obligated to insure.
- 7.3 **Indemnity** The Tenant will indemnify and save harmless Creston and its elected officials, officers, employees and agents from any liabilities, damages, costs, claims, suits, actions, demands, expenses (including actual fees of professional advisors), costs (including remediation costs and costs of compliance with applicable environmental legislation) and harm of any kind whatsoever arising from or related to:
 - (a) any death, bodily injury, property loss, property damage or other loss or damage occurring on or about the Lease Area; or
 - (b) the occupation, activities or actions of the Tenant, its members, directors, trustees, officers, employees, agents, licensees, contractors, subcontractors, volunteers, invitees and others for whom the Tenant is responsible at law (collectively, the "Tenant's Responsible Others"); or
 - (c) negligence, misconduct, wrongful acts or omissions of the Tenant or any of the Tenant's Responsible Others; or
 - (d) any breach or default of the Tenant under this Lease,

excluding any loss or claims relating to ordinary wear and tear or any loss or claims that arise from Creston's negligence or wrongful act.

ARTICLE 8 – DEFAULT, TERMINATION AND DISPUTE RESOLUTION

- 8.1 **Notice of Default** If the Tenant defaults in the payment of any money payable under this Lease or fails to observe, comply with or perform any of its covenants, conditions, agreements or obligation under this Lease, Creston may deliver to the Tenant a notice of default (in the manner required herein for giving notices) stipulating that the default must be rectified or cured within fourteen (14) days of the notice of default.
- 8.2 **Creston's Right to Perform** If the Tenant fails to rectify or cure a default within the time and in the manner specified in section 8.1 and if the default is one that can be rectified or cured by Creston, Creston may, without further notice to the Tenant, take all steps considered in its sole discretion necessary to rectify or cure the default and all costs of doing so, including the cost of retaining professional advisors, shall be payable immediately by the Tenant as additional Rent.

- 8.3 **Termination on Default** It is hereby agreed that Creston may, without further notice to the Tenant, terminate this Lease and re-enter and take possession of the Lease Area if the Tenant fails to observe, comply with or perform any of its covenants, agreements or obligations herein and the failure is not rectified or cured by the Tenant within the time specified in section 8.1. If Creston terminates this Lease, Creston retains the right to proceed at law against the Tenant for all loss or damage and costs.
- 8.4 **Costs** If the Tenant defaults on this Lease, the Tenant will pay to Creston's full costs, including legal costs arising from the default, whether before action or otherwise and, at the option of Creston, upon a solicitor and client basis.
- 8.5 **Remedies Cumulative** Creston's remedies in this Lease are cumulative and are in addition to any remedies of Creston at law or in equity.
- 8.6 **Dispute Resolution** If the parties to this Lease are unable to agree on the interpretation or application of any provision in the Agreement, or are unable to resolve any other issue relating to this Lease, the parties agree to the following process in the order it is set out:
 - (a) the party initiating the process will send written notice to the other party;
 - (b) the parties will promptly, diligently and in good faith take all reasonable measures to negotiate an acceptable resolution to the disagreement or dispute; and
 - (c) if the parties are unable to negotiate a resolution within 30 days of the date the written notice was sent advising of the dispute, the parties may request the assistance of a skilled mediator agreed to by the parties within 30 days written notice of a request to appoint a mediator by any party, failing which the mediator will be appointed by the B.C. International Commercial Arbitration Centre ("BCICAC"), and unless the parties agree otherwise, this mediation will follow BCICAC rules and will terminate 30 days after the appointment of the mediator.
- 8.7 **Cost Sharing for Mediator Process** Unless otherwise agreed by the parties or ordered by an arbitrator, each party will pay an equal share of the costs for the mediator process.
- 8.8 **Reverter** The Tenant acknowledges that in the event the Lease is terminated subject to sections 2.2 and 8.3, all improvements on the Lease Area, past and present (other than the Tenant's personal moveable property), shall become the property of Creston.

ARTICLE 9 – CONDITION OF LEASE AREA AT END OF TERM

- 9.1 **Removal of Tenant Property** Upon the expiration or earlier termination of this Lease, the Tenant shall surrender to Creston possession of the Lease Area, in good order, and shall remove all furniture and equipment from the Lease Area.
- 9.2 **Condition at End of Term** Upon the expiration or earlier termination of this Lease, the Tenant shall leave the Lease Area in a vacant, clean, neat, sanitary and uncontaminated condition satisfactory to Creston.
- 9.3 **Creston May Rectify** If the Tenant fails to leave the Lease Area in the condition required by this Lease, Creston may do so on behalf of the Tenant, and the Tenant shall, on demand, compensate Creston for all costs incurred by Creston.

