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**June 2006**

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## **Background and Overview**

Curling has been part of the Kelowna area for over 100 years, starting on Widdup's and Bankhead Ponds, and in Fintry at the turn of the century. The Club incorporated in 1942 and was located on Water Street beside City Hall in 1951. In 1978 the 'new' building was located on Recreation Avenue, in a mutual agreement between the City of Kelowna and the Kelowna Curling Club society. The Club has a rich history of hosting events including the '68 Brier, '86 Pioneer World Ladies, '89 Scott Tournament of Hearts, '99 Canadian Juniors, 2002 World Juniors. The Club also played host to many less prestigious, but equally important tourism draws, such as the police, firefighters, telephone, and postal workers, wheelchair championships. The Kelowna Curling Club has provided world class conditions for use by the general public, as well as the high caliber athlete. And almost equally as important, provided a facility for trade and convention use, as well as a low cost meeting and training centre for local groups and athletes.

Some of the segments of our community that stand to directly benefit from use of the Kelowna Curling Club:

- Leagues – Seniors, Juniors, Disability, Legion, Teachers, ACT, etc
- School District 23 – curriculum enhancement, all grades, elementary to high school
- Private Schools – curriculum enhancement
- Community Organizations such as Girl Guides, Scouts, Orchard Valley Quilters Guild etc
- University of British Columbia – Faculty and Students
- Okanagan College – Faculty and Students
- Tourist to the Okanagan from around the world
- Community Fund Raising – Heart and Stroke Foundation, Kelowna Food Bank, Fire Relief 2003, CNIB, Viva Musica, Kinsmen, Knights of Columbus
- Disability groups – Wheelchairs, Special Olympics, Blind, Deaf, Mental Health etc
- Corporations – BC Fruit, Tolko, Scotiabank etc
- Non-Profit Groups – Rotary, Kokanees Gymnastics, Newcomers, Kelowna Model boat club, Royal Astronomical Society etc
- Sport – Pacific Sport, Sport Kelowna, Kelowna Youth Soccer, Big White Racers, Speed skating, , Coaches breakfasts etc
- Trade and Convention – Home Shows, Fire Chiefs, Auctions, BC Forestry Council, Sport Kelowna Camps, Elections BC, Elections Canada, Pet Shows, Apple Triathlon, Quilters Guild etc

Indirectly, the Central Okanagan tourism sector has another unique, reasonably priced attraction to promote as part of their offerings to visitors to our community, as well as being Trade and Conference space that is badly needed in the area. As a non-profit society the Kelowna Curling Club will spearhead the project to bring accessibility to this facility.

*“Community Partners building, promoting and enriching our curling heritage”*





Kelowna Curling Club  
Revenue Expense Plan 2006-2010

**REVENUES**

1. Membership/Fees and dues
  - In the 2005/06 season the Kelowna Curling Club had the highest dues in the interior of British Columbia.
  - Curling Monday night in Kelowna \$293.05, Winfield \$210.06, Kamloops \$215.22
  - The Board of Directors goal is that by 2010, Kelowna will be the best quality and the most competitively priced place to curl, in the Interior. Quantity and quality.
  - By holding our membership fees constant for the next 4 years, and getting our membership numbers back to our 1997 level, we will surpass our budget projections.
  
2. Bar and Kitchen
  - The Food and Beverage now accounts for 35% of the Clubs revenue.
  - The Club would have to raise its curling fees 42% to replace F&B revenue.
  - An improvement in the fit and finish of the facility will increase the length of time the members spend in the Club and purchasing food and beverage.
  - Improve member pride in the facility and the desire to spend time there.
  - Get the Membership levels get back to the 1997 level, and the level of consumption remains the same, the F&B budget will be met by 2010.
  - Increased trade and convention, because of elevator will dramatically increase the F&B.
  
3. Ice rentals
  - Ice rentals will increase with the ability to move seniors and disabled upstairs with an elevator.
  - A stabilization of ice rental fees will bring back tournaments that have been lost to Winfield due to cost.
  - Improvement in fit and finish will increase the desire to host events in Kelowna.
  
