

LADYSMITH MARITIME SOCIETY

WATER LOT AGREEMENTS

Q AND A

Q: How did the relationship between the Town and LMS begin?

A: In 1999, the Town of Ladysmith applied to the Province for a Head Lease on Water Lot DL2016 for the “moorage and storage of boats and operation of the Ladysmith Maritime Society”. The LMS had occupied the Water Lot since 1985 under short-term rentals with the Town.

Q: What started this current issue over the water lot lease and agreements?

A: In 2022 the Province and the Stz’uminus First Nation (SFN) signed a Reconciliation Agreement that, among other things, will transfer the water lot lease the marina is situated on to SFN. The Town agreed to the early transfer of the lease to SFN and LMS was advised that new agreements would need to be negotiated.

Q: What agreements does LMS currently have and when do they expire?

A: LMS has a License Agreement to occupy the water lot DL2016 and a Management and Operating Agreement to operate LMS activities, including the marina, until December 31, 2029.

Q: Why does LMS need to sign new agreements to remain on the current site?

A: When the Town of Ladysmith agreed to transfer their interests in the water lot lease 6 years early we were advised we needed to sign new agreements with the new lease holder, SFN.

Q: Who is the Coast Salish Development Corporation (CSDC) and why are they involved?

A: The CSDC is the economic development arm of the SFN. The agreements will be between CSDC and LMS.

Q: What discussions have occurred between LMS and the Coast Salish Development Corporation (CSDC) to try to achieve these agreements, and why have they stalled?

A: Lawyers for the parties met twice with limited progress. LMS sent an email on October 21 to CSDC indicating optimism that an agreement could be reached and proposing a meeting of the principles to deal with substantive issues. That email and subsequent phone calls to CSDC have not been returned.

Q: Why did the Town of Ladysmith send LMS two notices demanding that LMS vacate the water lot and remove all their assets by December 31, 2023?

A: Unfortunately we can’t answer that one for you, we don’t know. You’ll have to ask the Town.

Q: What is the current position of the LMS Board regarding the signing of new agreements?

A: We would like to see the current agreements honoured with a simple change of name to the new landlord, the CSDC. We are open and willing to discuss changes to the agreements to reflect a strong working relationship with SFN and the CSDC in the future.

Q: What are the agreement violations that the Town of Ladysmith mentioned in their Information Release?

A: LMS has never been formally advised of any violations of our agreements. We are open to discussing directly any of the Province's concerns and will correct any true violations.

Q: What will happen on December 31, 2023 if an agreement isn't achieved?

A: We are optimistic that the marina will still be operating on January 1, 2024 but are not sure of who will be the operator at this point.

Q: is LMS considering legal action to defend its position?

A: LMS has retained legal counsel and they are asserting our interests relative to our current lease to 2029.

Q: Have discussions occurred with the new Chief and SFN Council?

A: A recent meeting was held with the Stz'uminus first Nation, the Town of Ladysmith and LMS. We are optimistic.

Q: What are the key differences between the current agreements and the proposed agreements?

A: There are a number of differences and points for further discussion as identified by CSDC. Some of them are:

- The term is proposed to be 3 years instead of the current 6.
- The agreement renewal clause at the end of the term has been removed.
- The provided agreement includes a new "non-exclusive" clause
- The provided agreements indicate that the marina assets will revert to CSDC if the agreements are not renewed. We believe a charitable organization cannot transfer assets to a for-profit corporation.

Q: Drawing of DL2016 shows that it extends into the boat launch – is LMS responsible for its operation?

A: No. We occupy only a portion of the Water Lot for the operation of the marina

Q: Who owns the assets and marina improvements?

A: LMS retains title to and ownership of the improvements and assets as long as we have a License Agreement and Management and Operating Agreement. The Crown retains the assets upon termination of the Agreements.