

CORPORATION OF THE COUNTY OF DUFFERIN

BY-LAW NUMBER 2020-39

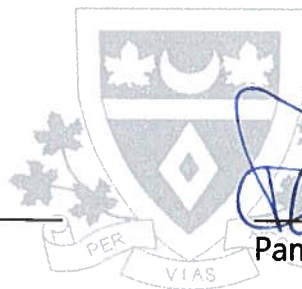
A BY-LAW TO RATIFY THE ACTIONS OF THE WARDEN AND CLERK FOR EXECUTING AN AGREEMENT BETWEEN THE CORPORATION OF THE COUNTY OF DUFFERIN AND UPPER GRAND DISTRICT SCHOOL BOARD. (Lease Agreement – Mel Lloyd Centre)

BE IT ENACTED BY THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE COUNTY OF DUFFERIN AS FOLLOWS:

1. That the agreement between the County of Dufferin and Services and Upper Grand District Board, in a form substantially the same as attached hereto as Schedule "A" be approved.
2. That the staff of the County of Dufferin is hereby authorized to take such actions as are appropriate, and the Warden and Clerk are hereby authorized to execute such documents as are appropriate to implement the agreement referred to herein.

READ a first, second and third time this 16th day of April, 2020.



Darren White, Warden

Pam Hillock, Clerk

ARTICLE 1 - Basic Terms and Definitions	3
1.1 Basic Terms	3
1.2 Definitions	4
ARTICLE 2 - Demise and Term.....	6
2.1 Demise	6
2.2 Measurement.....	7
2.3 Term.....	7
2.4 Delay in Possession	7
2.5 Overholding	7
ARTICLE 3 - Rent.....	7
3.1 Covenant to Pay	7
3.2 Basic Rent	7
3.3 Determination of Realty Taxes	8
3.4 Business and Other Taxes.....	8
3.5 Payment Method.....	8
3.6 Deposit	9
3.7 Above-Normal Utilization	9
3.8 Rental Taxes	9
3.9 Rent Past Due.....	9
ARTICLE 4 - Control and Operation of Building by Landlord	9
4.1 Building Operation and Repair	9
4.2 HVAC Systems.....	10
4.3 Tenant Requirements	10
4.4 Use of Common Areas.....	10
4.5 Janitorial Services.....	11
4.6 Rules and Regulations	11
ARTICLE 5 - Use of Premises	11
5.1 Use of Premises	11
5.2 Observance of Law	11
5.3 Waste and Nuisance.....	11
ARTICLE 6 - Maintenance, Repairs and Alterations of Premises	12
6.1 Maintenance and Repair of Premises.....	12
6.2 Inspection and Entry	12
6.3 Repair where Tenant at Fault.....	12
6.4 Permitted Alterations	12
6.5 Signs.....	13
6.6 Construction Liens.....	13
6.7 Removal of Improvements and Fixtures.....	13
6.8 Surrender of Premises.....	14
ARTICLE 7 - Insurance and Indemnity.....	14
7.1 Indemnity by Tenant.....	14
7.2 Release of Landlord	14

TABLE OF CONTENTS (continued)

	Page
7.3 Tenant's Insurance	15
7.4 Landlord's Insurance	16
ARTICLE 8 - Assignment and Subletting	16
8.1 Assignment, Subletting	16
8.2 Landlord's Consent	16
8.3 Requests for Consent	17
8.4 Change of Control	17
8.5 No Advertising	17
8.6 Assignment by Landlord	18
8.7 Status Certificate	18
8.8 Subordination	18
ARTICLE 9 - Quiet Enjoyment	18
9.1 Quiet Enjoyment	18
ARTICLE 10 - Damage and Destruction	19
10.1 Destruction of or Damage to Building	19
10.2 Certificate Conclusive	20
ARTICLE 11 - Default	20
11.1 Default and Right to Re-enter	20
11.2 Default and Remedies	21
11.3 Distress	22
11.4 Costs	22
11.5 Remedies Cumulative	22
ARTICLE 12 - General	22
12.1 Entry	22
12.2 Force Majeure	23
12.3 Effect of Waiver or Forbearance	23
12.4 Notices	23
12.5 Registration	23
12.6 Relocation	24
12.7 Interpretation	24
12.8 Entire Agreement	24
12.9 Time of the Essence	24
12.10 Successors and Assigns	24
12.11 Confidentiality	25
SCHEDULE "A" Rules and Regulations	286

THIS LEASE made the ^{24th} day of February, 2020
BETWEEN:

THE CORPORATION OF THE COUNTY OF DUFFERIN
(the “**Landlord**”)

AND

UPPER GRAND DISTRICT SCHOOL BOARD
(the “**Tenant**”)

AND

ARTICLE 1 - BASIC TERMS AND DEFINITIONS

1.1 Basic Terms

- | | |
|-----------------------------------|--|
| (a) Landlord: | The Corporation of the County of Dufferin |
| Address: | 55 Zina Street, Orangeville, ON, L9W 1E5 |
| (b) Tenant: | Upper Grand District School Board |
| Address: | 500 Victoria Road North
Guelph, Ontario N1E 6K2 |
| (c) Building: | Mel Lloyd Centre, 167 Centre Street, Shelburne, ON |
| (d) Premises: | Located near Dufferin Employment Resource Centre as described
in Section 1.2(l) |
| (e) Rentable Area of
Premises: | 104 square feet, subject to Section 2.2 |
| (f) Term: | 1 year lease subject to Section 2.3 |
| Commencement
Date: | February 1, 2020, subject to Section 2.4 |
| End of Term: | March 31, 2021, subject to Sections 2.3 and 2.4 |

- (g) Basic Rent (Section 3.2):