4. Bonspiels
  - With adding 2 events per year from the National Wheelchair Training Centre, Kelowna can realize a doubling of Bonspiel revenue.
  - The ability to host additional events because of the elevator will directly result in additional bonspiel revenue.

- Improvement in fit and finish will increase the desire to host events in Kelowna.

5. Facility Rentals (off season)

- Improvement in fit and finish will increase the desire to host events in Kelowna.
- The ability to host additional events because of the elevator will directly result in additional facility rentals, especially trade and convention.
- Disability and Senior focused rentals will have a Trade and Convention space suited to their needs.

## EXPENSES

### 6. Lease

- In 1978 the Kelowna Curling Club and the City of Kelowna reached an agreement that saw the Kelowna Curling Club pay \$60,000 a year for 20 years to pay for the construction costs plus interest on the building of the largest curling club in British Columbia. For a total of \$1.2 million see attached payment schedule A – page 10
- In 2006 the Kelowna Curling Club has paid over 2.3 million to the City because the City of Kelowna insisted on taking the bond (mortgage) out in US dollars.
- In 1988 the Club re-negotiated with the City to fix its payments at \$77,500, after having successive years of paying over \$100,000.
- In 1998 the Club re-negotiated to pay \$77,500 for 9 years to pay off the added amount for US dollars and interest, the remainder of the 25 year lease sees the Club paying \$7,500
- The Kelowna Curling Club seeks the last 2 years of the \$77,500 and the next 5 years at \$7,500 be re-invested in the facility that the City currently owns.
- The Kelowna Curling Club has yet to make its December 2006, and 2007 payments to the City.

### 7. Repairs

- Until capital is spent to replace 28 year old HVAC system, repair costs are expected to remain steady.
- Current BC Safety Authority mandates force the KCC to update its staff, and keep two class fives on staff, staff straining falls under repairs.
- The compressor room needs several items, including a shower and eye wash station to meet WCB code.

### 8. Supplies and Maintenance

- As usage increases, so do costs of operating the building.

### 9. Volunteers

- In 2006 the Kelowna Curling Club applied for a grant to train its volunteer force, to make it more capable to deal with the increase in events and members. The Club wishes to train bus drivers, hosts, and Volunteer Management, as well as coaches and officials.
- If funding is received, then the Club will institute this program on an annual basis.
- 200 community hours of volunteer time are required to be a volunteer at the 2010 Winter Olympics

#### 10. Utilities

- 2005 Kelowna Curling Club installs a heat recovery system on its ice plant, at current prices this should save the club \$15,000-\$20,000 a year.
- Loan payments from the City of Kelowna on the heat recovery system are \$18,400 a year, and ends in 2009. The payments are coming out of utilities where the savings is coming from.

#### 11. Capital

- In 2005 the Club spent \$76,400 on making the building greener by installing a heat recovery system to replace the 4 gas heaters in the arena.
- 2005 the Club was forced to update the doors and back room by the BC Safety Authority, total cost was \$15,000.
- 2006 Replace 15 year old carpeting (\$55,000) repair and replace ceiling tile (\$48,000), Upstairs washrooms make wheelchair accessible (\$21,000), Downstairs washrooms make wheelchair accessible (\$21,000), Install Elevator (\$200,000)
- 2007 Replace 2 heating and air conditioning units (\$21,000), Start replacing 30 year old furniture (\$20,000), locker room repairs (\$15,000), install windows in windowless upstairs lounge (\$10,000)
- 2008 Replace 2 heating and air conditioning units (\$21,000), replace more of the 30 year old furniture (\$20,000), Expand and update the less then 300 square foot kitchen (\$50,000), replace wood fireplaces with electric (\$6,000)
- 2009 Replace final old furniture (\$20,000)

#### 12. Capital Reserve

- 2010 will see the Kelowna Curling Club start to put money aside for the planned re-build of the facility.
- This is 12 years after the club had planned on starting the re-build fund.
- The planned re-build year would be 2028, and the Club will need 16 sheets to meet demand, cost will be approximately \$20,000,000 at current costs plus inflation







