

The Corporation of the City of Kawartha Lakes

Amended Agenda

Regular Council Meeting

CC2021-05

Tuesday, February 23, 2021

Commencing at 1:00 p.m. - Electronic Participation

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

Members:

Mayor Andy Letham

Deputy Mayor Patrick O'Reilly

Councillor Ron Ashmore

Councillor Pat Dunn

Councillor Doug Elmslie

Councillor Tracy Richardson

Councillor Kathleen Seymour-Fagan

Councillor Andrew Veale

Councillor Emmett Yeo

Note: This will be an electronic participation meeting and public access to Council Chambers will not be available. Please visit the City of Kawartha Lakes YouTube Channel at <https://www.youtube.com/c/CityofKawarthaLakes> to view the proceedings.

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities. Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1.	Call to Order	
2.	Opening Ceremonies	
2.1.	O Canada	
2.2.	Moment of Silent Reflection	
2.3.	Adoption of Open Session Agenda	
3.	Disclosure of Pecuniary Interest	
4.	Notices and Information by Members of Council and Staff	
4.1.	Council	
4.2.	Staff	
5.	Council Minutes	20 - 72
	Special Council Meeting Minutes, January 26, 2021	
	Regular Council Meeting Minutes, January 28, 2021	
	Special Council Meeting Minutes, February 2, 2021	
	Special Council Meeting Minutes, February 16, 2021	
6.	Deputations	
7.	Correspondence	
7.1.	CC2021-05.7.1	73 - 74
	Correspondence Regarding the Construction of an Outdoor Rink	
	(Note: A List of 700 Names was Submitted to the Clerk's Office in Support of this Correspondence)	
	Allen Irvine	
7.2.	CC2021-05.7.2	75 - 75
	Correspondence Regarding Access to the Amphitheater in Fenelon Falls	
	Maria Brand	
8.	Presentations	
9.	Committee of the Whole	

9.1. Correspondence Regarding Committee of the Whole Recommendations

9.2. Committee of the Whole Minutes

76 - 88

Committee of the Whole Meeting Minutes, February 9, 2021

That the Minutes of the February 9, 2021 Committee of the Whole Meeting be received and the recommendations, included in Section 9.3 of the Agenda, be adopted.

9.3. Business Arising from Committee of the Whole Minutes

9.3.1. CW2021-026

That the deputation of Neil Arbour, of APG Kent Street Properties, **regarding the Water Bill for 181 Kent Street, Lindsay**, be received; and

That the outstanding Water Bill for 181 Kent Street, Lindsay, be referred to Staff for review and report back at the March 23, 2021 Regular Council Meeting.

9.3.2. CW2021-027

That the correspondence from David Webb, **regarding the Creation of a Jump In Forum for Citizen Discussion of Services**, be received.

9.3.3. CW2021-028

That the presentation by Ron Taylor, Chief Administrative Officer, **regarding Pandemic Response and City Service Update**, be received

9.3.4. CW2021-029

That the presentation by James Auld, Manager, Mapping and GIS Division, **regarding the GIS Mapping Public Viewer**, be received

9.3.5. CW2021-030

That the presentation by Ron Taylor, Chief Administrative Officer, and Rod Sutherland, Director of Human Services, **regarding the Victoria Manor Redevelopment and Long Term Care Update**, be received

9.3.6. CW2021-031

That the presentation by Brenda Stonehouse, Strategy and Innovation Specialist, **regarding the Community Safety and Well-Being Plan**, be received.

9.3.7. CW2021-032

That Report CAO2021-002, **Community Safety and Well-Being Plan**, be received;

That the Community Safety and Well-Being Plan Terms of Reference, appended as Attachment A to Report CAO2021-002 be approved;

That Mayor Andy Letham, Councillor Pat Dunn, Director Rod Sutherland, Kawartha Lakes Police Chief Mark Mitchell, and OPP Kawartha Lakes Detachment Commander Tim Tatchell, be appointed to the Community Safety and Well-Being Plan Advisory Committee;

That the appointed Advisory Committee members be delegated the authority to appoint the community representatives to the Advisory Committee from the sectors as identified in the Terms of Reference.

9.3.8. CW2021-033

That the presentation by Bryan Robinson, Director of Public Works, Todd Bryant, Manager of Fleet and Transit and Roger Smith, CEO of Richmond Sustainability Initiatives, **regarding the Fleet Services Review**, be received

9.3.9. CW2021-034

That Report FL2021-001, **Fleet Services Review**, be received

9.3.10. CW2021-035

That the presentation by Sharri Dyer, Manager, Realty Services, **regarding Private Docking on City Land - Proactive Enforcement Plan Presentation**, be received;

9.3.11. CW2021-035

That Report RS2021-004, **Proposed Amendments to the Dock Encroachment Policy CP2018-001**, be received;

That the proposed amendments to the Dock Encroachment Policy CP2018-001 be referred to staff for revision and report back at the March 9, 2021 Committee of the Whole Meeting based on comments received from Council.

9.3.12. CW2021-037

That Report CAO2021-001, **Update on Modernization Review**, be received;

That staff make application(s) for funding through the provincial Municipal Modernization Program – Intake 2, to complete digital modernization projects for a Comprehensive Roads Inventory & Database and Water Smart Meter Reading Technologies, where eligible.

9.3.13. CW2021-038

That Report WM2021-001, **2020 Lindsay Ops Landfill Gas Generator Summary**, be received

9.3.14. CW2021-039

That Report FL2021-002, **Fleet Standardization**, be received

9.3.15. CW2021-040

That the Memorandum from Councillor Yeo, **regarding Protective Pool Covers**, be received;

That staff bring back a report by the end of the second quarter regarding the use of Protective Covers on swimming pools as an option in lieu of fencing.

9.3.16. CW2021-041

That the Memorandum from Councillor Yeo, **regarding Fishing Over Bridges and Causeways**, be received;

That staff bring back a report by the end of Q2 regarding the use of municipally owned bridges and causeways for fishing; and

That the report back include options for banning fishing from bridges and causeways, regulating fishing through local licensing, patrolling and cleaning areas on a daily basis, or doing nothing at all.

9.3.17. CW2021-042

That the Memorandum from Councillor Veale, **regarding Mariposa Elementary School Zone Flashing Beacons**, be received;

That Engineering be directed to change the signage for the school zone on Eldon Road in front of Mariposa Elementary School to flashing beacons indicating when the reduced speed limit is in effect; and

That the new signage be implemented at a cost of \$16,000.

9.3.18. CW2021-042

That the Memorandum from Councillor Ashmore, **regarding Speed Reduction of Pigeon Lake Road from 1899 Pigeon Lake Road to Perdue Road North**, be received;

That staff conduct a traffic study into the reduction of speed on the section from 1899 Pigeon Lake Road to Perdue Road North; and

That staff report back by Q3 2021.

9.3.19. CW2021-044

That the Memorandum from Councillor Ashmore, **regarding Medical Supply Manufacturing**, be received.

9.4. Items Extracted from Committee of the Whole Minutes

10. **Planning Advisory Committee**

10.1. Correspondence Regarding Planning Advisory Committee Recommendations

10.2. Planning Advisory Committee Minutes

89 - 97

Planning Advisory Committee Meeting, February 10, 2021

That the Minutes of the February 10, 2021 Planning Advisory Committee Meeting be received and the recommendations, included in Section 10.3 of the Agenda, be adopted.

10.3. Business Arising from Planning Advisory Committee Minutes

10.3.1. PAC2021-006

That Report PLAN2021-003, Part of Lot 18, Concession 6, Former Town of Lindsay, Lepha Properties Inc. and City of Kawartha Lakes – Applications D01-2021-001, D06-2021-001 and D05-2021-001, be received; and

That PLAN2021-003 respecting Applications D01-2021-001, D06-2021-001 and D05-2021-001 be referred back to staff to address any issues raised through the public consultation process and for further review and processing until such time that all comments have been received from all circulated agencies and City departments, and that any comments and concerns have been addressed.

10.3.2. PAC2021-007

That Report PLAN2021-004, Part of Lot 3, Concession 12, geographic Township of Mariposa, City of Kawartha Lakes, identified as 151 Peniel Road, Hamilton – D06-2020-030, be received;

That a Zoning By-law Amendment respecting application D06-2020-030, substantially in the form attached as Appendix D to Report PLAN2021-004, be approved and adopted by Council; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application.

10.3.3. PAC2021-008

That Report PLAN2021-005, Part of Lot 3, Concession 11, geographic Township of Emily, City of Kawartha Lakes, identified as 833 Pigeon Lake Road, Gingrich – D06-2020-029, be received; and

That the application respecting the proposed Zoning By-law Amendment be referred back to staff until such time as all comments have been received and addressed from all circulated agencies, City Departments, and the public, and for further review and processing.

10.3.4. PAC2021-009

That Report PLAN2021-006, respecting **Part Lots 12 & 13, Concession 19, Part Lot 40, RCP 564, 57R-7890, Parts 2 to 5, former Village of Bobcaygeon, Port 32 Inc. – Applications D06-17-028 & D04-17-001**, be received;

That the Draft Plan of Condominium and Conditions for Draft Plan of Condominium for file D04-17-001 (16CD-17501), substantially in the form attached as Appendix D to Report PLAN2021-006, and as amended to include the installation of stop signs at the intersection of Mill Street and Lakewood Crescent be referred to Council for approval and adoption;

That a Zoning By-law, respecting application D06-17-028, substantially in the form attached as Appendix E to Report PLAN2021-006, and as amended, be approved for adoption by Council; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application.

10.3.5. PAC2021-010

That Report ENG2021-005, **Assumption of Churchdown Mews Subdivision, Lindsay**, be received;

That the Assumption of Churchdown Mews Subdivision, Geographic Town of Lindsay, be approved;

That an Assumption By-Law, substantially in the form attached as Appendix A, to Report ENG2021-005 be approved and adopted by Council; and

That the Mayor and City Clerk be authorized to execute any documents and agreements required by the approval of this application.

10.4. Items Extracted from Planning Advisory Committee Minutes

11. **Consent Matters**

That all of the proposed resolutions shown in Section 11.1 of the Agenda be approved and adopted by Council in the order that they appear on the agenda and sequentially numbered.

11.1. Reports

Proposed Lease Extension and Amending Agreement Between Her Majesty the Queen in Right of Ontario as Represented by the Minister of Government and Consumer Services and The Corporation of the City of Kawartha Lakes - 322 Kent Street West, Lindsay

Laura Carnochan, Law Clerk - Realty Services

That Report RS2021-009, Proposed Lease Extension and Amending Agreement between Her Majesty The Queen in Right of Ontario as Represented by the Minister of Government and Consumer Services and The Corporation of the City of Kawartha Lakes - 322 Kent Street West, be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of The Corporation of the City of Kawartha Lakes, being a Lease Agreement with Her Majesty The Queen in Right of Ontario as Represented by the Minister of Government and Consumer Services for the purpose of leasing space for the Public Works and Engineering and Corporate Assets Departments; and

That a By-Law (attached as Schedule C) authorizing the signing of the Lease Extension and Amending Agreement between Her Majesty The Queen in Right of Ontario as Represented by the Minister of Government and Consumer Services and The Corporation of the City of Kawartha Lakes for office space at 322 Kent Street West, Lindsay, be forwarded to Council for adoption.

Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Courtroom Space)

Laura Carnochan, Law Clerk - Realty Services

That Report RS2021-010, Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Courtroom and Office Space), be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of The Corporation of the City of Kawartha Lakes, being a Lease Agreement with Her Majesty The Queen In Right of Ontario as Represented By The Minister of Government and Consumer Services for the purpose of leasing courtroom and office space for use by the Provincial Offences Division; and

That a By-Law (attached as Schedule C) authorizing the signing of the Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes for courtroom space at 440 Kent Street West, Lindsay, be forwarded to Council for adoption.

11.1.3.

RS2021-011

209 - 264

Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Basement Office Space)

Laura Carnochan, Law Clerk - Realty Services

That Report RS2021-011, Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Basement Office Space), be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with Her Majesty The Queen In Right of Ontario As Represented By The Minister of Government and Consumer Services for the purpose of leasing basement office space for use by the Provincial Offences Division; and

That a By-Law (attached as Schedule C) authorizing the signing of the Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes for basement office space at 440 Kent Street West, Lindsay, be forwarded to Council for adoption.

11.1.4. RS2021-013 265 - 311

Proposed License Agreement Between the City of Kawartha Lakes and Xplornet Communications Inc. at 50 Tower Road, Kirkfield
Christine Oliver, Law Clerk - Realty Services

That Report RS2021-013, Proposed License Agreement between The City of Kawartha Lakes and Xplornet Communications Inc. at 50 Tower Road, Kirkfield, be received; and

That the Mayor and Clerk be authorized to execute the proposed License Agreement attached as Appendix D on behalf of The Corporation of the City of Kawartha Lakes for the purpose of constructing a new telecommunications tower for a five year term.

11.1.5. RS2021-014 312 - 318

Dock License Application For 114 Front Street East Bobcaygeon
Christine Oliver, Law Clerk - Realty Services

That Report RS2021-014, Dock License Application for 114 Front Street East, Bobcaygeon, be received.

11.1.6. CORP2021-002 319 - 328

Municipal Credit Rating
Sandra Shorkey, Supervisor-Treasury

That Report CORP2021-002, Municipal Credit Rating, be received.

11.1.7. CORP2021-006 329 - 347

Haliburton Kawartha Pine Ridge District Health Unit 2020 Budget Arrears

Carolyn Daynes, Treasurer

That Report CORP2021-006, Haliburton Kawartha Pine Ridge District Health Unit (HKPRDHU) 2020 Budget Arrears, be received; and

That Council approve the payment of the 2020 City of Kawartha Lakes assessed budget arrears for HKPRDHU in the amount of \$167,684.

11.1.8. PUR2021-002 348 - 350

Request for Quotation Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites

Marielle van Engelen, Buyer

That Report PUR2021-002, Request for Quotation 2021-02-OQ Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites, be received;

That Youngs Excavating (1918293 Ontario Inc.) be awarded Request for Quotation 2021-02-OQ Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites for the quoted estimated annual amount of \$115,596.00 plus HST;

That Council authorize the option to renew the contract after the initial two-year term, April 1, 2021 to March 31, 2023 for an additional one (1) year per the terms of the contract, based on annual budget approval, mutual agreement and successful completion of the initial term; and

That subject to receipt of the required documents, the Mayor and Clerk be authorized to execute the agreement.

11.1.9. PUR2021-003 351 - 353

Request for Proposal 2020-79-CP Supply and Delivery of One New Rescue Pumper

Marielle van Engelen, Buyer

That Report PUR2021-003, **Request for Proposal 2020-79-CP Supply and Delivery of One New Rescue Pumper**, be received;

That Carl Thibault Emergency Vehicles Inc. of Pierreville, Québec, as the highest scoring proponent, be selected for award of Request for Proposal 2020-79-CP Supply and Delivery of One New Rescue Pumper;

That the deficit in the project, 932200203, of \$23,701.92 be funded by Development Charges – Fire (3.24140) and the remaining \$51,304,17 deficit be funded by the Fire portion of the Fleet Reserve (1.32070); and

That upon receipt of the required documents that the Procurement Division be authorized to issue a purchase order.

11.1.10. ENG2021-021 354 - 359

Request for Traffic Calming - Logie Street
Joseph Kelly, Senior Engineering Tech

That Report ENG2021-006, **Request for Traffic Calming – Logie Street**, be received.

11.1.11. CA2021-001 360 - 366

Update on Asset Management Plan
Adam Found, Manager of Corporate Assets

That Report CA2021-001, **Update on Asset Management Plan**, be received;

That the timeframe for 2020 Special Project 921204001 (Asset Management Plan) be extended to December 31, 2022;

That the letter and resolution prepared by the Municipal Finance Officers' Association regarding the extension of Municipal Asset Management Plan deadlines, attached as Appendix A and Appendix B, respectively, to Report CA202-001, be endorsed; and

That Report CA2021-001 and the foregoing endorsement be transmitted to the Minister of Infrastructure, Minister of Municipal Affairs and Municipal Finance Officers' Association.