ARTICLE 10 – GENERAL

- 10.1 **Notice** Any notice, document or communication required or permitted to be given hereunder shall be in writing and shall be deemed to be satisfactory if and deemed to have occurred when:
 - (a) sent by facsimile transmission, electronic transmission by email PDF or when delivered by hand, on the next Business Day following transmission or delivery; or
 - (b) mailed by prepaid registered mail, on the date received or on the fifth day after receipt of mailing by any Canada post office, whichever is earlier,

PROVIDED the notice is sent to the party at the address, email address and facsimile number provided herein or to whatever other address, email address or facsimile number Creston and Tenant may from time to time advise by written notice. If normal mail service is interrupted by strike, slowdown, force majeure or other cause, then the party sending the notice, document or communication shall fax, email or deliver such notice, document or communication in order to ensure its prompt receipt.

- 10.2 **Legal Costs** Each of Creston and the Tenant is responsible for its own legal costs in relation to the preparation and negotiation if this Lease.
- 10.3 **Own Cost** The Tenant shall perform all of its obligations, covenants and agreements under this Lease solely at its own cost.
- 10.4 **Law to the Contrary** This Lease shall enure to the benefit of and be binding on the parties notwithstanding any rule of law or equity to the contrary.
- 10.5 **Severance** If a court of competent jurisdiction holds any portion of this Lease invalid, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Lease.

- 10.6 **Governing Law** This Lease shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- 10.7 **No Waiver** Waiver by Creston of any default by the Tenant shall not be deemed to be a waiver of any subsequent default. A waiver is effective only if it is in writing.
- 10.8 **References** Every reference to each party is deemed to include the heirs, executors, administrators, successors, directors, employees, members, servants, agents, officers, and invitees of such party where the context so permits or requires,
- 10.9 **Amendment** The Lease may not be modified or amended except by an instrument in writing signed by Creston and the Tenant.
- 10.10 **No Joint Venture** Nothing in this Lease shall constitute the Tenant as the agent, joint venture or partner of Creston or give the Tenant any authority or power to bind Creston in any way.
- 10.11 **Charges on Title** The Tenant shall abide and observe all requirements and restrictions on the title to the Lands registered prior to the Commencement Date.
- 10.12 Other Disposition Creston reserves the right to grant rights of way, easements, covenants and other dispositions of the Lands, the Building and the Lease Area or any part of thereof in a manner consistent with this Lease and the Tenant shall execute any such document if requested by Creston. Creston shall make reasonable efforts to ensure that the activities of the Tenant are not impeded as a result of any grant under this section 10.12. To avoid uncertainty, but without limiting the generality of the foregoing, a right of way, easement, covenant or other disposition is not inconsistent with this Lease if it does not charge the Lease Area.
 - (a) such other leases as Creston in its absolute discretion considers necessary in respect of the portions of the Building other than the Lease Area.
- 10.13 **Entire Lease** The provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations, warranties, covenants and agreements whether verbal or written between the parties with respect to the subject matter hereof.
- 10.14 **Time of Essence** Time is of the essence of this Lease.
- 10.15 **Further Assurances** The parties shall execute and do all such further deeds, acts, things and assurances as may be reasonably required to carry out the intent of this Lease.
- 10.16 **Covenants and Conditions** All of the provisions of this Lease shall be deemed and construed to be conditions as well as covenants as though the words specifically expressing or importing covenants and conditions were used in each separate section.

- 10.17 **Estoppel Certificate** The Tenant will, upon request, execute and deliver a certificate certifying the current status of this Lease.
- 10.18 **Registration** This Tenant may not register this Lease in the Land Title Office.
- 10.19 **Enurement** This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective successors.
- 10.20 **Survival** Notwithstanding any other provision in this Lease, the Tenant's obligations under sections 3.2 [*Operating Costs*], 3.4 [*Taxes and Fees*], 6.8 [*Liens and Judgements*], 6.11 [*Repairs According to Notice*], 7.2 [*Release*], 7.3 [*Indemnity*], 8.2 [*Creston's Right to Perform*], 8.4 [*Costs*], 9.1 [*Removal of Tenant's Property*] and 9.3 [*Creston may Rectify*] will survive the expiration or earlier termination of this Lease.
- 10.21 **No Derogation** Nothing contained or implied in this Lease will impair or affect Creston's rights, powers and obligations in the exercise of its functions pursuant to the *Community Charter* or any other enactment, and all such powers and right may be fully exercised in relation to the Lease Area as if this Lease had not been entered into between the Tenant and Creston.
- 10.22 **Counterparts and Delivery** This Lease may be executed by the parties in counterpart and delivered by PDF email transmission and, if so executed and delivered, those counterparts will together constitute one and the same instrument and this Agreement will be for all purposes as effective as if the parties had delivered an executed original agreement.

[signature page follows]

As evidence of their agreement to be bound by the above terms, Creston and the Tenant each have executed this Lease on the respective dates written below:

TOWN OF CRESTON)
by its authorized signatories:	
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Name:)
Title:)
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Name:)
Title:)
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Date)
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CRESTON LIONS CLUB	
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by its authorized signatories:)
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SCHEDULE A

LEASE AREA