## Comparison with other Facilities in the Region 2005/06

### Winfield Curling Club

One night	\$186.81 tax included
Capital Fee	12.25
Assoc.	11.00
	<u>          </u>
	\$210.06

Winfield Curling Club facility is owned by the City of Lake Country and the Curling Club rents it for \$2,600 a month 8 months a year. The city pays for the power, repairs and operation of the ice plant. The city pays for the power and water for the lounge and the club pays for the heat in the curling arena, as well as the painting of the building, and furniture repairs. Formerly, the WCC was rented for a lower fee from the Central Okanagan Regional District, which is supported financially by the City of Kelowna.

### Vernon Curling Club

One night	\$196.35 tax included
Capital Fee	35.00
Assoc. Fee	12.00
	<u>          </u>
	\$242.35

Vernon Curling Club owns their building and the city of Vernon owns the land. The lease is \$1. a year, and the city rents the curling arena back for \$5,000 in the off-season. The ice plant is a shared use and cost, with the repairs, utilities and purchases being paid 1/3 by the club and 2/3 by the city. The ice plant is operated 100% of the time by the city (RecEx), with precludes the Curling Club from paying for Class 5 Refrigeration technicians 7 hours a day.

### Kamloops Curling Club

One night	\$215.22 tax included
Assoc. Fee	inc
	<u>          </u>
	\$215.22

### Kamloops Curling Club

Kamloops Curling Club owns their building, and the city owns the land. The Club pays \$1. lease and no property taxes. The club pays for their own plant repairs and utilities.

### Kelowna Curling Club

One night	\$230.05 tax included
Memb. Fee	50.00
Assoc.	13.00
	<u>          </u>
	\$293.05







THIS INDENTURE made the 27 day of November, 1977  
in pursuance of the Short Form of Leases Act.

BETWEEN:

CITY OF KELOWNA,  
a municipal corporation having  
its offices at 1435 Water Street,  
in the City of Kelowna,  
Province of British Columbia

(hereinafter called the "City")

OF THE FIRST PART;

AND:

KELOWNA CURLING CLUB,  
a Society duly incorporated under  
the provisions of the Societies Act  
of the Province of British Columbia  
and having its registered offices at  
1421 Water Street, in the City of  
Kelowna, Province of British Columbia

(hereinafter called the "Curling Club")

OF THE SECOND PART.

WHEREAS the City is the owner of the lands and premises herein;

AND WHEREAS the City is desirous of continuation of the sport  
of Curling within the City of Kelowna and has therefore agreed to grant this lease  
under the terms and conditions set out herein;

DEMISE

1. WITNESSETH THAT the City in consideration of the rents,  
covenants, conditions and agreements hereinafter respectively  
reserved and contains, doth demise and lease unto the  
Curling Club and the Curling Club does hereby lease from  
the City all and singular those certain parcels or tracts of  
land and premises, situate, lying and being in the City of  
Kelowna, Province of British Columbia, and more particularly  
known and described as that portion of:

Part of Lot B /

Plan 18028, and /

Part of Lot 2 /

Plan 19829 /

Section 25 /

Township 25,

Osoyoos Division Yale District

as more particularly shown outlined in red on the plan attached hereto together with all improvements now or hereafter erected thereon (hereinafter called the "premises").

2. To have and to hold the same unto the Curling Club for the term of twenty (20) years commencing on the ~~6<sup>th</sup>~~ day of *November*, 1978, yielding and paying therefore unto the City during the said term a rent payable at the office of the City in advance on the 1st day of December, in each year during the term hereof in an amount equal to the annual debt charges payable by the City to the Municipal Finance Authority on its Capital Borrowing on the loan of Seven Hundred and Forty Thousand Dollars (\$740,000.00) borrowed for the construction of the Curling Facility.

