

**Memorandum of Understanding (“MoU”)**  
between the  
**Mayne Island Improvement District (“MIID”)**  
and the  
**Mayne Island Health Centre Association (“MIHCA”)**

This MoU defines the responsibilities, duties and authorities of the MIID and the MIHCA with respect to the operation of the Mayne Island Health Centre from 1 January 2007.

The Mayne Island Health Centre (“Health Centre”) consists of two buildings (the “buildings”) on the eastern side of the MIID property on Felix Jack Road. The major building has been historically referred to as the “Health Centre”. The minor building was erected recently to provide storage facilities for Emergency Services equipment and supplies as well as Medical Supplies. The major building has two long-term tenants, our medical doctor (“Doctor”) and the Vancouver Island Health Authority (“VIHA”). These long-term tenants rent most of the space on the upper floor of the major building. Other time-to-time rentals of the remaining space are available for visiting practitioners and medical specialists as well as to community health-oriented clubs and groups.

The MIID, by virtue of its Letters Patent as amended in 1983, has as one of its objects “... *the operation of the Mayne Island Health Centre and the acquisition, maintenance and operation of works, buildings and equipment for these purposes and all matters incidental thereto.*” By a recent decision of the British Columbia Attorney-General this object includes the operation and maintenance of a heliport solely for medical evacuations.

In general, the MIID would act as a landlord for the Health Centre and would be responsible for the provision of the building and building-related services; the MIHCA, the long-term tenants, any short-term tenants and casual users would be responsible for providing all the furniture, non-building related equipment, communications and computer equipment that they would use in their practices and meetings. The MIID has agreed to share responsibility for operating the Mayne Island Health Centre (“Health Centre”) with the MIHCA.

More specifically, the MIID will:

1. assume the normal responsibilities of a landlord for the Health Centre buildings. The MIID will be responsible for funding and maintaining the buildings in a fit state for the delivery of various medical consultation services, medical emergency services and community health services to the community. This shall include maintenance and upkeep for:
  - a. the building structure,
  - b. all external and internal structural surfaces,
  - c. heating, ventilation and air conditioning,
  - d. potable water supply,
  - e. electrical power,
  - f. plumbing and fixtures,
  - g. lighting, and
  - h. emergency power generation.
2. provide regular cleaning services of the interior of the building to ensure that is maintained in a fit state for the delivery of the medical and community health services.
3. maintain and keep clear the parking areas and roadways in the area of the Health Centre.
4. maintain and improve the grounds around the Health Centre.

5. provide a Manager for the building and related services. The Manager will report to the Board of Trustees for the MIID and will be the primary contact for the regular tenants of the buildings with respect to building services.
6. maintain and operate the Mayne Island Medevac Heliport.
7. convene a regular forum for discussion with the Doctor, VIHA, MIHCA and others with respect to required or recommended improvements of buildings and/or building conditions and facilities.
8. define the controls for security of access to the Health Centre. There will be at least 2 levels of control for access to secure areas and a single level for the public use areas. The MIHCA has been provided with keys to the public use areas within the Health Centre. Should the MIID decide to change locks and/or keys the MIHCA will be provided with a limited number of non-copyable keys for access to the public use areas only.

The MIHCA will:

1. continue to provide assistance to the Doctor, VIHA and other health/medical professionals in promoting a healthy living environment in our community.
2. continue to separately fund-raise to provide specialized health and medical equipment, furniture, telephones and other facilities as requested or suggested by health service providers and others. The MIHCA will specifically provide hard-wired long-distance telephone access to key emergency areas such as the Emergency Room and Doctor's office.
3. manage the allocation, scheduling and use of the rooms and spaces within the main building for the provision not already rented by the long-term tenants. The MIHCA may provide keys (from the keys supplied by the MIID) to those regular short-term users as they see fit providing that the MIHCA promptly notifies the MIID of the responsible individuals for any such short-term user.

The MIID will be responsible for and collect all rent payments received from the long-term tenants. Long-term rental payments will be applied to the maintenance and upkeep of the building and building services.

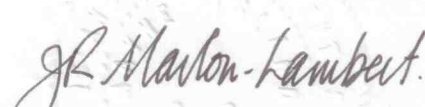
The MIHCA will be responsible for and collect all short-term and occasional room rental fees. These short-term rental payments will be applied to the costs of the MIHCA in providing community-related health services.

The MIID will properly account for all costs and revenues associated with the operations of the Health Centre that it manages as per this MoU. A copy of the annual report for the MIID will be provided to the MIHCA after approval at the Annual General Meeting of the MIID. The MIID will annually prepare, approve and present an annual Budget to the Ministry of Community Services which will include *inter alia* Operating and Capital Cost estimates for the Health Centre and Heliport during the following calendar year. The MIID will further recover all costs for administering, operating and maintaining the Health Centre and the Heliport in excess of anticipated rental payments directly from the land owners on Mayne Island.

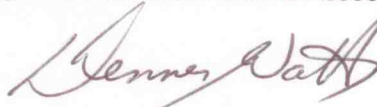
The MIHCA will properly account for all costs and revenues associated with the operations of the Health Centre that it manages as per this MoU. A copy of the annual report for the MIHCA will be provided to the MIID after approval at the Annual General Meeting of the MIHCA.

Agreed to this 18th day of October 2007

Mayne Island Improvement District

Per:   
 Jim Marlon-Lambert  
 Chair, Board of Trustees

Mayne Island Health Centre Association

Per:   
 Dennis Watts  
 Chair, Board of Directors