<i>Period</i>	<i>Per Sq. Ft./ Year</i>	<i>Per Year</i>	<i>Per Month</i>
Feb 1, 2020 – March 31, 2020	\$16.23	\$1687.92 + HST	\$140.66 + HST
April 1, 2020 – March 31, 2021	\$16.72	\$1738.88 + HST	\$144.91 + HST

- (h) Permitted Use: Administrative and business offices of the Tenant)

- (i) Deposit: \$<0>, in accordance with Section 3.9

Rent Deposit: The sum of \$<0> shall be applied to Rent and Rental Taxes as they first come due hereunder in accordance with Section 3.9

Security Deposit: The sum of \$<0> shall be held as a security deposit in accordance with Section 3.9

- (j) Lease Year: Lease Year ends on March 31, 2021

1.2 Definitions

In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) **“Basic Rent”** means the basic rent payable by the Tenant pursuant to Section 3.2 and set out in Section 1.1(g);
- (b) **“Building”** means the building located at the address set out in Section 1.1(c);
- (c) **“Commencement Date”** means the date set out in Section 1.1(f), as such may be varied pursuant to the terms of this Lease;
- (d) **“Common Areas”** means those areas, facilities, utilities, improvements, equipment and installations in, adjacent to, or outside the Building which serve or are for the benefit of the Building, which do not comprise part of the Premises and which, from time to time, are not designated or intended by the Landlord to be for the Landlord’s exclusive use, and are not designated or intended by the Landlord to be leased to the Tenant or any other tenants of the Building, and which include all corridors, hallways, lobbies, elevators and stairwells, all pedestrian walkways and sidewalks, all landscaped areas, the roof and exterior walls of the Building,

exterior and interior structural elements and walls of the Building, common washrooms, all parking and loading areas (including entrances and exits), all access ways, truck courts, driveways, delivery passages, loading docks and related areas, all electrical, telephone, meter, valve, mechanical, mail, storage, service and janitorial rooms, all fire prevention, security and communication systems, and generally all areas forming part of the Lands and Building which do not constitute rented or rentable premises;

- (e) **“Event of Default”** has the meaning set out in Section 11.1;
- (f) **“Lands”** means the lands as referred to in Schedule A with all rights and easements which are or may hereafter be appurtenant thereto;
- (g) **“Lease”** means this lease and all the terms, covenants and conditions set out herein (including all schedules), as amended from time to time in accordance with the terms hereof;
- (h) **“Lease Year”** means, initially, the period commencing on the Commencement Date and ending on the last day of the month set out in Section 1.1(j); thereafter, each Lease Year shall consist of a period of twelve (12) consecutive months, provided that the last Lease Year of the Term shall in any event end on the expiry date of the Term. The Landlord may change the Lease Year from time to time;
- (i) **“Mortgage”** means any mortgage or charge of any one or more of, or any part of, the Lands, the Building, and/or the Landlord’s interest in this Lease, from time to time, whether made or assumed by the Landlord;
- (j) **“Mortgagee”** means the holder of any Mortgage from time to time;
- (k) **“Normal Business Hours”** has the meaning set out in Section 4.2;
- (l) **“Premises”** means that portion within the Building as illustrated in Schedule “B”, as identified in Section 1.1(d) and having the Rentable Area as set out in Section 1.1(e), and all rights and easements appurtenant thereto;
- (m) **“Proportionate Share”** means the fraction which has as its numerator the Rentable Area of the Premises and as its denominator the total Rentable Area of the Building, whether rented or not;
- (n) **“Realty Taxes”** means all property taxes, rates, duties and assessments (including local improvement rates), import charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such property taxes levied or assessed against the Landlord on account of its ownership of the Building or its interest

therein, but specifically excluding any taxes assessed on the income of the Landlord;

- (o) **"Rent"** means all Basic Rent;
- (p) **"Rentable Area"** means the rentable area determined in accordance with the standards of the Building Owners and Managers Association (**"BOMA"**);
- (q) **"Rentable Area of the Building"** means the aggregate of the Rentable Area of all premises in the Building that are rented, or designated or intended by the Landlord to be rented, for offices or business purposes from time to time (whether actually rented or not) and, for greater certainty, excludes storage areas;
- (r) **"Rental Taxes"** means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, retail sales tax, harmonized sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (s) **"Rules and Regulations"** means the rules and regulations as described in Section 4.6;
- (t) **"Term"** means the period specified in Section 1.1(f);
- (u) **"Transfer"** means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred on any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, or any transaction or occurrence whatsoever which has changed or will change the identity of the person having lawful use or occupancy of any part of the Premises;
- (v) **"Transferee"** means any person or entity to whom a Transfer is or is to be made.

ARTICLE 2 - DEMISE AND TERM

2.1 Demise

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant, and the Tenant rents from the Landlord, the Premises. The Tenant acknowledges having inspected the Premises and accepts the same on an "as is" basis.

2.2 Measurement

The Landlord may arrange for the Rentable Area of the Premises to be measured by its architect, surveyor or space planner and, If the Landlord does not arrange for such measurement, the Rentable Area of the Premises shall be deemed to be the area set out in Section 1.1(e). The Landlord shall recalculate the area of the Premises whenever required as a result of a rearrangement of partitions or other changed conditions. The Landlord will advise the Tenant in writing of the revised certified area measurement, and the parties agree to be bound thereby.

2.3 Term

The Term shall commence on the Commencement Date, run for the period set out in Section 1.1(f), and end on the date set out in Section 1.1(f), unless terminated earlier pursuant to this Lease.

2.4 Delay in Possession

Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises on the Commencement Date, then and only then shall the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises. Such postponement shall be full settlement of any claims the Tenant might have against the Landlord for such delay.