CURLING CLUB'S  
COVENANTS

3. ~~The Curling Club covenants with the City:~~

- (a) ~~To pay rent and to pay all taxes, rates, duties, charges and assessments of every nature and description levied against the premises by the City or any other agency;~~
- (b) To pay water, sewer and garbage rates and to pay for all gas, telephone and electric light and power used on the premises;
- (c) To pay any business license charged by the City for the operation of the whole or any part of the premises;
- (d) To pay for all heat, air conditioning used upon the premises;

REPAIRS

- (e) And to repair:

And that the City or its agents may enter and view the state of repair and the Curling Club will repair according to notice;

- (f) And that the Curling Club will leave the premises in good repair;

ASSIGNMENT

- (g) And will not assign without leave;

SUBLETTING

- (h) And will not sublet small concession areas without leave, such leave not to be unreasonably withheld, provided, that the Curling Club shall not be precluded from granting a license for persons to occupy any part of the premises on a day to day basis for a consideration to be charged by the Curling Club;

- (i) And shall not suffer or permit any act or neglect which may in any manner, directly or indirectly, cause injury or damage to the premises or any part thereof;

- NUISANCE
- (j) And will not carry on or do, nor allow to be carried on or done on the premises any sales by auction, nor any work, business, occupation, act or thing whatever which may be or become a nuisance or annoyance to the City, or the public or any person occupying adjoining property;
  - (k) And will not do or permit anything to be done whereby any policy of insurance on the building or any part thereof may become void or voidable;
- LIABILITY INSURANCE
- (l) And shall maintain at the Curling Club's sole expense, property damage and public liability insurance in a form and amount satisfactory from time to time to the City and with insurers acceptable to the City and to deliver promptly to the City a copy of each such policy of insurance and every such policy of insurance shall include the City as an additional named insured and shall be more particularly as set out herein:
- BY-LAWS
- (m) And shall abide by and comply with, at its own expense, all laws, rules and regulations of every authority including the City which in any manner relate to or affects the Curling Club's use of the premises and to save harmless the City from all costs, charges or damages to which the City may be put or suffer by reason of any breach by the Curling Club of any such rule, regulation of law;
- ALTERATIONS
- (n) And will not make any alteration or addition to the structure, plan or partitions of the premises without first obtaining the approval of the City;
- SAVE HARMLESS
- (o) And will indemnify and save harmless the City from and against all and all manner of claims for liens, for wages or materials, or for damage to persons or property caused during the making of or in connection with any repairs, alterations, installations and additions which the Curling Club shall make or cause to be made on the premises.
- SAVE HARMLESS
- (p) And will indemnify and save harmless the City from and against all and all manner of actions or causes of actions, damages, loss, costs or expenses which the City may sustain, incur or be put to by reason of the occupation or use of the premises by the Curling Club or the carrying on upon the premises of any activity in relation to the Curling Club's occupation and use of the premises and in respect of any loss, damage or injury sustained by any person while on the premises or upon other lands or buildings of the City in the course of ingress to or egress from the premises for the purpose of doing business with the Curling Club or otherwise dealing with the Curling Club;

- MEMBERSHIP (q) And that it will maintain the building located upon the premises as a club house and curling rinks for its members during the term hereof and that all adult residents of the City of Kelowna will be eligible for membership in it and that the annual membership fee for each member shall be not more than such sum as may be mutually agreed upon from time to time by the City and the Curling Club;
- SURRENDER (r) And that the expiration or sooner determination of this lease will peaceably surrender and give up possession of the premises without notice from the City, any right to notice to quit or vacate being hereby expressly waived by the Curling Club, any law, usage or custom to the contrary notwithstanding;
- CITY'S COVENANT 4. The City covenants with the Curling Club for quiet enjoyment.
- MUTUAL COVENANTS 5. Provided always and it is hereby agreed:
- (a) That the whole contract and agreement between the parties hereto is set forth herein, that the Curling Club has leased the premises after examining the same, that no representations, warranties or conditions have been made other than those expressed or implied herein and that no agreement collateral hereto shall be binding upon the City unless it be made in writing and signed by the City;
- WAIVER (b) That no waiver of nor neglect to enforce the right to forfeiture of this lease or the right of re-entry upon breach of any covenant, condition or agreement herein contained shall be deemed a waiver of such rights upon any subsequent breach of the same or any other covenant, condition or agreement herein contained;
- ADDITIONAL RENT (c) That if the City shall suffer or incur any damage, loss or expense or be obliged to make any payment for which the Curling Club is liable hereunder by reason of any failure of the Curling Club to observe and comply with any of the covenants of the Curling Club herein contained then the City shall have the right to add the cost or amount of any such damage, loss, expense or payment to the rent hereby reserved, and any such amount shall thereupon immediately be due and payable as rent and recoverable in the manner provided by law for the recovery of rent in arrears;
- DAMAGE BY FIRE (d) That in case the premises or any part thereof shall, at any time during the term hereof, be burned down or damaged by fire, lightning, explosion or tempest so as to render the same unfit for the purpose of a Curling Club, this lease may be terminated by either of the parties hereto, and in that event:

- (i) insurance monies shall be made payable in case of loss to the City and the measure of loss suffered by the Curling Club shall be determined solely by the City of Kelowna.

INSOLVENCY

- (e) That in case the Curling Club shall become insolvent or bankrupt or make an assignment for the benefit of creditors, or should the proceedings be taken to wind up the Society, or in the case of the non-payment of rent at the times herein provided, or in the case the premises or any part thereof become vacant and unoccupied for a period of sixty (60) days or be used by any other person or persons or for any other purpose than as hereinbefore provided, without the written consent of the City or should any of the other covenants to be performed by the Curling Club not be performed, this lease, shall at the option of the City, cease and be void, and the term hereby created expire and be at an end, anything herein to the contrary notwithstanding and the then rent and all additional rent shall thereupon immediately become due and payable, and the City may re-enter and take possession of the premises as though the Curling Club or other occupant or occupants of the premises were holding over after the expiration of the said term and the term shall be forfeited and void;

INSURANCE

- 6. The City shall insure and keep insured at the cost of the Curling Club the building and all related facilities at replacement value against loss or damage by fire, lightning, tempest and such other casualties as are customarily insured against under insurance contract normally entered into from time to time on buildings and premises of a character similar to the building and premises and facilities herein for such an amount as, in the opinion of the City, is necessary to protect the City against such loss or damage. The Curling Club shall maintain at all times public liability insurance on all operations of the Curling Club to the satisfaction of the City as hereinbefore provided. Fire insurance coverage shall be maintained at replacement value during the term hereby demised and shall be payable to the City in the event of loss.

GROUND



~~The Curling Club further covenants and agrees that at its cost it will keep the grounds surrounding the said building, suitably landscaped in keeping with the type and character of all buildings on the land.~~

- 8. The Curling Club shall keep the premises and approaches thereto free of ice and snow and shall provide receptacles for rubbish of all kinds and will attend to the removal of the same from the premises and will not leave or accumulate any boxes, packing material or other rubbish of any kind on the premises and will not do or allow to be done on the premises anything that will increase the premium rate of insurance on the said building or invalidate any policy of insurance on the premises.

CHATELS

9. That the Curling Club may, at or prior to the expiration of the said term hereby granted or within ten (10) days after the termination of the said term, take, remove and carry away from the premises only business and trade fixtures and furniture, PROVIDED that the Curling Club shall, at its own expense, repair any damage to the premises or to the building caused by such removal or by the original installation. The Curling Club shall remove all or any part of such property at the expiration of this lease and such removal shall be done at the Curling Club's expense and the Curling Club shall, at its own expense, repair any damage to the premises or the building caused by such removal. If the Curling Club does not remove its property forthwith after written notice by the City to that effect such property shall, if the City elects, be deemed to become the City's property or the City may remove the same at the expense of the Curling Club and the cost of such removal and any necessary storage charges shall be paid by the Curling Club forthwith to the City on written demand. The City shall not be responsible for any loss to such property because of such removal.
10. The Curling Club acknowledges and agrees that notwithstanding anything else contained herein, this lease shall be completely carefree net Lease for the City as applicable to the demise premises and the City shall not be responsible during the term of the Lease for any costs, charges, expenses or outlays of any nature whatsoever in respect of the lands, buildings and improvements or the contents thereof.

