

COUNCIL POLICIES AND PROCEDURES

SECTION - D

PROPERTY - SALE/PURCHASE POLICIES

SUBJECT: Leasing of Surplus Schools & Buildings Number D-2

APPROVAL DATE: May 14, 2008

PREAMBLE: It shall be the policy of Council to offer schools declared surplus to incorporated community groups to use for the benefit of the local community under standard lease conditions. It shall also be the policy of Council to ensure that properties owned by the Municipality but occupied by others shall have adequate insurance coverage.

TERMS: Buildings (including surplus schools) which are not required for a municipal purpose may be designated for a community purpose and any group registered as a non-profit organization and incorporated under the Society's Act of the Province of Nova Scotia may enter into a lease agreement with the Municipality under the following conditions:

1. The building shall be used for the benefits of the entire community;
2. The building will be offered for a term of twenty-one (21) years, or less;
3. The Municipality shall purchase fire and property insurance with the cost of insurance to be recovered from the tenant.
4. The tenant shall be responsible to obtain insurance sufficient to cover their own fixtures and equipment.
5. The organization shall obtain prior approval from the Municipality before carrying out major renovations to the building.
6. The building shall revert back to the Municipality if it ceases to be used for the purpose of the association;
7. All standard lease conditions shall be included as well as any other conditions Council deems necessary;

8. Lease fees shall be at the discretion of Council.
9. The lease shall pertain to the building and equipment only and will have no affect on the contents of the building.

Minimum Insurance Requirements

1. Buildings shall not be insured for an amount less than the appraised depreciated value of the building as of the date of the execution of the Lease or any subsequent value as a result of renovations.
2. The policy shall be in the name of **The Municipality of the District of Guysborough.**
3. The policy to provide coverage on the building against Fire, Extended Coverage and Vandalism/Malicious Acts;
4. The policy may carry deductibles which shall not exceed \$500.00;
5. The policy is to be in effect from the effective date of the lease.
6. The policy to contain a cancellation clause providing that 15 days written notification by registered mail be given to the Municipality in the event of cancellation for any reason.
7. That the policy provide third party liability insurance for an amount not less than \$1,000,000.00.