2.5 Overholding

If, at the expiration of the initial Term or any subsequent renewal or extension, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month in an amount equal to the sum of one hundred and fifty percent (150%) of the monthly instalment of Basic Rent payable during the last year of the Term. All terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy. If the Landlord and Tenant negotiate a renewal or extension of the sublease during the over holding period, any rent paid during the over holding period, that is in excess of the newly negotiated rental rate, shall be applied to future rental payments.

ARTICLE 3 - RENT

3.1 Covenant to Pay

The Tenant covenants to pay Rent as provided in this Lease.

3.2 Basic Rent

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord (or to such other person or at such other location as the Landlord shall direct), in lawful money of Canada, without any prior demand, as annual Basic Rent, the annual sum(s) set out in Section 1.1(g) in equal monthly instalments in advance in the

amounts set out in Section 1.1(g), on the first day of each and every month during the Term. Furthermore, the Tenant shall have the option to pay the Basic Rent as described in Section 1.1 (g) in full at the commencement of the Term. If the Term commences on any day other than the first day of the month, or ends on any day other than the last day of the month, rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and payable on the first day of the partial month.

3.3 Determination of Realty Taxes

The Tenant shall pay to the Landlord, all Realty Taxes levied, rated, charged or assessed throughout the Term on or in relation to the Premises or any part thereof, or allocated thereto, in accordance with the following:

- (a) the Realty Taxes payable by the Tenant shall be determined by the Landlord by applying the Tenant's Proportionate Share to the Realty Taxes in respect of the Lands and Building. If, in any year, the Premises are assessed separately with respect to any Realty Taxes or if there is a separate apportionment of assessment by the relevant authorities, then, at the election of the Landlord, the Realty Taxes payable by the Tenant shall be computed on the basis of such separate assessments, and shall include the Tenant's Proportionate Share of any Realty Taxes attributable to the Common Areas; and
- (b) for the purpose of determining the share of Realty Taxes which is payable by the Tenant, Realty Taxes shall include such additional amounts as would have formed part of Realty Taxes had the Lands and Building been fully assessed during the whole of the relevant fiscal period as fully completed and fully occupied by tenants, with no special exemptions or reductions, and without taking into account any actual or potential reduction of Realty Taxes or change of assessment category or class for premises within the Lands and Building which are vacant or underutilized.

3.4 Business and Other Taxes

In each and every year during the Term, the Tenant shall pay and discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, every tax, licence fee, rate, duty, and assessment of every kind arising from any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else, or in respect of the Tenant's fixtures, leasehold improvements, equipment or facilities on or about the Premises.

3.5 Payment Method

The Landlord may, at any time and from time to time, require the Tenant to provide to the Landlord authorization and documentation required to automatically debit the Tenant's bank account for such amounts; or allow the tenant to direct deposit the equivalent of the monthly rent and additional charges into the landlord's account.

3.6 Deposit

The amount of any such rent deposit described in Section 1.1(i) shall be held by the Landlord without interest and applied to Rent and Rental Taxes as they fall due under this Lease. The amount of any security deposit described in Section 1.1(i) shall be held by the Landlord without interest as security for the due performance by the Tenant of its obligations under this Lease and may be applied, in the Landlord's discretion, to remedy any default by the Tenant hereunder and, in the absence of such default, the deposit shall be applied to the Rent and Rental Taxes for the last month of the Term. If the Landlord draws moneys from the deposit for the purpose of remedying any default of the Tenant, the Tenant shall, at the request of the Landlord, pay forthwith to the Landlord the amount of money required to replace the moneys so drawn by the Landlord.

3.7 Above-Normal Utilization

If there are special circumstances within the Premises causing utilization of any service or utility in excess of that reasonably expected for the use of the Premises, the Landlord may, in its sole discretion, designate a professional engineer or other consultant to review such above-normal utilization and determine the extent thereof and, on such determination, the Landlord may increase the Tenant's payments by the amount of such above-normal utilization as long as such utilization shall continue. The Tenant shall pay to the Landlord, as long as such utilization shall continue, the amount as determined by the Landlord to be attributable to such above-normal utilization. The Tenant shall also pay to the Landlord, any additional insurance costs resulting from such above-normal utilization.

3.8 Rental Taxes

The Tenant shall pay to the Landlord the Rental Taxes assessed on: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such Rental Taxes may be amended from time to time during the Term.

3.9 Rent Past Due

If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)) from the time such Rent becomes due until paid by the Tenant.

ARTICLE 4 - CONTROL AND OPERATION OF BUILDING BY LANDLORD

4.1 Building Operation and Repair

The Landlord shall operate, maintain and repair the Building, its heating equipment, and other service facilities to the extent required to keep the Building, equipment and facilities in a state of good repair and maintenance in accordance with normal property management standards for a similar building in the vicinity. For greater certainty:

- (a) the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein; and
- (b) the Landlord shall, at its own expense, promptly make all repairs to the Building necessitated by structural defect or weakness in the design or construction thereof, including, without limitation, the roof, interior concrete slab floors and exterior walls, provided that any such repairs necessitated as a result of any wilful or negligent act or omission of the Tenant, its agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible shall be at the cost of the Tenant.

4.2 HVAC Systems

The Landlord shall, subject to the provisions of this Lease, provide sufficient heating and air-conditioning to maintain a reasonable temperature in the Premises at all times during the normal business hours (the "Normal Business Hours") established by the Landlord (which, until amended by the Landlord, shall be from 8:00 a.m. until 6:00 p.m., Monday to Friday, excluding holidays), except during the failure of supply of any utility or other similar facility required to operate the heating and air-conditioning systems, and except during the making of repairs, which repairs the Landlord covenants to make with reasonable diligence. The Landlord shall not be responsible for a lack of cooling in areas where the Tenant has placed computers, lighting or equipment which may produce an excessive heat gain. If the Tenant requests the provision of processed air outside the Normal Business Hours, the Landlord shall, if it is reasonably able to do so, provide such processed air at the Tenant's cost determined in accordance with the Landlord's standard rate schedule in effect from time to time.