RE-ENTRY

11. PROVISIO for re-entry by the City on non-payment of rent, or non-performance of covenants. The City in pursuance of this proviso shall have the right to break into the premises to obtain possession thereof and the Curling Club hereby waives all claims for damages to or loss of any of the Curling Club's property caused by the City in re-entering and taking possession of the premises.

TERMINATION

12. Notwithstanding any other provision contained herein this Lease shall terminate no later than twenty (20) years from the date of commencement of the term herein, and the City shall at the expiration of this term take possession of the premises for exclusive use of the City for whatever purpose the City deems appropriate or necessary.
13. It is acknowledged and agreed that upon the termination of the Lease, the land, buildings and all improvements thereon except for business and trade fixtures and furniture as hereinbefore specifically provided for, shall become the property of the City absolutely.



### **Where do we want to go?**

The Kelowna Curling Club wants to renew its reputation as the best curling facility in Canada. An update to its 28 year old structure and interior is required, as well as ensuring it meets both social and building codes. In the next 5 years, the interior will be re-floored, painted, and styled to be current. Access to all will be built in to the building in the washrooms and lounge, as well as giving access to the upstairs viewing lounge. Trade and Conference space will now be available in the off season. The Kelowna Curling Club will then be able to actively bid on Major Events, such as the Scott Tournament of Hearts, the World Men's and World Women's championships. The Kelowna Curling Club society wishes to continue as a self sufficient entity, and has been working for over 65 years with that in mind.

### **How are we going to get there?**

The Kelowna Curling Club is a non-profit society, and has been since 1942. The society came into the new building with a surplus of over \$100,000 in 1978. Since that time the Society has invested over \$400,000 into the capital of the building and has over paid the mortgage by \$1.1 million. The surplus is now gone, and the society dips into over-draft every summer. The Society is working hard to find additional funding, but requires \$600,000 to stop the decline of the best curling facility in the country.

- The Kelowna Curling Club is asking that it pay the final 2 years of lease \$77,500 (X 2) to the City, and in return the City allows the society to invest it in the building.
- The Society is asking that the City provide additional funding of \$242,000 in 2007 to make the building wheelchair accessible.
- The Society will apply for grants to assist with the capital improvements that relate to the disability accessibility. This may be as much as \$100,000 the first year and \$50,000 the second year. The Club currently relies upon BC Lottery Corporation for \$25-30,000 a year for subsidizing Disabled and Youth programs.



#300-2000 Spall Road,  
Kelowna, B.C. V1Y 9P6  
Tel: 250-860-2331  
Fax: 250-860-2066  
Email: l-scont@silkh.net

General Contractors • Commercial • Industrial • Design Build • Construction Management

May 19, 2006

Kelowna Curling Club  
551 Recreation Avenue  
Kelowna, B.C.

Attn: Sheldon Paulger

Re: Renovations to Curling Club

## **QUOTATION**

Windows to Upstairs Lounge

Our quotation includes the following items -

- Add four windows (approximately 3'6" wide by 4'0" wide) to east wall of lounge area.
- Patch and paint affected wall as required.

Total for labour, materials and subcontract work - \$ 9,360.00 (GST not included)

Handicap Requirements for Bathrooms

Our quotation includes the following items -

- Alterations to Men's and Ladies Bathrooms on main floor to accommodate handicap access.
- Replace existing bathroom entrance doors with 3'0" wide units.
- Move toilets and urinals as required, remove one toilet in ladies bathroom.
- Replace one faucet in each bathroom with handicap levers.

- Alter existing counter in each bathroom for knee-hole clearance.
- Remove and replace existing wall tile.
- Patch floor tile as required.
- Remove and replace bathroom partitions to suit new layout.
- Paint walls and new doors.