11.1.12. EMS2021-001 367 - 397

Community Integration Data and Network Sharing Agreements
Sara Johnston, Deputy Paramedic Chief, Professional Standards

That Report EMS2021-001, **Community Integration Data and Network Sharing Agreements**, be received;

That the Community Integration Data Sharing Agreement and the Community Integration Information Management and Network Services Agreement, attached to Report EMS2021-001 as Appendices A and B respectively, be received and approved; and

That the Mayor and City Clerk be authorized to execute any documents and agreements required by the approval of these agreements.

11.1.13.

HH2021-002

398 - 407

Affordable Housing Target Program Recommendations

Michelle Corley, Program Supervisor, Human Services

That Report HH2021-002, **Affordable Housing Target Program Recommendations**, be received;

That subject to the necessary by-laws and agreements being forwarded to council for approval, and the successful completion of such planning and development processes as may be required, the recommended applications received through the Affordable Housing Target Program, Intake CKL2020-001, providing a total of 2 affordable ownership units in the City of Kawartha Lakes and Intake COH2020-001, providing a total of 47 affordable rental units in the County of Haliburton, as described in Report HH2021-002, be supported;

That the municipal incentives identified in Table 1 of Report HH2021-002 be approved;

That the requested waiver of development charges in the amount of \$51,140.00 be recovered through financing from the uncommitted portion of the General Contingency Reserve (1.32090); and

That the Director of Human Services and the Manager of Housing be authorized to execute necessary agreements to provide the incentives to these projects.

11.2.

Items Extracted from Consent

12.

Petitions

13.

Other or New Business

14. By-Laws

That the By-Laws shown in Section 14.1 of the Agenda, namely: Items 14.1.1 to and including 14.1.17 be read a first, second and third time, passed, numbered, signed and the corporate seal attached.

14.1. By-Laws by Consent

14.1.1. CC2021-05.14.1.1 408 - 414

A By-Law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen in Right of Ontario as Represented by The Minister of Government and Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Space at 322 Kent Street West, Lindsay

14.1.2. CC2021-05.14.1.2 415 - 422

A By-Law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Courtroom and Office Space at 440 Kent Street West, Lindsay

14.1.3. CC2021-05.14.1.3 423 - 430

A By-Law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Basement Storage Space at 440 Kent Street West, Lindsay

14.1.4. CC2021-05.14.1.4 431 - 432

A By-Law to Authorize the Execution of a Telecommunications License Agreement between The Corporation of the City of Kawartha Lakes and Xplornet Communications Inc.

14.1.5. CC2021-05.14.1.5 433 - 434

A By-Law to Authorize the Acquisition of Part of the South 1/2 of Lot 20, Concession 8, in the Geographic Township of Manvers, City of Kawartha Lakes, designated as Part 1 on Plan 57R-10825, being Part of PIN: 63265-0297 (LT)

14.1.6.	CC2021-05.14.1.6	435 - 440
	A By-Law to Stop Up and Close Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, described as Parts 5, 6, 7, and 8 on Plan 57R-10783 and to Authorize the Conveyance of the Land to Kawartha Lakes-Haliburton Housing Corporation	
14.1.7.	CC2021-05.14.1.7	441 - 444
	A By-Law to Stop Up and Close Part of the Original Shore Road Allowance in Front of Lot 8, Concession 4, in the Geographic Township of Laxton, City of Kawartha Lakes, designated as Part 1 on Plan 57R-10855 and to Authorize the Sale of the Land to the Abutting Owners (Adjacent to 68 Greenwood Road)	
14.1.8.	CC2021-05.14.1.8	445 - 446
	A By-Law to Deem Part of a Plan of Subdivision, Previously Registered For Lands Within Kawartha Lakes, Not To Be A Registered Plan of Subdivision in Accordance With The Planning Act Described as Lot 25, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0180 (LT) (68 Greenwood Road)	
14.1.9.	CC2021-05.14.1.9	447 - 450
	A By-Law to Stop Up and Close Part of the Original Shore Road Allowance in Front of Lot 8, Concession 4, in the Geographic Township of Laxton, City of Kawartha Lakes, designated as Parts 1 and 2 on Plan 57R-10857 and to Authorize the Sale of the Land to the Abutting Owners (Adjacent to 74-76 Greenwood Road)	
14.1.10.	CC2021-05.14.1.10	451 - 452
	A By-Law to Deem Part of a Plan of Subdivision, Previously Registered For Lands Within Kawartha Lakes, Not To Be A Registered Plan of Subdivision in Accordance With The Planning Act Described as Lot 27, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0182 (LT) (74 Greenwood Road)	

14.1.11.	CC2021-05.14.1.11	453 - 454
	A By-Law to Deem Part of a Plan of Subdivision, Previously Registered For Lands Within Kawartha Lakes, Not To Be A Registered Plan of Subdivision in Accordance With The Planning Act Described as Lot 28, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0183 (LT) (76 Greenwood Road)	
14.1.12.	CC2021-14.1.12	455 - 457
	A By-Law To Amend The Township of Mariposa Zoning By-Law No. 94-07 To Rezone Land Within The City Of Kawartha Lakes (151 Peniel Road)	
14.1.13.	CC2021-14.1.13	458 - 460
	A By-Law To Amend The Village of Bobcaygeon Zoning By-Law No. 16-78 To Rezone Land Within The City of Kawartha Lakes (7-27 Lakewood Crescent, Port 32)	
14.1.14.	CC2021-14.1.14	461 - 463
	A By-Law to Assume Holtom Street, Plan 57M-796, PIN: 63232-0130 and associated 0.3 metre reserve, PIN: 63232-0175, Milner Court, Plan 57M-796, PIN: 63232-0279 and associated 0.3 metre reserves, Blocks 47 and 48, Plan 57M-796, PINs: 63232-0277 and 63232-0278, respectively, Moynes Court, Plan 57M-796, PIN: 63232-0280, previously dedicated and conveyed to the municipality upon the registration of Plans 57M-777 and 57M-796, and to assume Walkway Block 40, Plan 57M-796, PIN: 63232-0270, and to assume the Stormwater Management Pond, PIN: 63233-0295, and to Dedicate and Assume PIN: 63232-0018 and Road Widening as part of Logie Street, Blocks 41 and 42, Plan 57M-796, PINs: 63232-0271 and 63232-0272, respectively, Geographic Town of Lindsay, The Corporation of the City of Kawartha Lakes (Churchdown Mews Subdivision)	
14.1.15.	CC2021-05.14.1.15	464 - 465
	A By-Law to Appoint a Municipal Law Enforcement Officer for the City of Kawartha Lakes (L. Graham)	
14.1.16.	CC2021-05.14.1.16	466 - 467
	A By-Law to Appoint an Area Weed Inspector for the City of Kawartha Lakes (L. Graham)	

A By-Law to Appoint a Senior Licensing Enforcement Officer as a Municipal Law Enforcement Officer for the City of Kawartha Lakes for the Purpose of Enforcing Licensing By-Laws (S. Collins)

14.2. By-Laws Extracted from Consent

15. Notice of Motion

16. Closed Session

16.1. Adoption of Closed Session Agenda

16.2. Disclosure of Pecuniary Interest in Closed Session Items

16.3. Move Into Closed Session

That Council convene into closed session at ____ p.m. pursuant to Section 239(2) of the Municipal Act, S.O. 2001 s.25, in order to consider matters identified in Section 16.3 of the Regular Council Meeting Agenda of Tuesday, February 23, 2021, namely Items 16.3.1 to and including 16.3.3.

16.3.1. CC2021-05.16.3.1

Closed Session Minutes, January 28, 2021 Regular Council Meeting
Municipal Act, 2001 s.239(2)(b) Personal Matters About Identifiable Individual(s)
Municipal Act, 2001 s.239(2)(d) Labour Relations
Municipal Act, 2001 s.239(2)(e) Litigation or Potential Litigation, including matters before administrative tribunals, affecting the municipality or local board
Municipal Act, 2001 s.239(2)(f) Advice that is Subject to Solicitor-Client Privilege, including communication necessary for that purpose
Municipal Act, 2001 s.239(2)(i) 3rd Party Information Supplied in Confidence to the Municipality

16.3.2. LGL2021-002

**Local Planning Appeal Tribunal - Case PL120217 - City of Kawartha
Lakes Official Plan 2012 and Secondary Plans**

**Municipal Act, 2001 s.239(2)(e) Litigation or Potential Litigation,
including matters before administrative tribunals, affecting the
municipality or local board**

**Municipal Act, 2001 (2)(f) advice that is subject to solicitor-client
privilege, including communications necessary for that purpose**

Robyn Carlson, City Solicitor

Chris Marshall, Director of Development Services

*16.3.3. CORP2021-007

Ontario Nurses Association (ONA) Ratification

**Municipal Act, 2001 s.239(2)(d) Labour Relations or Employee
Negotiations**

Liana Patterson, Manager, Human Resources

17. Matters from Closed Session

18. Confirming By-Law

18.1. CC2021-05.18.1

470 - 470

A By-Law to Confirm the Proceedings of a Regular Council Meeting,
Tuesday, February 23, 2021

19. Adjournment

The Corporation of the City of Kawartha Lakes
Minutes
Special Council Meeting

CC2021-01
Tuesday, January 26, 2021
Open Session Commencing at 6:00 p.m. – Electronic Participation
Council Chambers
City Hall
26 Francis Street, Lindsay, Ontario K9V 5R8

Members:
Mayor Andy Letham
Deputy Mayor Patrick O'Reilly
Councillor Ron Ashmore
Councillor Pat Dunn
Councillor Doug Elmslie
Councillor Tracy Richardson
Councillor Kathleen Seymour-Fagan
Councillor Andrew Veale
Councillor Emmett Yeo

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities. Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1. Call to Order

Mayor Letham called the Meeting to order at 6:00 p.m. from Council Chambers. Deputy Mayor P. O'Reilly and Councillors R. Ashmore, P. Dunn, D. Elmslie, T. Richardson, K. Seymour-Fagan, A. Veale and E. Yeo were in attendance electronically.

CAO R. Taylor and Director J. Stover were in attendance electronically.

Deputy Clerk S. O'Connell and Deputy Clerk J. Watts were also in attendance in Council Chambers.

2. Adoption of Agenda

CR2021-001

Moved By Councillor Richardson

Seconded By Councillor Seymour-Fagan

That the Agenda for the Open Session of the Special Council Meeting of Tuesday, January 26, 2021, be adopted as circulated.

Carried

3. Disclosure of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

4. CC2021-01.4.1

Presentation - Overview of the 2021 City Budgets

Jennifer Stover, Director of Corporate Services

Director Stover provided an overview of the City's Capital, Operating and Special Projects Budgets as well as the Capital and Operating Budgets for Water and Wastewater.

CR2021-002

Moved By Councillor Dunn

Seconded By Councillor Veale

That the presentation by Jennifer Stover, Director of Corporate Services, **regarding an Overview of the 2021 City Budgets**, be received.

Carried

5. Deputations Relating to the 2021 City Budgets

6. Correspondence Relating to the 2021 City Budgets

CR2021-003

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Yeo

That the correspondence from Patricia Slute and Grant Heer, **regarding the 2021 Budget**, be received.

Carried

6.1 CC2021-01.6.1

Correspondence Regarding 2021 Tax Payments

Patricia Slute

6.2 CC2021-01.6.2

Correspondence Regarding the 2021 Budget

Grant Heer

7. Reports

8. Confirming By-Law

8.1 CC2021-01.8.1

A By-Law to Confirm the Proceedings of a Special Council Meeting, Tuesday, February 2, 2021

CR2021-004

Moved By Councillor Dunn

Seconded By Councillor Seymour-Fagan

That a by-law to confirm the proceedings of a Special Council Meeting held Tuesday, January 26, 2021 be read a first, second and third time, passed, numbered, signed and the corporate seal attached.

Carried

9. Adjournment

CR2021-005

Moved By Councillor Yeo

Seconded By Deputy Mayor O'Reilly

That the Council Meeting adjourn at 6:32 p.m.

Carried

Read and adopted this 23 day of February, 2021.

Andy Letham, Mayor

Sarah O'Connell, Deputy Clerk

The Corporation of the City of Kawartha Lakes

Minutes

Regular Council Meeting

CC2021-02

Thursday, January 28, 2021

Open Session Commencing at 1:00 p.m. – Electronic Participation

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

Members:

Mayor Andy Letham

Deputy Mayor Patrick O'Reilly

Councillor Ron Ashmore

Councillor Pat Dunn

Councillor Doug Elmslie

Councillor Tracy Richardson

Councillor Kathleen Seymour-Fagan

Councillor Andrew Veale

Councillor Emmett Yeo

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Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1. Call to Order

Mayor Letham called the Meeting to order at 1:00 p.m. from Council Chambers. Deputy Mayor P. O'Reilly and Councillors R. Ashmore, P. Dunn, D. Elmslie, T. Richardson, K. Seymour-Fagan, A. Veale and E. Yeo were in attendance electronically.

CAO R. Taylor and Directors C. Marshall, B. Robinson, J. Rojas, C. Shanks, J. Stover, R. Sutherland and City Solicitor R. Carlson were also in attendance electronically.

City Clerk C. Ritchie, Deputy Clerk S. O'Connell and Deputy Clerk J. Watts were also in attendance in Council Chambers.

2. Opening Ceremonies

2.1 O Canada

The Meeting was opened with the singing of 'O Canada'.

2.2 Moment of Silent Reflection

The Mayor asked those in attendance to observe a Moment of Silent Reflection.

2.3 Adoption of Open Session Agenda

CR2021-006

Moved By Councillor Seymour-Fagan

Seconded By Councillor Richardson

That the Agenda for the Open Session of the Regular Council Meeting of Thursday, January 28, 2021, be adopted as circulated and with the following amendments:

Addition:

Item 5 Adoption of the Minutes for the December 15, 2020 Special Council Meeting

Carried

3. Disclosure of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

4. Notices and Information by Members of Council and Staff

4.1 Council

Deputy Mayor O'Reilly:

- Connie Downing, a Communicator with Kawartha Lakes Police Service, recently retired after many years of service to the Community.
- Thursday, January 28th is Bell Lets Talk Day which brings awareness to and raises funds for Mental Health Initiatives.
- Long Term Care Homes in the City of Kawartha Lakes are going to begin to receive the vaccine for Covid-19 as the first shipment of vaccines have arrived.
- The reconstruction of Kent Street in Lindsay has been expanded to include the third extension which runs from Cambridge Street to Russell.

Councillor Ashmore:

- A note of thanks was extended to Matthew Hutchinson, of SuperNova Fireworks, for the fireworks display that was held in Omemee on New Years Eve.
- Congratulations were extended to the Lakeview Arts Barn as their Save our Stage ("SOS") Fundraiser has raised \$100,000 for the organization.

4.2 Staff

5. Council Minutes

Special Council Meeting Minutes, December 15, 2020

Regular Council Meeting Minutes, December 15, 2020

CR2021-007

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That the Minutes of the December 15, 2020 Special Council Meeting and the December 15, 2020 Regular Council Meeting, be received and adopted.

Carried

6. Deputations

6.1 CC2021-02.6.1

**Review of Service Levels by the CAO
(Item 9.3.21 on the Agenda)**

David Webb

David Webb spoke to a review of Service Levels by the CAO.

CR2021-008

Moved By Councillor Ashmore

Seconded By Deputy Mayor O'Reilly

That the deputation of David Webb, **regarding a Review of Service Levels by the CAO**, be received.

Carried

7. Correspondence

7.1 CC2021-02.7.1

Correspondence Regarding the COVID-19 Pandemic

Kerstin Kelly

CR2021-009

Moved By Councillor Elmslie

Seconded By Deputy Mayor O'Reilly

That the correspondence from Kerstin Kelly, **regarding the Covid-19 Pandemic**, be received.

Carried

Moved By Councillor Ashmore

Seconded By Councillor Dunn

That the correspondence from Kerstin Kelly, **regarding the Covid-19 Pandemic**, be forwarded to the MP and MPP for information purposes.

Motion Failed

8. Presentations

9. Committee of the Whole

9.1 Correspondence Regarding Committee of the Whole Recommendations

9.2 Committee of the Whole Minutes

Committee of the Whole Meeting Minutes, January 12, 2021

CR2021-010

Moved By Councillor Seymour-Fagan

Seconded By Councillor Veale

That the Minutes of the January 12, 2021 Committee of the Whole Meeting be received and the recommendations, included in Section 9.3 of the Agenda, save and except for Items 9.3.8, 9.3.9, 9.3.18 and 9.3.21, be adopted.