4.3 Tenant Requirements

If the use by the Tenant or the installation of partitions, equipment or fixtures by the Tenant necessitates the rebalancing of the climate control equipment in the Premises, such rebalancing will be performed by the Landlord at the Tenant's expense, upon demand. The Tenant acknowledges that the climate control may need to be adjusted and balanced, at the Tenant's expense, after the Tenant has fully occupied the Premises.

4.4 Use of Common Areas

The Tenant shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes, of those portions of the Common Areas intended for common use by tenants of the Building, provided that such use by the Tenant shall be subject to any applicable Rules and Regulations. At times other than during Normal Business Hours, the Tenant, the employees of the Tenant, and persons lawfully requiring communication with the Tenant, shall have access to the Building and the Premises and use of the elevators only in accordance with the security requirements of the Landlord. The Common Areas shall at all times be subject to the exclusive management and control of the Landlord. The Landlord reserves the right to lease parts of the Common Areas from time to time, and to alter the layout or configuration of, and/or reduce or enlarge the size of, the Common Areas and/or the Building, and to make other changes to the Building as the Landlord shall from time to time determine.

Without limitation, the Landlord may assume operation and control of any or all cables and telecommunications equipment in the ducts and conduits of the Building and designate such as part of the Common Areas.

4.5 Janitorial Services

The Landlord shall provide such janitorial service to the Premises at such intervals as the Landlord determines are reasonable and appropriate for the Building. Such service shall be performed at the Landlord's sole direction without interference by the Tenant, and the Landlord shall be excused from performance of such service whenever access to any part of the Premises is denied. The Landlord shall not be responsible for any act or omission on the part of the person or persons employed to perform such work.

4.6 Rules and Regulations

The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule "C" and any further and other reasonable Rules and Regulations made hereafter by the Landlord of which notice shall be given to the Tenant. All Rules and Regulations shall be deemed incorporated into and form part of this Lease.

ARTICLE 5 - USE OF PREMISES

5.1 Use of Premises

The Tenant acknowledges that the Premises will be used solely for the purpose set out in Section 1.1(h) and for no other purpose. During the entire Term, the Tenant shall continuously, actively and diligently carry on such permitted use in the whole of the Premises.

5.2 Observance of Law

The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of any public authority having jurisdiction affecting the Premises or the use or occupation thereof, including, without limitation, police, fire and health regulations and any requirements of the fire insurance underwriters.

5.3 Waste and Nuisance

The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises or permit or suffer any overloading of the floors, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

ARTICLE 6 - MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES

6.1 Maintenance and Repair of Premises

The Tenant shall, at its own expense and cost, operate, maintain and keep in good condition and substantial repair, order and condition the Premises and all parts thereof, save and except for repairs required to be made by the Landlord pursuant to Section 4.1. All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises, and shall meet the requirements of all authorities having jurisdiction, as well as the insurance underwriters.

6.2 Inspection and Entry

The Landlord, its servants and agents shall be entitled to enter on the Premises at any time without notice for the purpose of making emergency repairs and during Normal Business Hours on reasonable prior notice for the purpose of inspecting and making repairs, alterations or improvements to the Premises or to the Building, or for the purpose of having access to the underfloor ducts or to the access panels to mechanical shafts (which the Tenant agrees not to obstruct), and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its servants or agents may at any time and from time to time on reasonable prior notice (and without notice in the event of an emergency) enter on the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would be likely to lead to the cancellation of any policy of insurance. The Landlord, its servants and agents shall take reasonable precautions and attempt to schedule the work so as not to unreasonably interfere with the operation of the Tenant's business and so as to minimize interference with the Tenant's use and enjoyment of the Premises.

6.3 Repair where Tenant at Fault

If the Building, including the Premises, the elevators, boilers, engines, controls, pipes and other apparatus (or any of them) used for the purpose of heating, ventilation or air-conditioning or operating the elevators, or if the pipes, electric lighting or other equipment of the Building are put in a state of disrepair or become damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees, or anyone permitted by it to be in the Building, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant, who shall pay the same to the Landlord forthwith on demand.

6.4 Permitted Alterations

The Tenant shall not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent in each instance, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant shall pay to the Landlord the cost of having the Landlord's architects approve of such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord) and shall be subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors

be retained for any structural, mechanical or electrical work. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labour union affiliations are not incompatible with those of any workers who may be employed in the Building by the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work, materials, labour and services involved therein, and of all changes in the Building, its equipment or services necessitated thereby.

6.5 Signs

The Tenant shall not paint, display or install any sign, picture, advertisement or other notice on any part of the outside of the Building or any other location which is visible from the outside of the Building. The Landlord will prescribe a uniform pattern of identification signs for tenants to be placed on the outside of the doors leading into each leased premises of tenants of part floors, and other than such identification sign, the Tenant shall not paint, display or install any sign, picture, advertisement, notice, lettering or direction on the outside of the Premises without the written consent of the Landlord.

6.6 Construction Liens

The Tenant shall indemnify and save the Landlord harmless from any liability, claim, damages or expenses due to or arising from any claim for a construction, builders or other lien made against the Premises or the Building in relation to any work done by, for, or on behalf of the Tenant. The Tenant shall cause all registrations of any such claims or Certificates of Action related thereto to be discharged or vacated within ten (10) days following receipt of notice from the Landlord, failing which the Landlord, in addition to any other rights or remedies it may have hereunder, may, but shall not be obligated to, cause such claims or Certificates to be discharged or vacated by payment into court or otherwise, and the Tenant shall pay the Landlord's costs and expenses thereof.