Total for labour, materials and subcontract work - \$ 20,970.00 (GST not included)

## **BUDGET**

### ***Elevator at South East Corner of Building***

Our budget includes the following items -

- New elevator for handicap access to second floor.
- Elevator as per Kone Elevator proposal.
- Two-storey masonry structure, approximately 16' square to house elevator, electrical room and lobbies.
- Wood frame second floor and roof structure.
- 2 ply torch on roofing with rigid insulation.
- Double metal doors for second floor access and main floor entry/exit.
- T-bar ceilings to both floors.
- Painting to interior walls and doors.
- Electrical for elevator, lighting, heating and utility outlets.
- Fire sprinklers and alterations to fire alarm system.

Please note that architectural or structural engineering fees are not included but will be required for this project.

Total for labour, materials and subcontract work - \$ 186,900.00 (GST not included)

Please call if you have any questions.

Yours truly,  
**L&S CONTRACTING LTD.**  
Kris Marteinson  
Estimator

## Kelowna Curling Club - Tenant Improvements 2006

### Preliminary Budget

**DRAFT ONLY - FOR DISCUSSION AND  
FUTURE PLANNING ONLY**

11-May-06

Construction Cost / area 84.08465479

861.0

m2

Project Cost / area \$ 790.40

Description	Comments	Unit	Quantity	Unit Price	Amount
Machine Room	COMPLETED			-	\$0
Heat Recover System	COMPLETED			-	\$0
Replace floor covering	Commercial carpet, upstairs & down (or commercial sheet vinyl)		1521.2	40.00	\$60,848
Upgrade Ladies/Mens Lockers	Estimate seems reasonable. Depends on extent of remodeling / lockers				\$10,000
Accessibility - Downstairs washrooms (2)	New partitions, door, paint, counter, fixtures		2.0		\$45,000
Accessibility - Elevator	15'x15' lobby & elevator, conc block, 2nd storey landing		1.0		\$150,000
Accessibility - Upstairs washrooms (2)	New partitions, door, paint, counter, fixtures		2.0	-	\$45,000
Accessibility - Automatic Entrance Door			1.0		\$2,000
<b>Subtotal</b>					<b>\$312,848</b>
Replace ceiling tile - Upstairs and down	Medium quality, acoustic tile, paint grid		1428.0	37.67	\$53,798
Replace 3 27-year old HVAC units	Estimate seems reasonable. Depends on model and sizes		1.0		\$40,000
Upgrade kitchen	Estimate seems reasonable. Depends on extent of renovation		50000.0	-	\$0
Replace furniture	Depends on user selection				\$50,000

Install windows in Lounge	Assume 15m2 glazing. Requires input & design by Structural Engineer		15.0		\$20,000
Replace gas fireplaces w/electric inserts (2)	Estimate seems reasonable. Depends on model and sizes				\$6,000
<b>Subtotal</b>					<b>\$ 169,798</b>
<b>Total</b>					<b>\$ 482,646</b>
Contingency	Design, construction, escalation		482645.9	25%	\$120,661
Fees	BP Fees		482645.9	1%	\$4,826
Fees	Design Fees		482645.9	15%	\$72,397
Misc	?				
<b>Grand Total</b>					<b>\$ 680,531</b>

**Assumptions:**

No allowances are made for electrical, water, plumbing, hvac, or other system upgrades  
No allowance is made for structural upgrades to roof/wall for 2nd storey windows  
Consider 80 \$/ft2 to demo and update upstairs  
No allowances are made for lighting upgrades. Lighting upgrades would improve ambiance, luminance, etc.  
No allowances are made for furniture, kitchen equipment, etc.  
Design and BP fees may be reduced if some of work is done as part of a separate maintenance program or furniture purchase  
No allowance is made for Development Cost Charges, if applicable  
Elevator lobby is not designed to eventual Tennis Building build-out  
Contingency allows 10% for design changes and 10% for 5 months escalation. 2007 and 2008 phases require additional allowances for escalation  
No allowances are made for foyer except for powered door operator  
No allowances are made to bring foyer stairs to code

**DRAFT ONLY - FOR DISCUSSION AND FUTURE PLANNING ONLY**



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By accepting this Business Plan, the recipient agrees to keep the information contained herein or made available in connection with any further investigation of the KCC, in strict confidence and use such information only for purposes of evaluating a transaction with the KCC.