Carried

9.3 Business Arising from Committee of the Whole Minutes

9.3.1 CW2021-002

That the deputation and correspondence of Sandra Robinson, **regarding the Dock License Application for 114 Front Street East, Bobcaygeon**, be received; and

That the request for a Dock License for 114 Front Street East, Bobcaygeon, be referred to Staff for review and report back by the end of Q1, 2021.

Carried

9.3.2 CW2021-003

That the deputation of Mikaela Holtzheimer, **regarding the Water Bill for 53 Gee Crescent, Lindsay**, be received;

That the request for a water bill reduction for 53 Gee Crescent, Lindsay, be referred to Staff for review and report back by the end of Q1, 2021.

Carried

9.3.3 CW2021-004

That the deputation of Anne Yorke, **regarding the Council Decision Making Process**, be received.

Carried

9.3.4 CW2021-005

That the deputation of C. Brian Lailey, **regarding Fall Leaf Pick-up**, be received;

That the issue of Fall Leaf Pick-up at condominium properties be forwarded to Staff for review and report back by the end of Q1, 2021.

Carried

9.3.5 CW2021-006

That the correspondence from Councillor Ashmore, **regarding a Medical Supply Manufacturing Park**, be received.

Carried

9.3.6 CW2021-007

That the presentation of the 2020 Environmental Business Hero and Environmental Youth Hero Awards by Councillor Richardson, Pat Warren and Deborah Pearson, to award recipients Boiling Over's Coffee Vault, Burns Bulk Food, Country Cupboard, Dive Kawartha, Flex Fitness, LaMantia's Country Market, UnWrapped and the Grade 5/6 Leadership Team at King Albert Public School, be received.

Carried

9.3.7 CW2021-008

That the presentation by Bryan Robinson, Director of Public Works, **regarding the Roads Database Update**, be received.

Carried

9.3.10 CW2021-011

That Report RS2021-002, **Proposed Surplus Declaration, Closure, and Sale of a Portion of Road Allowance adjacent to 2 Omega Road, Kirkfield**, be received;

That the subject property, being a portion of road allowance legally described as Public Road on Plan 223; Subject to R455091, R454565, R449274, R358433, R310113, R159034, F14707, in the Geographic Township of Fenelon, City of Kawartha Lakes, being Part of PIN: 63165-0331 (LT), be declared surplus to municipal needs;

That the closure of the portion of road allowance and sale to the adjoining landowner be supported, in principle, in accordance with the provisions of By-Law 2018-020, as amended, and the Municipal Act, 2001, and subject to the parties entering into a conditional Agreement of Purchase and Sale;

That Council set a price of \$5,000.00 as consideration for the subject portion of road allowance;

That staff be directed to commence the process to stop up and close the said portion of road allowance;

That a by-law (with any amendments deemed necessary) to close the road and authorize its disposition shall be passed if appropriate;

That a deeming by-law be passed contemporaneously with the disposition by-law; and

That the Mayor and Clerk be authorized to sign all documents to facilitate the road closing and conveyance of the lands.

Carried

9.3.11 CW2021-012

That Report RS2021-003, **Proposed Surplus Declaration, Closure, and Sale of a Portion of Road Allowance adjacent to 2 Jasper Drive, Kirkfield**, be received;

That the subject property, being a portion of road allowance legally described as Public Road on Plan 223; Subject to R455091, R454565, R449274, R358433, R310113, R159034, F14707, in the Geographic Township of Fenelon, City of Kawartha Lakes, being Part of PIN: 63165-0331 (LT), be declared surplus to municipal needs;

That the closure of the portion of road allowance and sale to the adjoining landowner be supported, in principle, in accordance with the provisions of By-Law 2018-020, as amended, and the Municipal Act, 2001, and subject to the parties entering into a conditional Agreement of Purchase and Sale;

That Council set a price of \$5,000.00 as consideration for the subject portion of road allowance;

That staff be directed to commence the process to stop up and close the said portion of road allowance;

That a by-law (with any amendments deemed necessary) to close the road and authorize its disposition shall be passed if appropriate;

That a deeming by-law be passed contemporaneously with the disposition by-law; and

That the Mayor and Clerk be authorized to sign all documents to facilitate the road closing and conveyance of the lands.

Carried

9.3.12 CW2021-013

That Report RS2021-005, **Potential Surplus and Sale of City Owned Property Municipally Addressed as Between 1474 and 1462 Fleetwood Road, in the Geographic Township of Manvers, City of Kawartha Lakes**, be received;

That the City-owned property municipally addressed as between 1474 and 1462 Fleetwood Road, in the Geographic Township of Manvers, City of Kawartha Lakes, be declared surplus to municipal needs;

That a direct sale to the adjacent owner be supported in principle, in accordance with the provisions of By-Law 2018-020, as amended, and the Municipal Act, 2001, and subject to the parties entering into a conditional Agreement of Purchase and Sale;

That a by-law (with any amendments deemed necessary) to authorize its disposition shall be passed; and

That the Mayor and Clerk be authorized to sign all documents to facilitate the conveyance of the lands.

Carried

9.3.13 CW2021-014

That Report PLAN2021-001, **Tree Preservation**, and the presentation by Anna Kalhina, Planner II, be received; and

That Council direct staff to commence a formal public consultation strategy and education plan, and deliver an Options Update report to Council within 6 months.

Carried

9.3.14 CW2021-015

That Report ED2021-001, **Ontario Heritage Act Processes**, be received; and

That property owners be provided with notice in advance of the listing of their properties on the Heritage Register in addition to the new statutory notice.

Carried

9.3.15 CW2021-016

That Report ENG2021-003, **Temporary Support for Fenelon Falls Bridge**, be received; and

That Council authorizes the required funds in the amount of \$349,934 be funded from the uncommitted portion of the capital contingency reserve. (1.32248).

Carried

9.3.16 CW2021-017

That the Memorandum from Mayor Letham, **regarding the Waive of Encroachment Fee for the Woodville Lion's Club**, be received;

That Council direct staff to waive the \$125.00 annual fee for the Woodville Lions Club with respect to the installation of a speed radar sign; and

That, notwithstanding section 4.03 of City Lands Encroachment By-Law 2018-017 which requires Licensees to pay the prescribed annual encroachment fee (in this case, \$125.00 per year), Council waive this requirement.

Carried

9.3.17 CW2021-018

That the Memorandum from Councillor Ashmore, **regarding Improved Lighting at Heron's Landing Entrance**, be received;

That staff conduct a traffic count in summer and provide statistical analysis of entrance regarding traffic and safety to see if warranted for streetlight; and

That staff report back in Q3, 2021.

Carried

9.3.19 CW2021-020

That the Memorandum from Councillor Veale, **regarding the Purchasing Policy Amendment**, be received; and

That the policy be brought forward as part of the policy review so that all substantiated costs associated with each project are described before budgets are approved.

Carried

9.3.20 CW2021-021

That the Memorandum from Councillor Veale, **regarding combining the Kirkfield Medical Centre and Library**, be received; and

That staff be directed to investigate options and costs for combining the Kirkfield Medical Centre and Library together in one building and report back in Q3, 2021.

Carried

9.3.22 CW2021-023

That Report FIRE2021-001, **Master Fire Plan**, be received;

That the Master Fire Plan be referred to Staff for review and report back to allow for the following items to be incorporated into the Plan:

- a Strategy to protect the health and well being of the City's Firefighters;
- a costing and the projected timelines (based on growth projections) for the recommendations within the Plan; and
- a Strategy for the City's Fire Halls.

Carried

9.4 Items Extracted from Committee of the Whole Minutes

9.3.8 CW2021-009

Moved By Councillor Veale

Seconded By Councillor Elmslie

That Report RD2021-001, **Roads Database Update**, be received; and

That the Director of Public Works bring forward the Roads Database, including all known roads, with recommendations and options for those roads, by the end of Q2, 2021.

Motion Failed

CR2021-011

Moved By Councillor Dunn

Seconded By Councillor Yeo

That Report RD2021-001, **Roads Database Update**, be received.

Carried

9.3.9 CW2021-010

CR2021-012

Moved By Councillor Ashmore

Seconded By Councillor Yeo

That Report CLK2021-001, **Municipal Elections 2022 - Voting Method**, be received.

Carried

CR2021-013

Moved By Councillor Yeo

Seconded By Councillor Elmslie

That the voting method of internet/telephone for the 2022 municipal election be approved; and

That a by-law be brought forward to Council authorizing the alternative voting method as required by the Municipal Elections Act as amended Section 42(1b).

Carried

9.3.18 CW2021-019

CR2021-014

Moved By Councillor Ashmore

Seconded By Deputy Mayor O'Reilly

That the Memorandum from Councillor Ashmore, **regarding the Omemee Beach Park Splash Pad**, be received.

Carried

CR2021-015

Moved By Councillor Ashmore

Seconded By Councillor Richardson

That staff develop a plan consistent with past community partnerships for the infrastructure with costing to establish a splash pad in Omemee; and

That staff report back in Q2, 2021.

Carried

9.3.21 CW2021-022

Moved By Councillor Ashmore

Seconded By Councillor Yeo

That the Memorandum from Councillor Veale, **regarding a Review of Service Levels by the CAO**, be received;

That the CAO review service levels in light of operational changes and changing service demands, recommend efficiencies and service enhancements and report back in Q2, 2021; and

That the CAO create a Service Betterment Program to tie together all actions and plans related to the changes to City services and service process; and

That the Program report to Council on a regular basis and the governance include a representative from Council and from the public.

Motion Failed

CR2021-016

Moved By Councillor Veale

Seconded By Councillor Richardson

That the Memorandum from Councillor Veale, **regarding a Review of Service Levels by the CAO**, be received; and

That the CAO review service levels in light of operational changes and changing service demands, recommend efficiencies and service enhancements and report back in Q2, 2021.

Carried

10. Planning Advisory Committee

10.1 Correspondence Regarding Planning Advisory Committee Recommendations

10.2 Planning Advisory Committee Minutes

Planning Advisory Committee Meeting Minutes, January 13, 2021

CR2021-017

Moved By Councillor Veale

Seconded By Councillor Richardson

That the Minutes of the January 13, 2021 Planning Advisory Committee Meeting be received and the recommendations, included in Section 10.3 of the Agenda, be adopted.

Carried

10.3 Business Arising from Planning Advisory Committee Minutes

10.3.1 PAC2021-003

That Report PLAN 2021-002 **respecting Part of Lot 19, Concession 3, geographic Township of Emily, Edward Grass – Applications D01-2020-009 and D06-2020-028**, be received; and

That Report PLAN2021-002 respecting Applications D01-2020-009 and D06-2020-028 be referred back to staff to address issues raised through the public consultation process and for further review and processing until such time that all comments have been received from all circulated agencies and City departments, and that any comments and concerns have been addressed.

Carried

10.4 Items Extracted from Planning Advisory Committee Minutes

11. Consent Matters

The following items were requested to be extracted from the Consent Agenda:

Councillor Seymour-Fagan Item 11.1.3

Moved By Councillor Dunn

Seconded By Councillor Veale

That all of the proposed resolutions shown in Section 11.1 of the Agenda, save and except for Item 11.1.3, be approved and adopted by Council in the order that they appear on the agenda and sequentially numbered.

Carried

11.1 Reports

11.1.1 RS2021-001

License Agreement for Parking Spaces on Clonsilla Drive (East Beehive Subdivision)

Laura Carnochan, Law Clerk - Realty Services

CR2021-018

That Report RS2021-001, **License Agreement for Parking Spaces on Clonsilla Drive (East Beehive Subdivision)**, be received; and

That the tasks associated with Council Resolution CR2020-156 and Council Resolution CR2020-157 be considered complete.

Carried

11.1.2 PUR2021-001

Request for Quotation 2020-04-OP Supply, Delivery and Application of Calcium Chloride

Marielle van Engelen, Buyer

CR2021-019

That Report PUR2021-001, **Request for Quotation 2020-24-OQ Supply, Delivery and Application of Calcium Chloride**, be received; and

That Council approve the four (4) – one (1) year optional renewal periods, with Morris Chemical (A Division of Da-Lee Dust Control Ltd.), based on the contract terms, annual budget approval, mutual agreement and successful completion of the initial term and each term thereafter.

Carried

11.1.4 ED2021-006

Arts Culture and Heritage Recovery Funding Framework

Donna Goodwin, Economic Development Officer - Arts and Culture

CR2021-020

That Report ED2021-006, **Arts, Culture and Heritage Recovery Funding Framework**, be received;

That funds of up to \$100,000 be allocated to the Arts, Culture and Heritage Recovery Fund from the Pandemic Related portion of the contingency reserve;

That staff be delegated the responsibility to establish and manage the Arts, Culture and Heritage Recovery Fund as detailed in Appendix A and B; and

That a review committee of up to five (5) Staff from Development Services, Community Services and Corporate Services be established to review application eligibility and the Director of Corporate Services be authorized to approve applications.

Carried

11.1.5 ED2021-007

Rural Economic Development Program Application

Rebecca Mustard, Manager, Economic Development

CR2021-021

That Report ED2021-007, **Rural Economic Development Program Application Request**, be received;

That the project Business and Workforce Attraction be approved for an application to the Ontario Rural Economic Development Program with a total project cost of up to \$100,000 with the City's 50% contribution coming from the Economic Development operating 2021 and 2022 operating budgets; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application.

Carried

11.1.6 HH2021-001

KLH Housing - Purchase of 11 West Street South, Fenelon Falls

Hope Lee, Manager, Human Services (Housing)

CR2021-022

That Report HH2021-001, **KLH Housing – Purchase of 11 West Street South, Fenelon Falls**, be received; and

That the City approves the debenture financing of \$1,450,000 for KLH Housing Corporation for up to a thirty-year term in order to purchase the property located at 11 West Street South, Fenelon Falls.

Carried

11.1.7 HS2021-001

Community Pandemic Recovery Fund Framework

Rod Sutherland, Director of Human Services

CR2021-023

That Report HS2021-001, **Community Pandemic Recovery Fund Framework**, be received;

That the Community Pandemic Recovery Fund Framework, attached as Appendix A to Report HS2021-01, be approved;

That the Community Pandemic Recovery Fund Evaluation Committee Terms of Reference, attached as Appendix B to Report HS2021-01, be approved;

That Marina Hodson, Heather Kirby, Lynda Nydam, Max Radiff and Councillor Tracy Richardson be appointed to the Community Pandemic Recovery Fund Evaluation Committee; and

That a total maximum of \$500,000 be allocated to the Community Pandemic Recovery Fund for 2021, funded up to \$120,000 from the Pandemic related portion of the City's Contingency Reserve and up to \$380,000 from the 2021 Lindsay Legacy CHEST Fund.

Carried

11.2 Items Extracted from Consent

11.1.3 ED2021-003

Film Production and Processes

Donna Goodwin, Economic Development Officer - Arts and Culture

CR2021-024

Moved By Councillor Seymour-Fagan

Seconded By Councillor Veale

That Report 2021-003, **Film Production and Processes**, be received; and

That up to \$40,000 be allocated from the Economic Development Reserve to undertake a Film Production and Processes study with the intent of establishing a municipal film office in Economic Development Division.

Carried

12. Petitions

13. Other or New Business

14. By-Laws

The mover requested the consent of Council to read the by-laws by number only.

CR2021-025

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Ashmore

That the By-Laws shown in Section 14.1 of the Agenda, namely: Items 14.1.1 to and including 14.1.4 be read a first, second and third time, passed, numbered, signed and the corporate seal attached.

Carried

14.1 By-Laws by Consent

14.1.1 By-Law 2021-001

A By-Law To Authorize the Use of Alternative Voting Methods and Advance Vote for the City of Kawartha Lakes 2022 Municipal Elections and to Repeal and Replace By-Law 2017-013

14.1.2 By-Law 2021-002

A By-Law to Designate 28 Boyd Street, Bobcaygeon in the City of Kawartha Lakes

14.1.3 By-Law 2021-003

A By-Law to Authorize the Execution of a Letter of Agreement between Her Majesty the Queen in right of Ontario as represented by the Minister of Transportation for the Province of Ontario and the City of Kawartha Lakes related to Funding Provided by the Province of Ontario to the Municipality under the Municipal Transit Enhanced Cleaning (MTEC) Program

14.1.4 By-Law 2021-004

A By-Law to Authorize the Execution of a Letter of Agreement between Her Majesty in Right of the Province of Ontario as represented by the Minister of Transportation for the Province of Ontario and the City of Kawartha Lakes related to Funding Provided by the Province of Ontario to the Municipality under the Dedicated Gas Tax Funds for Public Transportation Program

14.2 By-Laws Extracted from Consent

15. Notice of Motion

16. Closed Session

At this point in the meeting, Council proceeded to go into Closed Session to consider the items under Section 16 of the Agenda. All remaining staff, with the exception of the CAO, City Clerk, Deputy Clerks and City Solicitor, were instructed to leave the electronic meeting.