6.7 Removal of Improvements and Fixtures

(1) All leasehold improvements shall immediately, on their placement, become the Landlord's property without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no leasehold improvements or trade fixtures shall be removed from the Premises by the Tenant either during or at the expiry or earlier termination of the Term except that:

- (a) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease, and at the end of the Term, the Tenant shall remove its trade fixtures; and
- (b) the Tenant shall, at its sole cost, remove such leasehold improvements as the Landlord shall require it to remove, such removal to be completed on or before the end of the Term.

(2) The Tenant shall, at its own expense, repair any damage caused to the Building by the leasehold improvements or trade fixtures or their removal. If the Tenant does not remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any of the following: (a) heating, ventilating or air-conditioning systems, facilities and equipment serving the Premises; (b) floor coverings; (c) light fixtures; (d) suspended ceiling and ceiling tiles; (v) wall and window coverings; and (e) partitions within the Premises. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

6.8 Surrender of Premises

At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up unto the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 6.7.

ARTICLE 7 - INSURANCE AND INDEMNITY

7.1 Indemnity by Tenant

The Tenant shall indemnify the Landlord and save it harmless from and against any and all loss, claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, on or at the Premises, or in any way arising from or out of the occupancy or use by the Tenant of the Premises or any part thereof, or due to or arising out of any breach by the Tenant of this Lease.

7.2 Release of Landlord

The Landlord shall not be liable for:

- (a) any injury or damage to any persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow, or leaks from any part of the Building or from the pipes, appliances, plumbing works, roof, street or subsurface, or from any other place or by dampness, or caused by or arising from any interruption or failure in the supply of any utility or service to the Premises;
- (b) any death, injury or damage to or loss of property occurring in or about the Premises;
- (c) any death, injury or damage with respect to occurrences insured against or required to be insured against by the Tenant;
- (d) any interruption of or non-supply of heating, ventilation, air-conditioning or other utilities and services; or

- (e) any indirect or consequential damages that may be suffered by the Tenant, even if caused by the negligence of the Landlord or its agents or others for whom it is at law responsible.

7.3 Tenant's Insurance

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant within the Premises or on the Lands or Building, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and leasehold improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability and owners' and contractors' protective insurance coverage, with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than two million dollars (\$2,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;
- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months; and
- (e) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and on such terms and conditions as the Landlord reasonably approves, and each such policy shall name the Landlord as an additional insured as its interest may appear, and, in the case of public liability insurance, shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord, on written request, certificates or certified copies of all such policies. If the Tenant fails to take out or to keep in force such insurance or to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and to pay the premium therefor, and, in such event, the Tenant shall pay to

the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be payable on demand.

7.4 Landlord's Insurance

The Landlord shall provide and maintain insurance in respect of the Building against loss, damage or destruction caused by fire and extended perils, and such liability insurance and rental insurance as the Landlord determines to maintain. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Tenant shall not do, omit or permit anything that may contravene or be prohibited by any of the Landlord's insurance policies in force from time to time or which would prevent the Landlord from procuring such policies with companies acceptable to the Landlord. If the Tenant's occupancy or use of the Premises or any acts or omissions of the Tenant in the Premises or any other portion of the Building causes or results in any increase in premiums for any of the Landlord's insurance policies, then, without limiting any other rights or remedies of the Landlord, the Tenant shall pay any such increase.

ARTICLE 8 - ASSIGNMENT AND SUBLETTING

8.1 Assignment, Subletting

The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. Any Transferee may only use the Premises for the use permitted herein and, notwithstanding anything else herein contained, the Landlord may unreasonably withhold its consent if the proposed Transferee contemplates a change in the use of the Premises. No consent or other dealing shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected to the Rent payable hereunder. However, no such Transfer or collection from or acceptance of the Transferee as tenant shall be deemed a waiver of this covenant.

8.2 Landlord's Consent

If the Tenant desires to assign this Lease, sublet the Premises, or otherwise deal with this Lease or its interest in the Premises, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing, and the Landlord shall, within fifteen (15) days after receipt of all information requested by the Landlord, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet all of the Premises or, if the request is to sublet or otherwise deal with a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease in whole or in part, the Tenant may notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention to refrain from such assigning, subletting or otherwise dealing with the Premises and, in such event, the Landlord's cancellation notice shall be null and void. Any cancellation of this Lease pursuant to this Section shall be effective on the later of the date originally proposed by the Tenant as being the effective date of transfer or the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

8.3 Requests for Consent

Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing to the Landlord, accompanied by such information as the Landlord may reasonably require, and shall include an original copy of the document evidencing the proposed Transfer. The Landlord's consent shall be conditional on the following:

- (a) the Landlord shall be satisfied, acting reasonably, with the financial ability and good credit rating and standing of the proposed Transferee and with its ability to carry on the permitted use;
- (b) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;
- (c) the proposed Transferee having entered into an agreement with the Landlord agreeing to be bound by or subordinate to (as applicable) all of the terms, covenants and conditions of this Lease;
- (d) the Tenant reimbursing the Landlord for the preparation and review of any documentation in connection therewith; and
- (e) the Tenant agreeing to pay to the Landlord, any excess rent and other profit (net of all reasonable costs incurred by the Tenant in connection therewith) earned by the Tenant in respect of the Transfer.

8.4 Change of Control

In the event that the Tenant proposes to transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, any part or all of the corporate shares of the Tenant so as to result in any change in the present effective voting control of the Tenant by the party or parties holding such voting control at the Commencement Date, such transaction shall be deemed to be an assignment of this Lease, and the provisions of this Article 8 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records of the Tenant for inspection at all reasonable times, in order to ascertain whether there has, in effect, been a change of control. This provision shall not apply if the Tenant is a public company listed on a recognized stock exchange or a subsidiary of such a public company.

8.5 No Advertising

The Tenant shall not advertise that the Premises or any part thereof is available for assignment or sublease or occupancy, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

8.6 Assignment by Landlord

In the event of the sale or lease by the Landlord of its interest in the Lands or Building or any part or parts thereof and, in conjunction therewith, the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease.

8.7 Status Certificate

The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord a statement as prepared by the Landlord in writing certifying the following:

- (a) that this Lease is unmodified and in full force and effect or, if modified, stating the modifications and that the same is in full force and effect as modified;
- (b) the amount of Basic Rent then being paid hereunder;
- (c) the dates to which the Basic Rent and other charges hereunder have been paid by instalments or otherwise; and
- (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice.

8.8 Subordination

This Lease and all of the rights of the Tenant hereunder are, and shall at all times be, subject and subordinate to any and all Mortgages, and any renewals or extensions thereof, now or hereinafter in force against the Premises, and, on the request of the Landlord, the Tenant will promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made on the security thereof, and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting the holder of the mortgage to disturb the occupation and possession by the Tenant of the Premises so long as the Tenant shall perform all of its covenants, agreements and conditions contained in this Lease, and so long as the Tenant contemporaneously executes a document of attornment as required by the Mortgagee.

ARTICLE 9 - QUIET ENJOYMENT

9.1 Quiet Enjoyment

The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisos herein contained on its part to be performed and observed, shall peaceably enjoy the Premises for the Term.

ARTICLE 10 - DAMAGE AND DESTRUCTION

10.1 Destruction of or Damage to Building

During the Term, if and when the Building is destroyed or damaged by fire, lightning, or other perils, including malicious damage, or by a natural catastrophe or by any other casualty, the following provisions shall apply:

- (a) if the damage or destruction is such that the Building is rendered wholly unfit for occupancy or it is impossible or unsafe to use and occupy it, and if, in either event, the damage, in the sole opinion of the Landlord, notice of which is to be given to the Tenant in writing within thirty (30) days of the happening of such damage or destruction, cannot be repaired with reasonable diligence within one hundred and eighty (180) days after the happening of such damage or destruction, or if thirty percent (30%) or more of the Rentable Area of the Building is damaged or destroyed, the Landlord may terminate this Lease by giving notice in writing to the Tenant. Should the Landlord terminate this Lease as hereinbefore provided, the Term demised shall cease and be at an end as of the date of such termination (or at the date of such destruction or damage if the Premises could not be used as a result), and the rents and all other payments for which the Tenant is liable under the terms of this Lease shall be apportioned and paid in full to such date;
- (b) in the event that the Landlord does not so terminate this Lease under Section 10.1(a), or in the event of lesser damage, the Landlord shall, at its expense, repair the Building to base building standards, and the Rent shall abate from the date of the happening of such damage or destruction until the date which is the earlier of: (i) thirty (30) days after the Landlord has completed such repairs; and (ii) the date on which the Tenant reopens the Premises or any part thereof to conduct business. The Tenant covenants to make any repairs required to the leasehold improvements and its fixtures with all reasonable speed and to reopen the Premises for business forthwith on completion thereof. If the damage is such that the Premises is capable of being partially used for the purposes for which it is demised, then Rent (other than any items measured by consumption or separate assessment) shall abate in the proportion that the Rentable Area of the part of the Premises which is rendered unfit for occupancy bears to the Rentable Area of the Premises;
- (c) in performing any reconstruction or repair, the Landlord may effect changes in the Building and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to leasehold improvements or the Tenant's fixtures; and
- (d) notwithstanding anything else herein contained, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Building or the Premises or are not payable to or received by the Landlord, or in

the event that any mortgagee or other party entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event the Landlord is unable to obtain all governmental approvals required to so rebuild, the Landlord may terminate this Lease on notice to the Tenant.

10.2 Certificate Conclusive

In the event of a dispute as to the fitness for occupancy or as to the suitability of the Building and the Premises for the Tenant's business, the decision of an independent qualified professional engineer or architect retained by the Landlord shall be final and binding on both parties.

ARTICLE 11 - DEFAULT

11.1 Default and Right to Re-enter

Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is not paid within five (5) days after payment is due hereunder;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 11.1, on receipt of notice in writing from the Landlord:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days (or such shorter period), the Tenant fails to commence to remedy such breach within such ten (10) day (or such shorter) period or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant or any Indemnifier becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager, or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant or any Indemnifier;
- (e) the Tenant or any Indemnifier makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution, and such writ is not stayed or vacated within fifteen (15) days after such taking;

- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises, or the Premises become vacant or substantially unoccupied for a period of ten (10) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Building is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any party for whom it is legally responsible.

11.2 Default and Remedies

If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, the Landlord may remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant;
- (b) to enter the Premises as agent of the Tenant and to relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor and, as agent of the Tenant, to take possession of any property of the Tenant on the Premises, to store such property at the expense and risk of the Tenant or to sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant, and to make alterations to the Premises to facilitate their reletting. The Landlord shall apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable; provided that the Tenant shall remain liable to the Landlord for any deficiency;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter on the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease. The Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default, and the Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;

- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall accrue on a day-to-day basis and shall immediately become due and payable as accelerated rent.

11.3 Distress

Notwithstanding any provision of this Lease or any provision of applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption.