As per the City's Procedural By-law requirements, Mayor Letham asked all remaining participants in the meeting to confirm, by raising their hands, that that they were in a private room, where:

A. No other persons could overhear the deliberations; and

B. Their internet connection was secure and not publicly accessible.

16.1 Adoption of Closed Session Agenda

CR2021-026

Moved By Councillor Dunn

Seconded By Councillor Seymour-Fagan

That the Closed Session agenda be adopted as circulated.

Carried

16.2 Disclosure of Pecuniary Interest in Closed Session Items

There were no declarations of pecuniary interest disclosed.

16.3 Move Into Closed Session

CR2021-027

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That Council convene into closed session at 1:57 p.m. pursuant to Section 239(2) of the Municipal Act, S.O. 2001 s.25, in order to consider matters identified in Section 16.3 of the Regular Council Meeting Agenda of Thursday, January 28, 2021, namely Items 16.3.1 to and including 16.3.10.

Carried

17. Matters from Closed Session

Item 16.3.1

The confidential closed session minutes from the December 15, 2020 Special Council Meeting were approved.

Item 16.3.2

CR2021-038

Moved By Councillor Ashmore

Seconded By Deputy Mayor O'Reilly

That the following members of the public be appointed to the Kawartha Lakes Municipal Heritage Committee:

Julia Hartman for a 2 year term, ending December 31, 2022;

Jon Pitcher for a 2 year term, ending December 31, 2022; and

William Peel for a 2 year term, ending December 31, 2022.

Carried

Item 16.3.3

CR2021-039

Moved By Councillor Veale

Seconded By Councillor Richardson

That the following members of the public be appointed to the Agricultural Development Advisory Committee:

Matt Pecoskie for a 2 year term, ending December 31, 2022; and

Phil Callaghan for a 2 year term, ending December 31, 2022.

Carried

Item 16.3.4

CR2021-040

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That the following members of the public be appointed to the Kawartha Lakes Accessibility Advisory Committee (AAC):

Sharon Coupland for a two year term, ending December 31, 2022;

Linda DaSilva for a two year term, ending December 31, 2022;

Diane Eaglestad for a two year term, ending December 31, 2022; and

Elizabeth Peeters for a two year term, ending December 31, 2022.

Carried

Item 16.3.5

CR2021-041

Moved By Councillor Richardson

Seconded By Councillor Dunn

That the following members of the public be appointed to the Off Road Vehicle Use of City Roads Task Force for the proposed term of the Task Force:

Don Mitchell;

Jason Ramsay;

Carolyn Richards; and

Steve Lane.

Carried

Item 16.3.6

CR2021-042

Moved By Councillor Dunn

Seconded By Councillor Elmslie

That the following members of the public be appointed to the Lindsay Ops Landfill Public Review Committee:

Barry Hodgson for a 2 year term, ending December 31, 2022;

Chris Appleton for a 2 year term, ending December 31, 2022;

Larry Scrivens for a 2 year term, ending December 31, 2022;

Lloyd Robertson for a 2 year term, ending December 31, 2022; and

David Webb for a 2 year term, ending December 31, 2022.

Carried

Item 16.3.7

Council provided direction on the evaluation of bagged recycling for curbside collection.

Item 16.3.8

Council provided direction on the bargaining mandate for the Ontario Nurses Association.

Item 16.3.9

The City Solicitor provided information pertaining to litigation commenced by Mapleridge Mechanical Contracting Inc. against the City, being Superior Court File 19-142 and obtained instruction pertaining to the same.

Item 16.3.10

CR2021-043

Moved By Councillor Yeo

Seconded By Deputy Mayor O'Reilly

That Council and the CAO form a working group to review Fire Services and their overall budget.

Carried

18. Confirming By-Law

18.1 CC2021-02.18.1

A By-Law to Confirm the Proceedings on the Regular Council Meeting on January 28, 2021

CR2021-044

Moved By Councillor Ashmore

Seconded By Deputy Mayor O'Reilly

That a by-law to confirm the proceedings of a Regular Council Meeting held Thursday, January 28, 2021 be read a first, second and third time, passed, numbered, signed and the corporate seal attached.

Carried

19. Adjournment

CR2021-045

Moved By Councillor Seymour-Fagan

Seconded By Councillor Yeo

That the Council Meeting adjourn at 4:45 p.m.

Carried

Read and adopted this 23 day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes
Minutes
Special Council Meeting

CC2021-03
Tuesday, February 2, 2021
Open Session Commencing at 9:00 a.m. – Electronic Participation
Council Chambers
City Hall
26 Francis Street, Lindsay, Ontario K9V 5R8

Members:
Mayor Andy Letham
Deputy Mayor Patrick O'Reilly
Councillor Ron Ashmore
Councillor Pat Dunn
Councillor Doug Elmslie
Councillor Tracy Richardson
Councillor Kathleen Seymour-Fagan
Councillor Andrew Veale
Councillor Emmett Yeo

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities. Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1. Call to Order

Mayor Letham called the Meeting to order at 9:00 a.m. from Council Chambers. Deputy Mayor P. O'Reilly and Councillors R. Ashmore, P. Dunn, D. Elmslie, T. Richardson, K. Seymour-Fagan, A. Veale and E. Yeo were in attendance electronically.

CAO R. Taylor, Directors C. Marshall, B. Robinson, J. Rojas, C. Shanks, J. Stover, R. Sutherland, Fire Chief M. Pankhurst, Paramedic Chief R. Mellow and City Solicitor R. Carlson were in attendance electronically.

City Clerk C. Ritchie, Deputy Clerk S. O'Connell and Deputy Clerk J. Watts were also in attendance in Council Chambers.

2. Adoption of Agenda

Mayor Letham made an announcement in recognition of Black History Month.

CR2021-046

Moved By Councillor Elmslie

Seconded By Councillor Richardson

That the Agenda for the Open Session of the Special Council Meeting of Tuesday, February 2, 2021, be adopted as circulated.

Carried

3. Disclosure of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

4. 2021 Budget Presentations - Agencies and Boards

CAO R. Taylor provided introductory remarks on the 2021 Budget Presentations by Agencies and Boards.

4.1 CC2021-03.4.1

**Haliburton, Kawartha and Pine Ridge District Health Unit
2021 Proposed Budget Presentation**

Dr. Ian Gemmill, Acting Medical Officer of Health

Angela Vickery, Director, Corporate Services

(Refer to Page 129 of the 2021 Proposed Operating Budget)

Dr. Gemmill, Acting Medical Officer of Health, and Angela Vickery, Director of Corporate Services for the Haliburton, Kawartha Lakes, Pine Ridge District Health Unit, provided an overview of the 2021 Proposed Budget for the Haliburton, Kawartha, Pine Ridge District Health Unit.

CR2021-047

Moved By Councillor Elmslie

Seconded By Councillor Richardson

That the presentation by Dr. Ian Gemmill, Acting Medical Officer of Health, and Angela Vickery, Director of Corporate Services for the Haliburton, Kawartha, Pine Ridge District Health Unit, **regarding the 2021 Proposed Budget for the Haliburton, Kawartha, Pine Ridge District Health Unit**, be received.

Carried

4.1.1 CC2021-03.4.1.1

Correspondence from the Haliburton, Kawartha, Pine Ridge District Health Unit Regarding 2020 Levy in Arrears

Angela Vickery, Director, Corporate Services

CR2021-048

Moved By Councillor Yeo

Seconded By Councillor Elmslie

That the correspondence from the Haliburton, Kawartha, Pine Ridge District Health Unit, **regarding 2020 Levy in Arrears**, be received and referred staff for review and report back at the February 23, 2021 Regular Council Meeting for consideration.

Carried

4.1.2 CC2021-03.4.1.2

Correspondence from the Haliburton, Kawartha, Pine Ridge District Health Unit Regarding an Increase to Municipal Assessments

Angela Vickery, Director, Corporate Services

Mayor Letham advised that additional correspondence pertaining to an increase in the Municipal Assessments for 2021 had been received and circulated to Council.

CR2021-049

Moved By Councillor Elmslie

Seconded By Councillor Richardson

That the correspondence from the Haliburton, Kawartha, Pine Ridge District Health Unit, **regarding an Increase to Municipal Assessments for 2020 and 2021**, be received.

Carried

Item 4.6 was moved up on the Agenda.

4.6 CC2021-03.4.6

Kawartha Lakes Police Services Board

2021 Proposed Budget Presentation

Mark Mitchell, Chief of Police

(Refer to Page 123 of the 2021 Proposed Operating Budget)

Mark Mitchell, Chief of Police, and Don Thomas, Chair of the Police Services Board, provided an overview of the 2021 Proposed Budget for the Kawartha Lakes Police Services Board.

CR2021-050

Moved By Councillor Dunn

Seconded By Deputy Mayor O'Reilly

That the presentation by Mark Mitchell, Chief of Police, and Don Thomas, Chair of the Police Services Board, **regarding the 2021 Proposed Budget for the Kawartha Lakes Police Services Board**, be received.

Carried

CR2021-051

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Yeo

That \$231,530.00, for proposed physical and mechanical work at the Kawartha Lakes Police Service Building at 6 Victoria Avenue North in Lindsay, be included as a decision unit for the 2021 Proposed Operating Budget for consideration at the February 16, 2021 Special Council Meeting.

Carried

4.2 CC2021-03.4.2

Lindsay Downtown Business Improvement Area (BIA)

2021 Proposed Budget Presentation

Melissa McFarland, General Manager

(Refer to Page 25 of the 2021 Proposed Operating Budget)

Melissa McFarland, General Manager, and Stephen Podolsky, Vice-Chair, of the Lindsay Downtown Business Improvement Area, provided an overview of the 2021 Proposed Budget for the Lindsay Downtown Business Improvement Area.

CR2021-052

Moved By Councillor Dunn

Seconded By Councillor Yeo

That the presentation by Melissa McFarland, General Manager, and Steve Podolsky, Vice-Chair, Lindsay Downtown Business Improvement Association, **regarding the 2021 Proposed Budget for the Lindsay Downtown Business Improvement**, be received.

Carried

CR2021-053

Moved By Councillor Dunn

Seconded By Deputy Mayor O'Reilly

That the addition of \$10,000.00 to the Community Partnership and Development Fund (for Beautification) be included as a decision unit for the 2021 Proposed Operating Budget and forwarded to the February 16, 2021 Special Council Meeting for consideration.

Carried

4.2.1 CC2021-03.4.2.1

Correspondence Regarding Lindsay Downtown Business Improvement Area 2021 Proposed Budget

Melissa McFarland, General Manager

CR2021-054

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Elmslie

That the correspondence from Lindsay Downtown Business Improvement Association, **regarding the 2021 Budget**, be received.

Carried

4.3 CC2021-03.4.3

Kawartha Conservation

2021 Proposed Budget Presentation

Mark Majchrowski, Chief Administrative Officer

(Refer to Page 91 of the 2021 Proposed Operating Budget)

Mark Majchrowski, Chief Administrative Officer for Kawartha Conservation, provided an overview of the 2021 Proposed Budget for Kawartha Conservation.

CR2021-055

Moved By Councillor Dunn

Seconded By Councillor Seymour-Fagan

That the presentation by Mark Majchrowski, Chief Administrative Officer, **regarding the 2021 Proposed Budget for Kawartha Conservation**, be received.

Carried

CR2021-056

Moved By Councillor Yeo

Seconded By Councillor Dunn

That the Lake Dalrymple Lake Management Plan be included as a decision unit for the proposed 2021 Special Projects Budget for consideration at the February 16, 2021 Special Council Meeting.

Carried

4.3.1 CC2021-03.4.3.1

Correspondence Regarding the Kawartha Conservation 2021 Proposed Budget

Mark Majchrowski, Chief Administrative Officer

CR2021-057

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That the correspondence from Kawartha Conservation, **regarding the 2021 Proposed Budget**, be received.

Carried

4.4 CC2021-03.4.4

**Kawartha Lakes-Haliburton Housing Corporation
2021 Proposed Budget Presentation**

Hope Lee, Chief Executive Officer

(Refer to Page 138 of the 2021 Proposed Operating Budget)

Hope Lee, Chief Executive Officer for Kawartha Lakes-Haliburton Housing Corporation, provided an overview of the 2021 Proposed Budget for the Kawartha Lakes-Haliburton Housing Corporation.

CR2021-058

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That the presentation by Hope Lee, Chief Executive Officer for Kawartha Lakes-Haliburton Housing Corporation, **regarding the 2021 Proposed Budget for Kawartha Lakes-Haliburton Housing Corporation**, be received.

Carried

4.4.1 CC2021-03.4.4.1

Correspondence Regarding the Kawartha Lakes-Haliburton Housing Corporation 2021 Proposed Budget

Hope Lee, Chief Executive Officer

CR2021-059

Moved By Councillor Yeo

Seconded By Councillor Dunn

That the correspondence from Kawartha Lakes-Haliburton Housing Corporation, **regarding the 2021 Proposed Budget**, be received.

Carried

4.5 CC2021-03.4.5

**Kawartha Lakes Health Care Initiative
2021 Proposed Budget Presentation**

Cindy Snider, Recruitment, Retention and Medical Education Coordinator

(Refer to Page 134 of the 2021 Proposed Operating Budget)

Lisa Green, President of the Kawartha Lakes Health Care Initiative, provided an overview of the 2021 Proposed Budget for the Kawartha Lakes Health Care Initiative.

CR2021-060

Moved By Councillor Richardson

Seconded By Councillor Dunn

That the presentation by Lisa Green, President of Kawartha Lakes Health Care Initiative, **regarding the 2021 Proposed Budget for the Kawartha Lakes Public Library Board**, be received.

Carried

4.7 CC2021-03.4.7

**Kawartha Lakes Public Library Board
2021 Proposed Budget Presentation**

Jamie Anderson, Library Director/Chief Executive Officer

(Refer to Pages 63 to 66 of the 2021 Proposed Operating Budget)

Jamie Anderson, Library Director/Chief Executive Officer, provided an overview of the 2021 Proposed Budget for the Kawartha Lakes Public Library Board.

CR2021-061

Moved By Councillor Veale

Seconded By Councillor Dunn

That the presentation by Jamie Anderson, Library Director/Chief Executive Officer, **regarding the 2021 Proposed Budget for the Kawartha Lakes Public Library Board**, be received.

Carried

5. Correspondence - 2021 Budget Presentations for Agencies and Boards

5.1 CC2021-03.5.1

Ontario Provincial Police 2021 Annual Billing Statement

Phil Whitton, Superintendent, Commander, Municipal Policing Bureau

(Refer to Page 124 of the 2021 Proposed Operating Budget)

CR2021-062

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That the correspondence from the Ontario Provincial Police, **regarding the 2021 Annual Billing Statement**, be received.

Carried

5.2 CC2021-03.5.2

Otonabee Conservation 2021 Budget Process

Dan Marinigh, CAO/Secretary-Treasurer, Otonabee Conservation

(Refer to Page 91 of the 2021 Proposed Operating Budget)

CR2021-063

Moved By Councillor Richardson

Seconded By Councillor Seymour-Fagan

That the correspondence from Otonabee Conservation, **regarding the 2021 Budget Process**, be received.

Carried

5.3 CC2021-03.5.3

Lake Simcoe Region Conservation Authority 2021 Proposed Budget

Susan McKinnon, Manager, Budget and Business Analysis

(Refer to Page 91 of the 2021 Proposed Operating Budget)

CR2021-064

Moved By Councillor Yeo

Seconded By Councillor Dunn

That the correspondence from the Lake Simcoe Region Conservation Authority, **regarding the 2021 Proposed Budget**, be received.

Carried

5.4 CC2021-03.5.4

Ganaraska Region Conservation Authority 2021 Proposed Budget

Linda J. Laliberte, CAO/Secretary-Treasurer

(Refer to Page 91 of the 2021 Proposed Operating Budget)

CR2021-065

Moved By Councillor Richardson

Seconded By Councillor Elmslie

That the correspondence from Ganaraska Conservation, **regarding the 2021 Proposed Budget**, be received.

Carried

The Meeting recessed at 11:28 a.m. and reconvened at 11:42 a.m.

6. 2021 Budget Presentations - Departmental

Introductory Remarks - 2021 City Budgets

Corporate Considerations and Updates

Ron Taylor, Chief Administrative Officer

Jennifer Stover, Director of Corporate Services

CAO Taylor provided an overview of the 2021 City Budgets including corporate considerations and updates on the budget process.

CR2021-066

Moved By Councillor Richardson

Seconded By Councillor Yeo

That the presentation by Ron Taylor, Chief Administrative Officer, and Jennifer Stover, Director of Corporate Services, **regarding 2021 City Budgets and Corporate Considerations and Updates**, be received.

Carried

6.1 CC2021-03.6.1

Mayor and Council

Office of the CAO

2021 Proposed Budgets

Ron Taylor, Chief Administrative Officer

(Refer to Pages 27 to 30 and 31 to 44 of the 2021 Proposed Operating Budget)

CAO Taylor provided an overview of the 2021 Proposed Budgets for the Mayor and Council as well as for the Office of the CAO.

CR2021-067

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Ashmore

That the presentation by Ron Taylor, Chief Administration Officer, **regarding the 2021 Proposed Budgets for the Mayor and Council and Office of the CAO**, be received.

Carried

The Meeting recessed at 1:05 p.m. and reconvened at 1:33 p.m.

6.2 CC2021-03.6.2

**Community Services
2021 Proposed Budget**

Craig Shanks, Director of Community Services

(Refer to Pages 45 to 62 of the 2021 Proposed Operating Budget)

Director Shanks provided an overview of the 2021 Proposed Budget for Community Services.

CR2021-068

Moved By Councillor Elmslie

Seconded By Councillor Richardson

That the presentation by Craig Shanks, Director of Community Services, regarding the **2021 Proposed Budget for Community Services**, be received.

Carried

6.3 CC2021-03.6.3

**Corporate Services
2021 Proposed Budget**

Jennifer Stover, Director of Corporate Services

(Refer to Pages 67 to 84 of the 2021 Proposed Operating Budget)

Director Stover provided an overview of the 2021 Proposed Budget for Corporate Services.

CR2021-069

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That the presentation by Jennifer Stover, Director of Corporate Services, regarding **2021 Proposed Budget for Corporate Services**, be received.

Carried

6.4 CC2021-03.6.4

**Development Services
2021 Proposed Budget**

Chris Marshall, Director of Development Services

(Refer to Pages 85 to 100 of the 2021 Proposed Operating Budget)

Director Marshall provided an overview of the 2021 Proposed Budget for Development Services.

CR2021-070

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Ashmore

That the presentation by Chris Marshall, Director of Development Services, **regarding the 2021 Proposed Budget for Development Services**, be received.

Carried

6.5 CC2021-03.6.5

Engineering and Corporate Assets

2021 Proposed Budget

Juan Rojas, Director of Engineering and Assets

(Refer to Pages 101 to 112 of the 2021 Proposed Operating Budget)

Director Rojas provided an overview of the 2021 Proposed Budget for Engineering and Corporate Assets.

CR2021-071

Moved By Councillor Elmslie

Seconded By Councillor Richardson

That the presentation by Juan Rojas, Director of Engineering and Corporate Assets, **regarding the 2021 Proposed Budget for Engineering and Corporate Assets**, be received.

Carried

6.6 CC2021-03.6.6

Fire Services

2021 Proposed Budget

Mark Pankhurst, Fire Chief

(Refer to Pages 114 to 117 of the 2021 Proposed Operating Budget)

Chief Pankhurst provided an overview of the 2021 Proposed Budget for Fire Services.

CR2021-072

Moved By Councillor Dunn

Seconded By Deputy Mayor O'Reilly

That the presentation by Mark Pankhurst, Fire Chief, **regarding the 2021 Proposed Budget for Fire Services**, be received.

Carried

6.7 CC2021-03.6.7

Paramedic Services

2021 Proposed Budget

Randy Mellow, Paramedic Chief

(Refer to Pages 118 to 122 of the 2021 Proposed Operating Budget)

Chief Mellow provided an overview of the 2021 Proposed Budget for Paramedic Services.

CR2021-073

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That the presentation by Randy Mellow, Paramedic Chief, **regarding the 2021 Proposed Budget for Paramedic Services**, be received.

Carried

6.8 CC2021-03.6.8

Human Services

2021 Proposed Budget

Rod Sutherland, Director of Human Services

(Refer to Pages 125 to 140 of the 2021 Proposed Operating Budget)

Director Sutherland provided an overview of the 2021 Proposed Budget for Human Services.

CR2021-074

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That the presentation by Rod Sutherland, Director of Human Services, **regarding the 2021 Proposed Budget for Human Services**, be received.

Carried

6.9 CC2021-03.6.9

Public Works

2021 Proposed Budget

Bryan Robinson, Director of Public Works

(Refer to Pages 141 to 158 of the 2021 Proposed Operating Budget)

Director Robinson provided an overview of the 2021 Proposed Budget for Public Works.

CR2021-075

Moved By Councillor Richardson

Seconded By Councillor Seymour-Fagan

That the presentation by Bryan Robinson, Director of Public Works, **regarding the 2021 Proposed Budget for Public Works**, be received.

Carried

CR2021-076

Moved By Councillor Yeo

Seconded By Deputy Mayor O'Reilly

That the allocation of \$126,000.00, for the Coboconk Wellness Center, be included as a decision unit for the 2021 Proposed Operating Budget, with funding options, for consideration at the February 16, 2021 Special Council Meeting.

Carried

CR2021-077

Moved By Councillor Richardson

Seconded By Councillor Elmslie

That Staff provide options to Council, at the February 16, 2021 Special Council Meeting, to fund a reduction in the proposed 2021 tax levy increase, as a one-time community pandemic relief, in a manner that would not negatively impact the City's long term financial plan.

Carried

CR2021-078

Moved By Councillor Ashmore

Seconded By Councillor Yeo

That Staff request that each School Board submit correspondence outlining their respective 2021 proposed budgets, for consideration at the February 16, 2021 Special Council Meeting.

Carried

7. Confirming By-Law

7.1 CC2021-03.7.1

A By-Law to Confirm the Proceedings of a Special Meeting of Council, Tuesday, February 2, 2021

CR2021-079

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That a by-law to confirm the proceedings of a Special Council Meeting held Tuesday, February 2, 2021 be read a first, second and third time, passed, numbered, signed and the corporate seal attached.

Carried

8. Adjournment

CR2021-080

Moved By Councillor Yeo

Seconded By Councillor Ashmore

That the Council Meeting adjourn at 4:29 p.m.

Carried

Read and adopted this 23 day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes
Minutes
Special Council Meeting

CC2021-04

Tuesday, February 16, 2021

Open Session Commencing at 1:00 p.m. – Electronic Participation

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

Members:

Mayor Andy Letham

Deputy Mayor Patrick O'Reilly

Councillor Ron Ashmore

Councillor Pat Dunn

Councillor Doug Elmslie

Councillor Tracy Richardson

Councillor Kathleen Seymour-Fagan

Councillor Andrew Veale

Councillor Emmett Yeo

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities.

Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1. Call to Order

Mayor Letham called the Meeting to order at 1:00 p.m. Deputy Mayor P. O'Reilly and Councillors R. Ashmore, P. Dunn, D. Elmslie, T. Richardson, K. Seymour-Fagan, A. Veale and E. Yeo were in attendance.

CAO R. Taylor, City Clerk C. Ritchie, Deputy Clerk S. O'Connell, Deputy Clerk J. Watts and Director J. Stover were also in attendance in Council Chambers.

Directors C. Marshall, B. Robinson, J. Rojas, C. Shanks, R. Sutherland, City Solicitor R. Carlson and Chief Librarian J. Anderson were in attendance electronically.

2. Adoption of Agenda

CR2021-081

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That the Agenda for the Open Session of the Special Council Meeting of Tuesday, February 16, 2021, be adopted as circulated.

Carried

3. Disclosure of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

4. Correspondence

4.1 CC2021-04.4.1

Correspondence Regarding the School Year Budget for the Trillium Lakelands District School Board

David Morrison, Vice Chair, Trillium Lakelands District School Board

CR2021-082

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Dunn

That the correspondence from David Morrison, Vice Chair of Trillium Lakelands District School Board, **regarding the School Year Budget for Trillium Lakelands District School Board**, be received.

Carried

4.2 CC2021-04.4.2

Correspondence Regarding the School Year Budget for the Peterborough, Northumberland and Clarington Catholic District School Board

David Bernier, Chair, Peterborough, Northumberland and Clarington Catholic District School Board

CR2021-083

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Ashmore

That the correspondence from David Bernier, Chair of Peterborough, Northumberland and Clarington Catholic District School Board, **regarding the School Year Budget for the Peterborough, Northumberland and Clarington Catholic District School Board**, be received.

Carried

4.3 CC2021-04.4.3

Correspondence Regarding the Needle Exchange Program Offered by the Haliburton, Kawartha, Pine Ridge District Health Unit

Dr. Ian Gemmill, Acting Medical Officer of Health, Haliburton, Kawartha, Pine Ridge District Health Unit

CR2021-084

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That the correspondence from Dr. Ian Gemmill, Acting Medical Officer of Health for Haliburton, Kawartha, Pine Ridge District Health Unit, **regarding the Needle Exchange Program Offered by the Haliburton, Kawartha, Pine Ridge District Health Unit**, be received.

Carried

4.4 CC2021-04.4.4

**Public Comments Submitted Through the "Jump-In" Platform on the 2021 Budget Process
As of February 10, 2021**

CR2021-085

Moved By Councillor Yeo

Seconded By Councillor Elmslie

That the public comments submitted through the Jump-In Platform, **regarding the 2021 Budget Process**, be received.

Carried

5. CC2021-04.5

Tax Supported Capital Decision Units

Mayor Letham

5.1 CC2020-04.5.1

Proposed Renovation and Mechanical Work at the Kawartha Lakes Police Services Building

CR2021-086

Moved By Councillor Yeo

Seconded By Councillor Seymour-Fagan

That the Police Services Building Evidence Room and Forensic Lab Project be approved in the amount of \$231,530 to be funded from the Capital Contingency Reserve.

Carried

6. CC2021-04.6

Water and Wastewater 2021 Proposed Capital and Operating Budget Presentation

Jennifer Stover, Director of Corporate Services

Bryan Robinson, Director of Public Works

Adam Found, Manager of Corporate Assets

Director Robinson and Manager Found provided an overview of the 2021 Proposed Capital and Operating Budgets for Water and Wastewater.

CR2021-087

Moved By Councillor Elmslie

Seconded By Councillor Seymour-Fagan

That the presentation by Bryan Robinson, Director of Public Works, and Adam Found, Manager of Corporate Assets, regarding the Water and Wastewater 2021 Proposed Capital and Operating Budget, be received; and

That the 2021 Proposed 2021 Capital and Operating Budgets for Water and Wastewater be received.

Carried

6.1 CC2021-04.6.1

Water and Wastewater Proposed 2021 Capital Budget

Adam Found, Manager of Corporate Assets

(Refer to Page 165 of the 2021 Proposed Operating Budget)

The Proposed 2021 Capital Budget for Water and Wastewater was reviewed.

6.2 CC2021-04.6.2

Water and Wastewater Proposed 2021 Operating Budget

Bryan Robinson, Director of Public Works

(Refer to Page 159 of the 2021 Proposed Operating Budget)

The proposed 2021 Operating Budget for Water and Wastewater was reviewed.

CR2021-088

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That the 2021 Water and Wastewater Capital and Operating Budget be approved.

Carried

7. CC2021-04.7

2021 Proposed Special Projects Budget

Jennifer Stover, Director of Corporate Services

The 2021 Proposed Special Projects Budget was reviewed.

CR2021-089

Moved By Councillor Seymour-Fagan

Seconded By Councillor Richardson

That the 2021 Proposed Special Projects Budget be received.

Carried

7.2 CC2021-04.7.2

2021 Proposed Special Projects Budget - Decision Units

Mayor Letham

CR2021-090

Moved By Councillor Yeo

Seconded By Councillor Seymour-Fagan

That the Lake Dalrymple Lake Management Plan be included in the 2021 Special Projects Budget in the amount of \$90,200.00 as the 2021 contribution to the four year funding commitment.

Carried

CR2021-091

Moved By Councillor Yeo

Seconded By Councillor Dunn

That the Coboconk Wellness Centre be included in the 2021 Special Projects Budget in the amount of \$126,000 to be funded from the Tax Levy.

Carried

CR2021-092

Moved By Councillor Yeo

Seconded By Councillor Elmslie

That the following Projects be included in the 2021 Special Projects Budget, to be funded from the Efficiency Grant portion of the Contingency Reserve:

- IT Service Desk Software Improvements in the amount of \$60,000
- CADLink and Dashboard for Paramedics in the amount of \$76,000
- Integrated Roads Operating Software in the amount of \$95,000
- Business Count Technology for Economic Development in the amount of \$30,000

- CityWorks Enhancements for Development Services in the amount of \$20,000
- Drone Map Software for Municipal Law Enforcement in the amount of \$4,000
- Operative IQ for Paramedics in the amount of \$15,000

Carried

7.1 CC2021-04.7.1

2021 Proposed Special Projects Budget

(Refer to Page 169 of the 2021 Proposed Operating Budget)

CR2021-093

Moved By Councillor Dunn

Seconded By Deputy Mayor O'Reilly

That the 2021 Special Projects Budget, as amended, be approved.

Carried

8. CC2021-04.8

2021 Proposed Operating Budget

CR2021-094

Moved By Councillor Elmslie

Seconded By Councillor Seymour-Fagan

That the 2021 Proposed Tax Levy Supported Operating Budget be received.

Carried

8.1 CC2021-04.8.1

2021 Proposed Tax Supported Decision Units

Moved By Councillor Ashmore

Seconded By Councillor Yeo

That Waste Calendar Delivery by Mail be included in the 2021 Tax Supported Operating Budget in the amount of \$45,000 to be funded from the tax levy.

Motion Failed

CR2021-095

Moved By Councillor Seymour-Fagan

Seconded By Councillor Elmslie

That the Enhanced Services in Downtowns Project (including increased garbage cans, waste pick up, portable washrooms and directional signage) be included in the 2021 Tax Supported Operating Budget in the amount of \$200,000; and

That Staff report back on the Project by the end of Q4, 2021.

Carried

8.2 CC2021-04.8.2

2021 Proposed Operating Budget

(Refer to Pages 11 to 158 of the 2021 Proposed Operating Budget)

The 2021 Proposed Operating Budget was reviewed.

The meeting recessed at 2:29 p.m. and reconvened at 2:39 p.m.

9. Reports

9.1 CORP2021-005

2021 Tax Levy Supported Operating Budget

Jennifer Stover, Director of Corporate Services

CR2021-096

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Dunn

That Report CORP2021-005, **2021 Tax Levy Supported Operating Budget**, be received; and

That all uncommitted funding received under the Safe Restart Agreement be transferred to the Contingency Reserve to be used for the purpose of addressing operating shortfalls and municipal pandemic relief.

Carried

CR2021-097

Moved By Councillor Yeo

Seconded By Councillor Seymour-Fagan

That \$115,000 of Fire Area C 2020 Area Rated Surplus be allocated to the 2021 Budget.

Carried

CR2021-098

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Yeo

That \$10,435 of the Lindsay Parks 2020 Area Rates Surplus be allocated to the 2021 Budget.

Carried

CR2021-099

Moved By Councillor Elmslie

Seconded By Councillor Yeo

That \$115,000 of the Street Lighting 2020 Area Rated Surplus be allocated to the 2021 Budget.

Carried

CR2021-100

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That \$124,266 of the Kawartha Lakes Police 2020 Area Rated Surplus be allocated to the 2021 Budget.

Carried

CR2021-101

Moved By Councillor Seymour-Fagan

Seconded By Deputy Mayor O'Reilly

That \$835,953 of Safe Restart Funding be allocated to the 2021 Budget to offset pandemic related costs and reduced revenues.