11.4 Costs

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor and client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

11.5 Remedies Cumulative

Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease or by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

ARTICLE 12 - GENERAL

12.1 Entry

- (1) The Landlord shall be entitled at any time during the last nine (9) months of the Term:
 - (a) to place on the exterior walls of the Premises, at a height not lower than the upper limit of the windows of the Premises, the Landlord's usual notice(s) that the Premises are "For Rent"; and
 - (b) on reasonable prior notice, to enter on the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

(2) The Landlord may enter at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers, or for the purpose of inspecting the Premises.

12.2 Force Majeure

Notwithstanding any other provision contained in this Lease, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 12.2 shall not, under any circumstances, operate to excuse the Tenant from prompt payment of Rent and other charges payable under this Lease.

12.3 Effect of Waiver or Forbearance

No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations in this Lease shall be or be deemed to be waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent.

12.4 Notices

Any notice required or contemplated by any provision of this Lease shall be given in writing and addressed, in the case of the Landlord, to it at the address noted in Section 1.1(a), in the case of the Tenant, to it at the address noted in Section 1.1(b), and delivered or sent by facsimile or by prepaid courier or by registered mail, postage prepaid, return receipt requested. The time of receipt of such notice, if mailed, shall be conclusively deemed to be the third business day after the day of such mailing unless regular mail service is interrupted by strikes or other irregularities. Such notice, if delivered or sent by facsimile, shall be conclusively deemed to have been received at the time of such delivery or the time of sending by facsimile. If, in this Lease, two (2) or more persons are named as Tenant, such notice shall be delivered personally to any one (1) of such persons. Either party may, by notice to the other from time to time, designate another address in Canada to which notices mailed more than ten (10) days thereafter shall be addressed.

12.5 Registration

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant shall register this Lease in whole. The Tenant may register a notice or caveat in respect of this Lease with the consent of the Landlord, not to be unreasonably withheld. Any such notice or caveat shall contain the minimum requirements for registration. The Tenant shall pay the Landlord's reasonable legal costs of reviewing the documentation presented by the Tenant.

12.6 Relocation

The Landlord may, at any time and from time to time, on not less than sixty (60) days' notice to the Tenant, relocate the Premises during the Term, provided that the new premises (the "New Premises"), as relocated, shall be in all material respects reasonably comparable to the existing Premises. In the event the Landlord exercises its rights to relocate, the Landlord shall pay, without duplication, and on being furnished with invoices or proof of payment reasonably satisfactory to the Landlord, the out-of-pocket costs incurred by the Tenant as the direct result of moving, in addition to the reasonable moving expenses of the Tenant and its property and equipment to the New Premises. The Landlord shall, at its sole cost, and prior to the date the Tenant is to occupy the New Premises for the purpose of carrying on its business, improve the New Premises with improvements substantially similar to those located in the existing Premises. The terms and conditions of this Lease shall be deemed to be amended as of the date when the Landlord verifies that the New Premises are ready for the Tenant's use and occupancy, and the New Premises shall thereafter be the Premises hereunder.

12.7 Interpretation

(1) Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*.

(2) The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Lease.

(3) If any Article or Section or part or parts of an Article or Section in this Lease is illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section had never been included in this Lease.

12.8 Entire Agreement

There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein. This Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

12.9 Time of the Essence

Time shall be of the essence of this Lease and every part thereof.

12.10 Successors and Assigns

All rights, advantages, privileges, immunities, powers and things hereby secured to the Landlord and to the Tenant shall be secured to and exercisable by their successors and permitted assigns,

as the case may be, and all covenants, liabilities and obligations entered into or imposed hereunder upon the Landlord and the Tenant shall be equally binding upon their successors and permitted assigns, as the case may be.

12.11 Confidentiality

The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any prospective tenants, real estate agents or others, except the Tenant's legal and financial advisors, any bona fide Transferee, and except as may be required by law.

IN WITNESS WHEREOF the parties have duly executed this Lease as of the day and year first written above.

LANDLORD

THE CORPORATION OF THE COUNTY OF DUFFERIN

Per: 

Name: Darren White

Title: Warden

Per: 

Name: Pam Hillock

Title: Clerk

We have authority to bind the Corporation.

TENANT

UPPER GRAND DISTRICT SCHOOL BOARD

Per: 

Martha Rogers
Director of Education

Per: 

Martha MacNeil
Chairperson

We have authority to bind the Corporation.