Carried

CR2021-102

Moved By Councillor Veale

Seconded By Councillor Richardson

That \$131,423 of the 2020 Library Surplus be allocated to the 2021 Budget.

Carried

CR2021-103

Moved By Councillor Yeo

Seconded By Councillor Dunn

That Council approve the 2021 Budget with a Tax Levy increase of 1.5%; and

That Safe Restart Funding be used to support this direction.

Carried

CR2021-104

Moved By Councillor Yeo

Seconded By Councillor Seymour-Fagan

That Council approve the 2021 Budget Tax Levy Supported Operating Budget, as amended.

Carried

10. Confirming By-Law

10.1 CC2021-04.10.1

A By-law to Confirm the Proceedings of a Special Meeting of Council, Tuesday, February 16, 2021

CR2021-105

Moved By Councillor Richardson

Seconded By Councillor Veale

That a by-law to confirm the proceedings of a Special Council Meeting held Tuesday, February 16, 2021 be read a first, second and third time, passed, numbered, signed and the corporate seal attached.

Carried

11. Adjournment

CR2021-106

Moved By Councillor Yeo

Seconded By Councillor Ashmore

That the Council Meeting adjourn at 3:32 p.m.

Carried

Read and adopted this 23 day of March, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Outdoor Hockey Rink



Al Irvine started this petition to [City of Kawartha Lakes](#)

Lindsay Ontario needs an outdoor hockey rink or 2! Other communities hours away have full-size outdoor rinks with boards, benches, lights and heated change area to put skates on. Lindsay Ontario has nothing even close or hasn't even discussed about having an outdoor full size hockey rink. This town is a growing population of 20,000 people that would greatly benefit from an outdoor size rink. I have contacted the City councillor that told me that "There are no plans for a rink of the type you are enquiring about and in my time on council there have been no deputations asking for one."

Elgin Park, or Wilson fields would be considered, but there's many other parks that could definitely fit an outdoor size rink. Lindsay Ontario is a hockey friendly town and it would give more opportunity for kids and families a chance to play hockey that they would never get a chance to do due to the lack of ice time and \$\$\$ at the local arenas.

Let's see if we can make this happen! Or at least get the City to start talking about it or consider it!

Hello Cathie Ritchie,

This is the petition that was signed by the community members. It really took off and the amount of support I got from the community was truly outstanding. I received over 700 supporters to sign. Everyone from parents with little kids to retired OHL players and current Lindsay Muskie players that are from or around the Kawartha Lakes. I also got the support from the President of Lindsay Minor Hockey, and the Kawartha Lakes Minor Hockey President.

It just looks like this community really would like this to happen, and we would all like to take it to the next step.

Thank you,

Allen

-----Original Message-----

From: gilmore brand <

Sent: Monday, February 8, 2021 4:51 PM

To: Agenda Items <AgendaItems@kawarthalakes.ca>

Subject: Lane way on County Road 8

Re: notice of plan for intention to use Lane as a highway for Amphitheatre

Addressed to : Mayor Andy Lethan, Deputy Mayor Patrick O Reilly and counsellors to be held either on 9th Feb or 23rd feb. at counsel meeting

1. The Lane is not big enough for two way traffic...
 2. There are ditches on both sides of the Lane in desperate need of cleaning out and would be dangerous with large flows of traffic...
 3. There would be cause for alarm on Highway County Road 8 from traffic jams. This road is very busy in the summer with traffic due to traffic lights further up the road...
 4. My driveway is off the the Lane from the main Hwy. And the amount of cars coming through could cause a problem or a obstruction especially in cases of emergency...
 5. The Lane is not a proper road and is very close to our homes. There would be air and noise pollution...
 6. The Lane. in the summer creates large amounts of dust with incoming traffic from the recreational events that occur and the traffic is supervised to go slow...
 7. I'm concerned for my property been devalued if I come to sell it... and believe because the homes are so close to the Lane way the will be a need of fencing put up on account of the amount of traffic. I also believe that maybe boundaries are to close to the properties ...
 8. Could you give me a explanation of why a Road could not be made off the roundabout on Veterans Way...
- Thank you...

Your s Sincerely Maria Brand

Sent from my iPad

The Corporation of the City of Kawartha Lakes

Minutes

Committee of the Whole Meeting

COW2021-02
Tuesday, February 9, 2021
Open Session Commencing at 1:00 p.m.
Council Chambers
City Hall
26 Francis Street, Lindsay, Ontario K9V 5R8

Members:
Mayor Andy Letham
Deputy Mayor Patrick O'Reilly
Councillor Ron Ashmore
Councillor Pat Dunn
Councillor Doug Elmslie
Councillor Tracy Richardson
Councillor Kathleen Seymour-Fagan
Councillor Andrew Veale
Councillor Emmett Yeo

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities. Please contact AgendaItems@kawarthalakes.ca if you have an accessible accommodation request.

1. Call to Order

Mayor Letham called the Meeting to order at 1:00 p.m. from Council Chambers. Deputy Mayor P. O'Reilly and Councillors R. Ashmore, P. Dunn, D. Elmslie, T. Richardson, K. Seymour-Fagan, A. Veale and E. Yeo were in attendance electronically.

CAO R. Taylor and Directors C. Marshall, B. Robinson, J. Rojas, C. Shanks, J. Stover, and R. Sutherland, City Solicitor R. Carlson, Manager of Mapping and GIS Division J. Auld, Manager of Fleet and Transit T. Bryant and Manager of Realty Services S. Dyer were also in attendance electronically.

City Clerk C. Ritchie, Deputy Clerk S. O'Connell and Deputy Clerk J. Watts in attendance in Council Chambers.

2. Adoption of Agenda

CW2021-025

Moved By Councillor Yeo

Seconded By Councillor Elmslie

That the agenda be adopted as circulated.

Carried

3. Disclosure of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

4. Deputations

4.1 COW2021-02.4.1

Water Bill for 181 Kent Street, Lindsay

Neil Arbour, APG Kent Street Properties Corp.

Marco Pietrangelo, APG Kent Street Properties Corp.

Neil Arbour, of APG Kent Street Properties, provided an overview of the outstanding water bill issue that they experienced at 181 Kent Street, Lindsay, due to a tenancy. Mr. Arbour outlined that his organization did not learn about the outstanding water bill for six months and experienced penalties due to that extended period of time; Mr. Arbour requested relief from those penalties.

CW2021-026

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Seymour-Fagan

That the deputation of Neil Arbour, of APG Kent Street Properties, **regarding the Water Bill for 181 Kent Street, Lindsay**, be received;

That the outstanding Water Bill for 181 Kent Street, Lindsay, be referred to Staff for review and report back at the March 23, 2021 Regular Council Meeting; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

5. Correspondence

5.1 COW2021-02.5.1

Creation of a Jump In Forum for Citizen Discussion of Services

David Webb

CW2021-027

Moved By Councillor Dunn

Seconded By Councillor Ashmore

That the correspondence from David Webb, **regarding the Creation of a Jump In Forum for Citizen Discussion of Services**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

Moved By Councillor Ashmore

Seconded By Councillor Seymour-Fagan

That Staff report back at the March 9, 2021 Committee of the Whole Meeting on the creation of a Jump In Public Service Discussion Forum;

That the report back include features outlined in the correspondence from David Webb, presented at the February 9, 2021 Committee of the Whole Meeting, and citizen feedback on the advisability/usefulness of the Forum; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Motion Failed

6. Presentations

6.1 COW2021-02.6.1

Pandemic Response and City Service Update

Mayor Letham

Ron Taylor, Chief Administrative Officer

CAO Taylor provided an update on the COVID-19 Pandemic and City Service levels.

CW2021-028

Moved By Councillor Yeo

Seconded By Councillor Richardson

That the presentation by Ron Taylor, Chief Administrative Officer, **regarding Pandemic Response and City Service Update**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

6.2 COW2021-02.6.2

GIS Mapping Public Viewer

James Auld, Manager, Mapping and GIS Division

James Auld, Manager of Mapping and GIS Division provided an overview of the City's GIS Mapping Public Viewer.

CW2021-029

Moved By Councillor Richardson

Seconded By Councillor Elmslie

That the presentation by James Auld, Manager, Mapping and GIS Division, **regarding the GIS Mapping Public Viewer**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

6.3 COW2021-02.6.3

Victoria Manor Redevelopment and Long Term Care Update

Ron Taylor, Chief Administrative Officer

Rod Sutherland, Director of Human Services

CAO Taylor and Director Sutherland provided an overview on the redevelopment of Victoria Manor and also provided an update on the Long Term Care Sector.

CW2021-030

Moved By Councillor Dunn

Seconded By Councillor Yeo

That the presentation by Ron Taylor, Chief Administrative Officer, and Rod Sutherland, Director of Human Services, **regarding the Victoria Manor Redevelopment and Long Term Care Update**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

The Meeting recessed at 2:38 p.m. and reconvened at 2:48 p.m.

6.4 COW2021-02.6.4

Community Safety and Well-Being Plan Presentation

Brenda Stonehouse, Strategy and Innovation Specialist

Strategy and Innovation Specialist B. Stonehouse provided an overview of the proposed Community Safety and Well-Being Plan.

CW2021-031

Moved By Councillor Veale

Seconded By Deputy Mayor O'Reilly

That the presentation by Brenda Stonehouse, Strategy and Innovation Specialist, **regarding the Community Safety and Well-Being Plan**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

6.4.1 Report CAO2021-002

Community Safety and Well-Being Plan

Brenda Stonehouse, Strategy and Innovation Specialist

CW2021-032

Moved By Councillor Seymour-Fagan

Seconded By Councillor Richardson

That Report CAO2021-002, **Community Safety and Well-Being Plan**, be received;

That the Community Safety and Well-Being Plan Terms of Reference, appended as Attachment A to Report CAO2021-002 be approved;

That Mayor Andy Letham, Councillor Pat Dunn, Director Rod Sutherland, Kawartha Lakes Police Chief Mark Mitchell, and OPP Kawartha Lakes Detachment Commander Tim Tatchell, be appointed to the Community Safety and Well-Being Plan Advisory Committee;

That the appointed Advisory Committee members be delegated the authority to appoint the community representatives to the Advisory Committee from the sectors as identified in the Terms of Reference; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

6.5 COW2021-02.6.5

Fleet Services Review Presentation

Bryan Robinson, Director of Public Works

Todd Bryant, Manager of Fleet and Transit

Roger Smith, CEO, Richmond Sustainability Initiatives, Fleet Challenge and the E3 Fleet Program

Director Robinson, Manager of Fleet and Transit T. Bryant and CEO of Richmond Sustainability Initiatives Roger Smith provided an overview of the Fleet Services Review.

CW2021-033

Moved By Councillor Elmslie

Seconded By Councillor Dunn

That the presentation by Bryan Robinson, Director of Public Works, Todd Bryant, Manager of Fleet and Transit and Roger Smith, CEO of Richmond Sustainability Initiatives, **regarding the Fleet Services Review**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

6.5.1 Report FL2021-001

Fleet Services Review

Todd Bryant, Manager of Fleet and Transit

CW2021-034

Moved By Councillor Yeo

Seconded By Councillor Richardson

That Report FL2021-001, **Fleet Services Review**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

6.6 COW2021-02.6.6

Private Docking on City Land - Proactive Enforcement Plan Presentation

Sharri Dyer, Manager, Realty Services

City Solicitor R. Carlson provided an introduction to the presentation which included a brief history on docking on City owned land. Manager of Realty Services S. Dyer provided an overview of the proactive enforcement plan for privately owned docks on City owned land.

CW2021-035

Moved By Councillor Seymour-Fagan

Seconded By Councillor Elmslie

That the presentation by Sharri Dyer, Manager, Realty Services, **regarding Private Docking on City Land - Proactive Enforcement Plan Presentation**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

6.6.1 Report RS2021-004

Proposed Amendments to the Dock Encroachment Policy CP2018-001

Sharri Dyer, Manager, Realty Services

CW2021-036

Moved By Councillor Dunn

Seconded By Councillor Yeo

That Report RS2021-004, **Proposed Amendments to the Dock Encroachment Policy CP2018-001**, be received;

That the proposed amendments to the Dock Encroachment Policy CP2018-001 be referred to staff for revision and report back at the March 9, 2021 Committee of the Whole Meeting based on comments received from Council; and

That these recommendations be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

The Meeting recessed at 4:46 p.m. and reconvened at 4:52 p.m.

7. Reports

7.1 CAO2021-001

Update on Modernization Review

Ron Taylor, Chief Administrative Officer

CW2021-037

Moved By Councillor Elmslie

Seconded By Councillor Seymour-Fagan

That Report CAO2021-001, **Update on Modernization Review**, be received;

That staff make application(s) for funding through the provincial Municipal Modernization Program – Intake 2, to complete digital modernization projects for a Comprehensive Roads Inventory & Database and Water Smart Meter Reading Technologies, where eligible; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

7.2 WM2021-001

2020 Lindsay Ops Landfill Gas Generator Summary

Nikki Payne, Waste Technician II

CW2021-038

Moved By Councillor Dunn

Seconded By Deputy Mayor O'Reilly

That Report WM2021-001, **2020 Lindsay Ops Landfill Gas Generator Summary**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

7.3 FL2021-002

Fleet Standardization

Todd Bryant, Manager of Fleet and Transit

CW2021-039

Moved By Councillor Yeo

Seconded By Deputy Mayor O'Reilly

That Report FL2021-002, **Fleet Standardization**, be received; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

8. Memorandums

8.1 COW2021-02.8.1

Memorandum Regarding Protective Pool Covers

Councillor Yeo

CW2021-040

Moved By Councillor Yeo

Seconded By Councillor Seymour-Fagan

That the Memorandum from Councillor Yeo, **regarding Protective Pool Covers**, be received;

That staff bring back a report by the end of the second quarter regarding the use of Protective Covers on swimming pools as an option in lieu of fencing; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

8.2 COW2021-02.8.2

Memorandum Regarding Fishing Over Bridges and Causeways

Councillor Yeo

CW2021-041

Moved By Councillor Yeo

Seconded By Councillor Richardson

That the Memorandum from Councillor Yeo, **regarding Fishing Over Bridges and Causeways**, be received;

That staff bring back a report by the end of Q2 regarding the use of municipally owned bridges and causeways for fishing;

That the report back include options for banning fishing from bridges and causeways, regulating fishing through local licensing, patrolling and cleaning areas on a daily basis, or doing nothing at all; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

8.3 COW2021-02.8.3

Memorandum Regarding Mariposa Elementary School Zone Flashing Beacons

Councillor Veale

CW2021-042

Moved By Councillor Veale

Seconded By Deputy Mayor O'Reilly

That the Memorandum from Councillor Veale, **regarding Mariposa Elementary School Zone Flashing Beacons**, be received;

That Engineering be directed to change the signage for the school zone on Eldon Road in front of Mariposa Elementary School to flashing beacons indicating when the reduced speed limit is in effect;

That the new signage be implemented at a cost of \$16,000; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

8.4 COW2021-02.8.4

Memorandum Regarding Speed Reduction on Pigeon Lake Road

Councillor Ashmore

CW2021-043

Moved By Councillor Ashmore

Seconded By Councillor Yeo

That the Memorandum from Councillor Ashmore, **regarding Speed Reduction of Pigeon Lake Road from 1899 Pigeon Lake Road to Perdue Road North**, be received;

That staff conduct a traffic study into the reduction of speed on the section from 1899 Pigeon Lake Road to Perdue Road North;

That staff report back by Q3 2021; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Carried

8.5 COW2021-02.8.5

Memorandum Regarding Medical Supply Manufacturing

Councillor Ashmore

Moved By Councillor Ashmore

Seconded By Councillor Yeo

That the Memorandum from Councillor Ashmore, **regarding Medical Supply Manufacturing**, be received;

That Economic Development initiate the recruitment of medical supply manufacturers;

That Economic Development work to attract companies to set up healthcare manufacturing facilities in available existing buildings currently vacant; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Motion Failed

CW2021-044

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Yeo

That the Memorandum from Councillor Ashmore, **regarding Medical Supply Manufacturing**, be received.

Carried

9. **Closed Session**

10. **Matters from Closed Session**

11. Adjournment

CW2021-045

Moved By Councillor Yeo

Seconded By Councillor Elmslie

That the Committee of the Whole Meeting adjourn at 5:32 p.m.

Carried

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes
Minutes
Planning Advisory Committee Meeting

PC2021-02
Wednesday, February 10, 2021
1:00 P.M.
Council Chambers
City Hall
26 Francis Street, Lindsay, Ontario K9V 5R8

Members:
Mayor Andy Letham
Deputy Mayor Patrick O'Reilly
Councillor Kathleen Seymour-Fagan
Mike Barkwell
Jason Willock

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1. Call to Order and Adoption of Agenda

Chairperson Councillor A. Veale called the meeting to order at 1:00 p.m. Mayor A. Letham, Deputy Mayor P. O'Reilly, Councillors K. Seymour-Fagan, and Committee Members M. Barkwell and J. Willock were in attendance.

Deputy Clerk and Recording Secretary J. Watts, Director of Development Services C. Marshall, Manager of Planning R. Holy, Supervisor of Development Engineering C. Sisson, Planning Officer - Large Developments I. Walker, and Planners II D. Harding and M. LaHay were also in attendance.

Absent: J. Willock

The Chair opened the meeting and introduced Planning Advisory Committee and the members of staff present.

PAC2021-005

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Seymour-Fagan

That the agenda be adopted as circulated.

Carried

2. Declarations of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

3. Public Meeting Reports

The Chair stated that, as required under the Planning Act, a public meeting is being held prior to the City of Kawartha Lakes Council making decisions on the following planning matters.

3.1 PLAN2021-003

Amend the Town of Lindsay Official Plan and Town of Lindsay Zoning By-law 2000-75 together with a Draft Plan of Subdivision at 331 Logie Street, Lindsay – Lepha Properties Inc. and City of Kawartha Lakes

Ian Walker, Planning Officer - Large Developments

3.1.1 Public Meeting

The Chair requested staff to advise on the manner of giving notice for the proposed Official Plan and Zoning By-law amendments together with a Draft Plan of Subdivision. He also asked staff to briefly describe the proposal and summarize the correspondence, if any, received to date.

Mr. Walker confirmed that the required notice was given in accordance with the Planning Act and circulated to each owner of land within 120 metres, and that a sign was posted on the subject property. He summarized the application, explaining that it proposes to permit a 45 unit two storey townhouse development by:

- Changing the land use designation on the eastern property from the 'Parks and Open Space' designation to the 'Residential' designation; and
- Changing the zone category from the Parks and Open Space (OS) Zone on the eastern property and from the Residential Two Special Thirteen Holding One [R2-S13(H1)] Zone on the western property, to a 'Residential Multiple One Special ** (RM1-S**) Zone' for both properties, which will be consolidated into one property.

He noted that the draft plan of subdivision will allow the future division of the townhomes and their respective 'parcels of tied land' (referred to as 'lots') to be completed by using the Part Lot Control provision of the Planning Act, which allows them to be sold separately without requiring consent applications to create each lot. Consistency with the Provincial Policy Statement, and conformity to the Growth Plan for the Greater Golden Horseshoe and the Lindsay Official Plan will be determined upon further review and revisions of the technical studies and documentation provided. Mr. Walker summarized the comments received to date, as detailed in his report, noting that subsequent to the writing of the report additional comments were received from the following members of the public:

- Paul Webber of 2 Deacon Crescent
- Doreen and Wesley Lane of 40 Maguire Street
- Harold McCrum of 22 Deacon Crescent
- Don Hughes of 47 Deacon Crescent
- Tammy Lavigne-Tait and Chris Tait of Deacon Crescent

Mr. Walker summarized the comments from the members of the public stating the they expressed concerns with:

- Traffic issues on Logie Street and the nearby intersection with Lindsay Street
- Environmental impacts to the surrounding areas
- City surplus declaration and sale of land to the Developer
- Intensification of the residential uses of the property

Also circulated to the members of the committee were comments received from Curve Lake First Nation with no specific concerns and the Engineering and

Corporate Assets Department noting several issues for the developer to address as well as comments on the upcoming implementation of traffic signalling at the corner of Lindsay and Logie Streets. Staff are recommending that the application be referred back to staff for further review and processing until such time as all comments and concerns have been addressed. He responded to questions from Committee members.

The Chair inquired if the applicant wished to speak to the application.

Christine Halis of KLM Planning Partners spoke as the applicant, and provided a presentation to the committee noting the existing policy context, proposed official plan and zoning by-law amendments, proposed site plans and elevations of the townhomes, and a summary of the supporting documentation provided to Planning Staff. A copy of her presentation is attached to the minutes. She responded to questions from the members of the committee.

The Chair inquired if anyone wished to speak to the application.

No other persons spoke to the application.

The Public Meeting concluded at 1:27p.m.

3.1.2 Business Arising from the Public Meeting

PAC2021-006

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Seymour-Fagan

That Report PLAN2021-003, Part of Lot 18, Concession 6, Former Town of Lindsay, Lepha Properties Inc. and City of Kawartha Lakes – Applications D01-2021-001, D06-2021-001 and D05-2021-001, be received; and

That PLAN2021-003 respecting Applications D01-2021-001, D06-2021-001 and D05-2021-001 be referred back to staff to address any issues raised through the public consultation process and for further review and processing until such time that all comments have been received from all circulated agencies and City departments, and that any comments and concerns have been addressed.

Carried

3.2 PLAN2021-004

Amend the Township of Mariposa Zoning By-law 94-07 at 151 Peniel Road, Part of Lot 3, Concession 12, geographic Township of Mariposa – Hamilton
David Harding, Planner II

3.2.1 Public Meeting

The Chair requested staff to advise on the manner of giving notice for the proposed Zoning By-law Amendment. He also asked staff to briefly describe the proposal and summarize the correspondence, if any, received to date.

Mr. Harding confirmed that the required notice was given in accordance with the Planning Act and circulated to each owner of land within 500 metres, and that a sign was posted on the subject property. He summarized the application, explaining that it proposes to allow the severance of the dwelling along with an implement shed from the balance of the agricultural land. On May 1, 2020, the Director of Development Services granted provisional consent to application D03-2019-034 to sever an approximately 0.51 hectare (1.26 acres) rural residential lot and retain approximately 39.65 hectares (97.98 acres) of agricultural land to be consolidated with other non-abutting lands owned by the farming operation. As a condition of provisional consent, the agricultural land to be retained is to be rezoned to prohibit residential use. The application is consistent with the 2020 Provincial Policy Statement, conforms to the 2019 Growth Plan for the Greater Golden Horseshoe and the City of Kawartha Lakes Official Plan. Mr. Harding summarized the comments received to date, as detailed in his report, noting that subsequent to the writing of the report, no additional comments were received. Staff are recommending that the application be referred to Council for approval.

The Chair inquired if the applicant wished to speak to the application.

It was noted that the owners were present in the meeting, however due to technical issues, were unable to be heard.

The Chair inquired if anyone wished to speak to the application.

No other persons spoke to the application.

The Public Meeting concluded at 1:30p.m.

3.2.2 Business Arising from the Public Meeting

PAC2021-007

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Seymour-Fagan

That Report PLAN2021-004, Part of Lot 3, Concession 12, geographic Township of Mariposa, City of Kawartha Lakes, identified as 151 Peniel Road, Hamilton – D06-2020-030, be received;

That a Zoning By-law Amendment respecting application D06-2020-030, substantially in the form attached as Appendix D to Report PLAN2021-004, be approved and adopted by Council; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application.

Carried

3.3 PLAN2021-005

Amend the Township of Emily Zoning By-law 1996-30 at 833 Pigeon Lake Road - Gingrich

Mark LaHay, Planner II

3.3.1 Public Meeting

The Chair requested staff to advise on the manner of giving notice for the proposed Zoning By-law Amendment. He also asked staff to briefly describe the proposal and summarize the correspondence, if any, received to date.

Mr. LaHay confirmed that the required notice was given in accordance with the Planning Act and circulated to each owner of land within 500 metres, and that a sign was posted on the subject property. He summarized the application, explaining that it proposes to rezone a portion of the property from Agricultural (A1) Zone to an Agricultural (A1-*) Exception Zone to permit a woodworking shop as an additional use and establish applicable development standards, including a reduction in the parking requirements along with an increase in lot coverage for the accessory building. The effect of the amendment is to rezone a portion of the property to facilitate the creation of a custom woodworking shop as a secondary use to manufacture custom kitchen cabinets and furniture with a total floor area of approximately 600 square metres, inclusive of office and storage space. Consistency with the Provincial Policy Statement, conformity to the Growth Plan for the Greater Golden Horseshoe and the Kawartha Lakes Official Plan will be demonstrated upon further review of this application. Mr. LaHay summarized the comments received to date, as detailed in his report, noting that subsequent to the writing of the report that no additional comments were received. Staff are recommending that the application be referred back to staff until such time as comments have been received from all circulated agencies and City Departments, and that any comments and concerns have been addressed. He responded to questions from Committee members.

The Chair inquired if the applicant wished to speak to the application.

Emma Drake of DM Wills spoke as the applicant and justified the application as an on-farm diversified use. She noted that the proposal would be compatible with the surrounding agricultural area, and that the new uses would be greater than 30m away from the mapped environmental features on the property. She noted that while the application represents good planning, they recognize the outstanding comments from commenting agencies, and requested that this be brought back to Committee as soon as the comments are received.

The Chair inquired if anyone wished to speak to the application.

David Gingrich thanked Emma Drake for her presentation and made himself available for any questions as the owner.

No other persons spoke to the application.

The Public Meeting concluded at 1:41p.m.

3.3.2 Business Arising from the Public Meeting

PAC2021-008

Moved By Mayor Letham

Seconded By Councillor Seymour-Fagan

That Report PLAN2021-005, Part of Lot 3, Concession 11, geographic Township of Emily, City of Kawartha Lakes, identified as 833 Pigeon Lake Road, Gingrich – D06-2020-029, be received; and;

That the application respecting the proposed Zoning By-law Amendment be referred back to staff until such time as all comments have been received and addressed from all circulated agencies, City Departments, and the public, and for further review and processing.

Carried

4. Deputations

5. Correspondence

6. Regular and Returned Reports

6.1 PLAN2021-006

Amend the Village of Bobcaygeon Zoning By-law 16-78 together with a Draft Plan of Condominium at 7-27 Lakewood Crescent – Port 32 Inc.

Mark LaHay, Planner II

Mr. LaHay confirmed that a Public Meeting on this matter was held on August 12, 2020 in accordance with the Planning Act. He summarized the application,

explaining that it proposes to permit a medium density residential plan of condominium consisting of 48 townhouse dwelling units arranged in eight bungalow townhouse blocks fronting onto a private condominium road accessed from Lakewood Crescent. There will be no regular access from Austin Boulevard, only emergency access via a gate. The proposal will be developed on full municipal services. The Zoning By-law Amendment proposes to rezone the land from the General Industrial (M2) Zone to an Urban Residential Type Four Exception Eleven (R4-S11) to permit 48 townhouse dwelling units with site-specific zone provisions. The application is consistent with the Provincial Policy Statement, conforms to the Growth Plan for the Greater Golden Horseshoe and the Victoria County Official Plan. Mr. LaHay summarized the comments received to date, as detailed in his report, noting that subsequent to the writing of the report additional comments were received from Warren Hartigan and Beverley Secor who reiterated comments regarding traffic, stormwater management, and environmental concerns. Staff are recommending that the application be referred to Council for approval with minor modifications to the zoning by-law amendment to deck setbacks, and were agreeable to an addition to the Draft Plan of Condominium of a clause for the installation of stop signs at a nearby intersection. Mr. LaHay and Mr. Holy responded to questions from Committee members.

PAC2021-009

Moved By Mayor Letham

Seconded By Councillor Seymour-Fagan

That Report PLAN2021-006, respecting **Part Lots 12 & 13, Concession 19, Part Lot 40, RCP 564, 57R-7890, Parts 2 to 5, former Village of Bobcaygeon, Port 32 Inc. – Applications D06-17-028 & D04-17-001**, be received;

That the Draft Plan of Condominium and Conditions for Draft Plan of Condominium for file D04-17-001 (16CD-17501), substantially in the form attached as Appendix D to Report PLAN2021-006, and as amended to include the installation of stop signs at the intersection of Mill Street and Lakewood Crescent be referred to Council for approval and adoption;

That a Zoning By-law, respecting application D06-17-028, substantially in the form attached as Appendix E to Report PLAN2021-006, and as amended, be approved for adoption by Council; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application.

Carried

6.2 ENG2021-005

Assumption of Churchdown Mews Subdivision, Lindsay

Christina Sisson, Supervisor of Development Engineering

Ms. Sisson provided an overview of their report noting the history of the related development in the area. They stated that staff are recommending assumption of the roads, walkway, and stormwater management pond as per the draft by-law attached to their report. She responded to questions from the members of the Committee.

PAC2021-010

Moved By Deputy Mayor O'Reilly

Seconded By Councillor Seymour-Fagan

That Report ENG2021-005, **Assumption of Churchdown Mews Subdivision, Lindsay**, be received;

That the Assumption of Churchdown Mews Subdivision, Geographic Town of Lindsay, be approved;

That an Assumption By-Law, substantially in the form attached as Appendix A, to Report ENG2021-005 be approved and adopted by Council; and

That the Mayor and City Clerk be authorized to execute any documents and agreements required by the approval of this application.

Carried

7. **Adjournment**

PAC2021-011

Moved By M. Barkwell

Seconded By Mayor Letham

That the Planning Advisory Committee Meeting adjourn at 2:02 p.m.

Carried

Council Report

Report Number:	RS2021-009
Meeting Date:	February 23, 2021
Title:	Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 322 Kent Street West
Description:	Lease Agreement for Office Space/Basement Storage Space for Public Works and Engineering and Corporate Assets Departments
Author and Title:	Laura Carnochan, Law Clerk – Realty Services

Recommendations:

That Report RS2021-009, **Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 322 Kent Street West**, be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services for the purpose of leasing space for the Public Works and Engineering and Corporate Assets departments; and

That a By-Law (attached as Schedule C) authorizing the signing of the Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes for office space at 322 Kent Street West, Lindsay, be forwarded to Council for adoption.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Corporation of the City of Kawartha Lakes has been leasing space at 322 Kent Street West, Lindsay since 1999. From 1999 until 2019, the space was utilized by the City's Human Services department. In 2019, Human Services relocated to the City's new building at 68 Lindsay Street South, and the Public Works and Engineering and Corporate Assets departments moved into the office space at 322 Kent Street West.

The current Lease Agreement (attached as Appendix A) will expire on March 31, 2021.

The space leased by the City consists of 13,890 square feet of ground floor office space and 3,426 square feet of basement storage space, and also includes the use of 30 random parking spaces within the Landlord's parking lot.

The proposed Lease Extension and Amending Agreement (attached as Appendix B) sets the base rent for the ground floor space as follows:

Years 1 and 2 - \$11.50 per square foot (\$159,735.00 per annum)

Years 3, 4, and 5 - \$11.75 per square foot (\$163,207.50 per annum)

Base rent for the basement storage space is set at \$7.00 per square foot (\$23,982.00 per annum) for each year of the five-year term.

The proposed Lease also provides the City with additional parking space consisting of approximately 7,000 square feet. Rent for the additional parking space is set at \$5,640.00 per annum.

A proportionate share of the building's operating costs (which may vary from one year to the next) is also allocated to the City under the Lease. The proposed Lease estimates the operating cost allocation for the City's rented space at \$7.05 per square foot (\$122,077.80 per annum), subject to annual adjustments.

Sales tax will be payable in addition to each of the above-noted rental amounts.

The proposed Lease grants the City an option to extend the Lease for a further five-year term following expiration on March 31, 2026.

Rationale:

The terms and conditions of the proposed Lease are substantially the same as the current Lease Agreement in place for the space at 322 Kent Street West.

The proposed Lease is for a period from April 1, 2021 to March 31 2026; and provides for an extension following that term.

The Manager of Realty Services and City Solicitor have reviewed the proposed Lease and have expressed agreement, in principle, subject to Council approval.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be renewed. This is not recommended in this circumstance as the City is currently utilizing the space for the Public Works and Engineering and Corporate Assets departments and alternative space is not available at this time.