SCHEDULE "A"
LEGAL DESCRIPTION

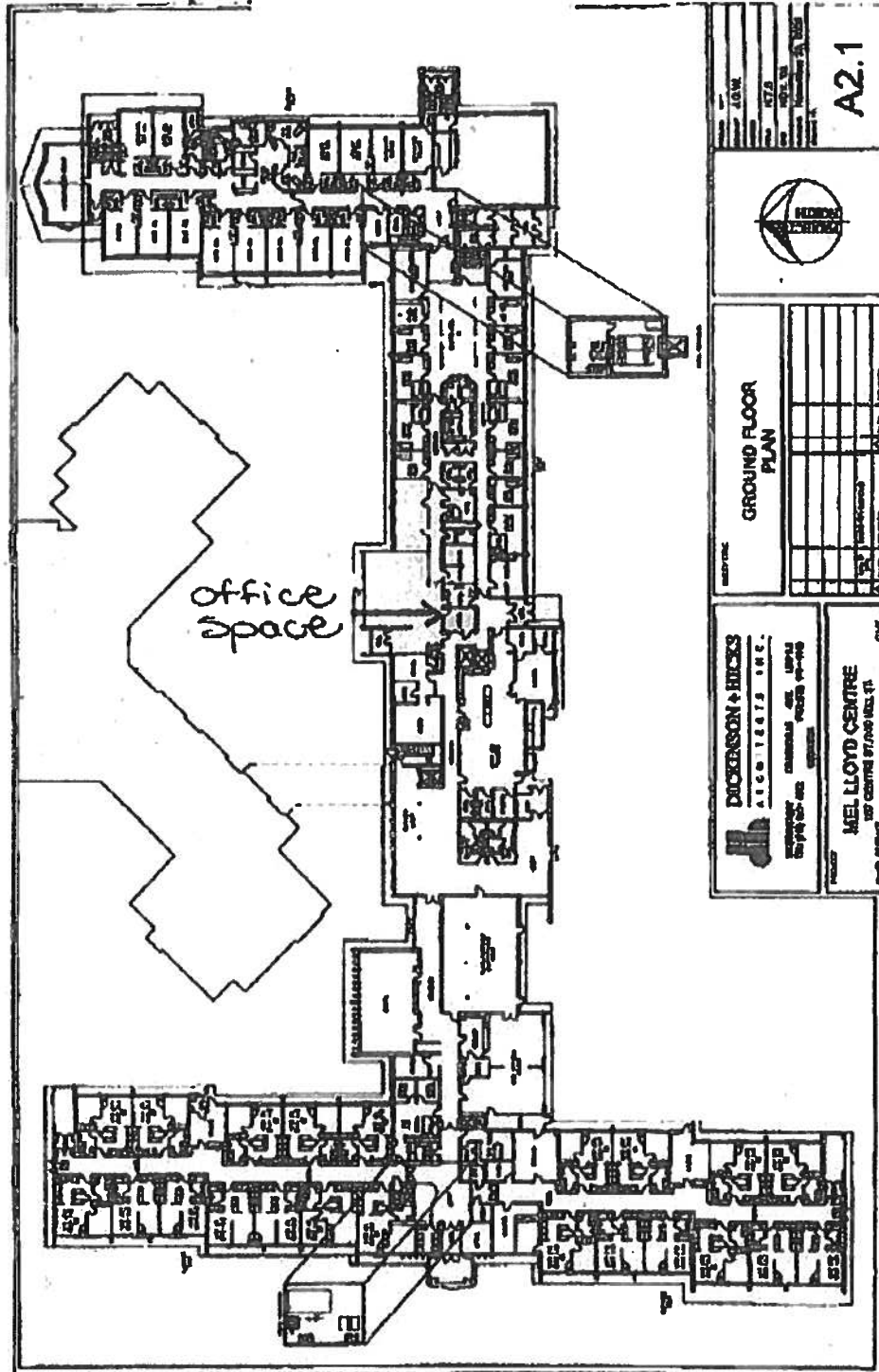
PIN: 341300033

ROLL NUMBER: 222100000101500

CON 2 W PT LOT 32

SCHEDULE B

FLOOR PLAN



SCHEDULE C

RULES AND REGULATIONS

1. The Tenant shall not permit any cooking in the Premises other than light refreshments and beverages for staff.
2. The sidewalks, entries, passages, elevators and staircases shall not be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than ingress to and egress from the Premises. The Landlord reserves entire control of all parts of the Building employed for the common benefit of the tenants including, without restricting the generality of the foregoing, the sidewalks, entries, corridors and passages not within the Premises, washrooms, mechanical, electrical and other equipment rooms, janitor's closets, stairs, elevator shafts, flues, stacks, pipe shafts and ducts, and shall have the right to place such signs and appliances therein as it may deem advisable, provided that ingress to and egress from the Premises is not unduly impaired.
3. The Tenant, its agents and others for whom the Tenant is in law responsible, shall not bring in or take out, position, construct, install or move any safe, business machine or other heavy office equipment without first obtaining the consent in writing of the Landlord. In giving such consent, the Landlord shall have the right, in its sole discretion, to prescribe the weight permitted and the position thereof, and the use and design of planks, skids or platforms to distribute the weight thereof. All damage done to the Building by moving or using any such heavy equipment or other office equipment or furniture shall be repaired at the expense of the Tenant. The moving of all heavy equipment or other office equipment or furniture shall occur only between 6:00 p.m. and the following 8:00 a.m. or any other time consented to by the Landlord, and the persons employed to move the same in and out of the Building must be acceptable to the Landlord.
4. The Tenant shall not place or cause to be placed any additional locks on any doors of the Premises without the approval of the Landlord, and any additional locks which the Landlord consents to be placed or caused to be placed on any doors of the Premises shall be subject to any conditions imposed by the Landlord.
5. The washrooms and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweeping, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting by misuse shall be borne by the Tenant by whom or by whose agents, servants or employees the same is caused. Tenants shall not let the water run unless it is in actual use, and shall not deface or mark any part of the Building, or drive nails, spikes, hooks or screws into the walls or woodwork of the Building.
6. No one shall use the Premises for sleeping apartments or residential purposes or for the storage of personal effects or articles other than those required for business purposes.
7. The Tenant shall permit window cleaners to clean the windows of the Premises during Normal Business Hours or at other times.

8. Canvassing, soliciting and peddling in the Building by the Tenant is prohibited.
9. Any hand trucks, carryalls, or similar appliances used in the Building shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.
10. No animals or birds shall be brought into the Building.
11. The Tenant shall not install or permit the installation or use of any machine dispensing goods for sale in the Premises or the Building or permit the delivery of any food or beverage to the Premises in contravention of any regulations fixed or to be fixed by the Landlord without the approval of the Landlord. Only persons authorized by the Landlord shall be permitted to deliver or to use the elevators in the Building for the purpose of delivering food or beverages to the Premises.
12. No curtains, blinds or other window coverings shall be installed by the Tenant without the prior written consent of the Landlord. Any window coverings that are installed shall comply with any uniform scheme of the Building.

The Tenant shall not operate or permit to be operated any musical or sound-producing instrument, equipment or device inside or outside the Premises which may be heard outside the Premises.