Alignment to Strategic Priorities

The recommendations set out in this Report align with the following strategic priority:

- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

The annual cost of the proposed lease is \$189,357.00, plus HST, for Years 1 and 2. This amount includes the base rent for the ground floor office space, basement storage space, and additional parking space. This is an increase of \$34,345.80 from the current rate. The annual rent will increase by a further \$3,472.50 in Year 3 and there will be no further increases to the base rent for the remainder of the term.

In addition, the City is responsible for additional rent for its proportionate share of the building's operating costs. The proposed Lease estimates the additional rent at \$122,077.80 per year. This amount is subject to annual adjustments and may increase or decrease from year to year.

The proposed increases have been reviewed by the Manager of Realty Services and City Solicitor and determined to be a reasonable increase.

Consultations:

City Solicitor

Attachments:

Appendix A – Current Lease Agreement (322 Kent Street West)



Appendix A -
Current Lease Agree

Appendix B – Proposed Lease Extension and Amending Agreement (322 Kent Street West)



Appendix B -
Proposed Lease Exte

Appendix C – By-Law to Authorize the Execution of the Lease Extension and Amending Agreement for 322 Kent Street West



Appendix C -
By-Law to Authorize

Department Head e-mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: L17-20-RS059

CRA: M24050
Building No.: B10990
Business Entity: N00610

DATED: JANUARY 22, 2018

OFFICE PREMISES NET LEASE

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE**

(the “Landlord”)

– and –

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “Tenant”)

M24050

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SCHEDULE “A” LEGAL DESCRIPTION
 SCHEDULE “B-1” FLOOR PLAN (Ground Floor)
 SCHEDULE “B-2” FLOOR PLAN (Basement)
 SCHEDULE “C” ENVIRONMENTAL CONTAMINANTS

OFFICE PREMISES NET LEASE

THIS LEASE is made in triplicate as of January 22, 2018.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE**

(hereinafter referred to as the "Landlord")

- and -

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES**

(hereinafter referred to as the "Tenant")

ARTICLE I - LEASE SUMMARY

1.01 Lease Summary

The following is a summary of some of the basic terms of this Lease, which are elaborated upon in this Lease.

- (a) Premises: a portion of the ground floor (the "Ground Floor Office Space") of the Building as shown cross hatched on the floor plan attached hereto as Schedule "B-1", and a portion of the basement (the "Basement Storage Space") of the building, as shown cross hatched on the floor plan attached hereto as Schedule "B-2". The Ground Floor Office Space and the Basement Storage Space are hereinafter collectively referred to as the "Premises", except as specifically set out herein.
- (b) Rentable Area of the Premises: approximately thirteen thousand, eight hundred and ninety (13,890) square feet of Ground Floor Office Space and approximately three thousand, and thirty-three (3,033) square feet of Basement Storage Space, comprising an aggregate Rentable Area of approximately sixteen thousand, nine hundred and twenty-three (16,923) square feet to be confirmed by an Architect's certificate provided in accordance with Section 4.03 hereof and measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA) Standards approved June 7, 1996.
- (c) Building: having a municipal address of 322 Kent Street West, Lindsay, Ontario, located on the Lands having the legal description set out in Schedule "A" attached hereto.
- (d) Rentable Area of the Building: has been measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996) to comprise approximately forty thousand, two hundred and ninety-two (40,292) square feet, subject to Section 4.03 hereof.
- (e) Term: Five (5) years.
- (f) Commencement Date: April 1, 2016.
- (g) Expiry Date: March 31, 2021.

- (h) Rent Free Fixturing Period/Base Rent Free Period: INTENTIONALLY DELETED
- (i) Base Rent: For the period commencing on April 1, 2016, and ending on March 31, 2021, One Hundred and Fifty-One Thousand, Three Hundred and Eighty-Nine Dollars (\$151,389.00) per annum, payable in equal monthly instalments of Twelve Thousand, Six Hundred and Fifteen Dollars and Seventy-Five Cents (\$12,615.75) per month, calculated at a rate of Nine Dollars and Seventy-Two Cents (\$9.72) per square foot for the Ground Floor Office Space, and Five Dollars and Forty Cents (\$5.40) per square foot for the Basement Storage Space, Sales Taxes to be added, the first of such monthly payments to be due and payable on April 1, 2016.
- (j) Additional Rent: Additional Rent for the year 2016 has been estimated by the Landlord to be Seven Dollars and Fifty-Two Cents (\$7.52) per square foot of the Rentable Area of the Premises and is subject to annual adjustments in accordance with the terms and provisions of this Lease. The annual Additional Rent in the amount of One Hundred and Twenty-Seven Thousand, Two Hundred and Sixty Dollars and Ninety-Six Cents (\$127,260.96) shall be payable in advance in equal monthly instalments of Ten Thousand, Six Hundred and Five Dollars and Eight Cents (\$10,605.08) plus Sales Taxes on the first day of each month during the Term.
- (k) Use of the Premises permitted by this Lease: general office purposes for the business of the Department of Health and Social Sciences and for no other purpose whatsoever.
- (l) Parking: as further provided in Section 4.04 of this Lease.
- (m) Extension Option(s): One (1) extension term of five (5) years (the "Extension Term"), exercisable upon at least six (6) months' prior written notice but not more than nine (9) months' prior written notice to the Landlord, subject to Section 17.02 hereof.
- (n) Address for Service of Notice on Tenant:
P.O. Box 2600
322 Kent Street West
Lindsay, Ontario
K9V 4S7
Attention: David Chapman
Fax: 705-328-2875
- (o) Address for Service of Notice on Landlord:
Ontario Infrastructure and Lands Corporation
333 Preston Street, 10th Floor, Suite 1010
Ottawa, Ontario K1S 5N4
Attention: Vice President, Asset Management
Fax: 613-738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation
777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8
Attention: Director, Legal Services (Real Estate and Leasing)
Fax: 416-326-2854

And an additional copy to:

CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Global Workplace Solutions - Director, Lease Administration – OILC
Fax: (416) 775-3989

(p) Payment of Rent:

Ontario Infrastructure and Lands Corporation
C/O CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: OILC PLMS Accounts Receivable
Fax: 416-775-3989

All Cheques are payable to Ontario Infrastructure and Lands Corporation

ARTICLE II - DEFINITIONS

When used in this Lease, the following words or expressions have the meaning hereinafter set forth:

- 2.01 “Additional Rent”** means any and all sums of money or charges required to be paid by the Tenant under this Lease (except Net Rent) whether or not the same are designated “Additional Rent” or whether or not the same are payable to the Landlord or otherwise. Additional Rent is due and payable with the next monthly instalment of Base Rent unless otherwise provided herein. Additional Rent is payable to the Landlord at the address set out in Subsection 1.01(q).
- 2.02 “Additional Services”** means all services supplied by the Landlord or by anyone authorized by the Landlord in addition to those required to be supplied by the Landlord to the Tenant as a standard service pursuant to this Lease (except for any services which the Landlord elects to supply to all of the tenants of the Building), the cost of which is included in Operating Costs at rates and charges determined by the Landlord; by way of example and without limitation, adjusting and balancing heating, ventilation and air-conditioning facilities, cleaning of carpets, moving furniture, construction, installation and alterations to or removal of Improvements, providing access and connection to fibre optics or other enhanced information technology, are each Additional Services. “Additional Service” shall have a corresponding meaning.
- 2.03 “Base Rent”** means the annual rent payable by the Tenant pursuant to and in the manner set out in Section 5.02.
- 2.04 “Architect”** means an architect, Ontario Land Surveyor, professional engineer or other person from time to time named by the Landlord. The decision of the Architect whenever required hereunder and any certificate related thereto shall be final and binding on the parties hereto.
- 2.05 “Authority”** means any governmental authority, quasi-governmental authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Premises or the Building or the use thereof, and “Authorities” means all such authorities, agencies, bodies and departments.
- 2.06 “Building”** means buildings, structures and Improvements from time to time erected on the Lands municipally identified in subsection 1.01(c) and all alterations and additions thereto and replacements thereof, as same may be altered, expanded or reduced from time to time.
- 2.07 “Business Day”** means Mondays through Fridays, inclusive, but excluding any statutory holidays.
- 2.08 “Commencement Date”** means the date referred to in Subsection 1.01(f).
- 2.09 “Common Areas and Facilities”** means those lands, areas, facilities, utilities, improvements, equipment and installations designated from time to time by the Landlord which serve or are for the benefit of the Building, whether or not located within, adjacent to, or near the Building, including access roads, parking areas, lobbies, foyers and vestibules, sidewalks, storage and mechanical areas, Mechanical and Electrical Services,

janitor rooms, mail rooms, telephone rooms, rooms for the Mechanical and Electrical Services, stairways, escalators, elevators, truck and receiving areas, driveways, loading docks and corridors.

- 2.10 “Contemplated Use”** has the meaning ascribed to it in Section 9.01.
- 2.11 “Environmental Contaminants”** means (a) any substance which, when it exists in the Project or the water supplied to or in the Project, or when it is released into the Premises, the Project or any part thereof, or into the water or the natural environment, is likely to cause, at any time, material harm or degradation to the Project or any part thereof, or to the natural environment or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, lead paint, PCBs, fungal contaminants (including, without limitation, *stachybotrys chartarum* and other moulds), mercury and its compounds, dioxins and furans, chlordane (DDT), polychlorinated biphenyls, chlorofluorocarbons (CFCs), hydro-chlorofluorocarbons (HCFCs), volatile organic compounds (VOCs), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic or noxious substances or related materials, petroleum and petroleum products, or (b) any substance declared to be hazardous or toxic under any Environmental Laws now or hereafter enacted or promulgated by any authorities, or (c) both (a) and (b).
- 2.12 “Environmental Laws”** means any federal, provincial or local law, statute, ordinance, regulation, policy, guideline or order and all amendments thereto pertaining to health, industrial hygiene, environmental conditions or Environmental Contaminants, including, without limitation, the *Environmental Protection Act*, R.S.O. 1990, c.E.19 (the “*EPA*”), the *Environmental Assessment Act*, R.S.O. 1990, c. E.18, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, the *Occupational Health and Safety Act*, R.S.O. 1990, c.O.1, Ontario Regulation 153/04 under Part XV.1 of the Environmental Protection Act (2004), as amended by Ontario Regulation 511/09 (2009), the *Safe Drinking Water Act, 2002*, S.O. 2002, c.32 and applicable air quality guidelines (including, without limitation, Ontario Regulation 127/01-“Airborne Contaminant Discharge-Monitoring and Reporting” under the *EPA*), as such statutes, regulations and guidelines may be amended from time to time.
- 2.13 “Improvements”** means without limitation, all fixtures, installations, alterations and additions from time to time made, erected or installed in or about the Premises, whether or not they are trade fixtures or easily removable and whether or not installed by or on behalf the Tenant or a prior occupant, including without limitation, all of the following: doors, partitions and hardware, mechanical, electrical and utility installations, lighting fixtures and built-in furniture and any repairs, replacements, changes, additions or alterations.
- 2.14 “Lands”** means those lands upon which the Building is located, having the legal description set out in Schedule “A” attached hereto, as same may be altered, expanded or reduced from time to time.
- 2.15 “Laws”** means any enactments, by-laws, statutes, ordinances, regulations, guidelines, codes, orders and policies and all amendments thereto and any successor legislation, of any Authority.
- 2.16 “Mechanical and Electrical Services”** include, but are not limited to, all mechanical, electrical, drainage, lighting, incinerating, ventilation, air-conditioning, elevating, heating, pumping, sprinkling, alarm, plumbing and other mechanical and electrical systems installed in or used in the operation of the Building and the Lands.
- 2.17 “Normal Business Hours”** means the hours between 8:00 a.m. and 6:00 p.m., Monday through Friday.
- 2.18 “OILC”** means the Ontario Infrastructure and Lands Corporation.
- 2.19 “Operating Costs”** has the meaning provided in Subsection 7.04 (b) of this Lease.
- 2.20 “Open Data”** means data that is required to be released to the public pursuant to the Open Data Directive.

- 2.21 **“Open Data Directive”** means the Management Board of Cabinet’s Open Data Directive, updated on April 29, 2016, as amended from time to time.
- 2.22 **“Parking Areas”** means the improvements constructed from time to time, in or as part of the Building and the Lands for use as parking facilities for the tenants of the Building and their employees, servants and invitees, and the areas and facilities that are appurtenant solely to those improvements, but excluding the parking areas, driveways, loading areas and other parts of the service area forming part of the Premises and available exclusively to the Tenant or other tenants in the Building. The Landlord shall designate the minimum number of the parking spaces comprising the Parking Areas prescribed by the relevant Authority for the sole and exclusive use of people with disabilities.
- 2.23 **“Person”** if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.
- 2.24 **“Premises”** means the premises identified in Subsection 1.01(a).
- 2.25 **“Prime Rate”** means the rate of interest per annum from time to time publicly quoted by the Royal Bank of Canada as the reference rate of interest (commonly known as its “prime rate”) used by it to determine rates of interest chargeable in Canada on Canadian dollar demand loans to its commercial customers.
- 2.26 **“Project”** means the Lands and Building and includes, without limitation, the Common Areas and Facilities, as same may be altered, expanded or reduced from time to time.
- 2.27 **“Proportionate Share”** means the fraction which has: (i) as its numerator the Rentable Area of the Premises; and (ii) as its denominator the Rentable Area of the Building less the Rentable Area of the Building which is not leased at the time of the calculation.
- 2.28 **“Rent”** means the aggregate of Base Rent, Additional Rent and all other sums of money payable by the Tenant pursuant to this Lease.
- 2.29 **“Rentable Area”** means in the case of the Premises or any other premises in the Building the area expressed in square feet, of all floors of the premises, measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996). The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area in accordance with a more recent BOMA Standard.
- 2.30 **“Rentable Area of the Building”** has been measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996) to comprise ●(INSERT NUMBER OF SQUARE FEET) (●INSERT NUMBER) square feet. The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area of the Building in accordance with a more recent BOMA Standard.
- 2.31 **“Rentable Area of the Premises”** has been estimated to comprise approximately ●(INSERT NUMBER OF SQUARE FEET) (●INSERT NUMBER) square feet and shall be measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996), as confirmed by an Architect’s certificate to be provided by the Landlord pursuant to Section 4.03 of this Lease. The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area of the Premises in accordance with a more recent BOMA Standard.
- 2.32 **“Rental Year”** means a period of time for the first Rental Year commencing as of the Commencement Date and ending on March 31 of the following calendar year and, thereafter, each Rental Year shall consist of consecutive periods of twelve (12) calendar months commencing on April 1 and ending on March 31 of the following calendar year, except in respect of the last Rental Year, which shall terminate on the expiration or earlier termination of this Lease, as the case may be.
- 2.31 **“Sales Taxes”** means collectively and individually, all business transfer, multi-usage sales,

sales, goods and services, harmonized sales, use, consumption, value-added or other similar taxes imposed by any Authority upon the Landlord, or the Tenant, or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.

- 2.32 **"Service Provider"** means any Person retained by the Landlord to provide to the Landlord services in respect of the administration and operations under this Lease.
- 2.33 **"Structure"** means the foundation, roof (excluding roof membrane), exterior wall assemblies, including weather walls and bearing walls, subfloor and structural columns and beams of the Building and all plumbing, drainage and equipment leading up to, from and under the Building.
- 2.34 **"Taxes"** means the total of: (a) all taxes, rates, levies, duties and assessments whatsoever levied, charged, imposed or assessed against the Project or upon the Landlord in respect thereto or from time to time by a taxing Authority, and any taxes or other amounts that are imposed or paid in lieu thereof (including payments in lieu of Taxes) or in addition thereto, including, without limitation, taxes levied, charged, imposed or assessed for education, school and local improvements and all business taxes, if any, from time to time payable by the Landlord or levied against the Landlord on account of its ownership or interest in or the operation of the Project; and, (b) all costs and expenses incurred by the Landlord in good faith in contesting, resisting or appealing any such taxes, rates, duties, levies or assessments including, without limitation, legal fees on a solicitor and client basis. Taxes shall also include any professional fees and interest and penalties on deferred payments but excluding income or profits taxes upon the income of the Landlord. If any portion of the Project is assessed or taxed other than at the prevailing commercial assessment rates and mill rates due to the occupancy of any tenants or the nature of any tenant's operation, then the amount of such taxes, rates, levies, duties or assessments shall be adjusted to be an amount equal to the amount which would have been incurred had such portion of the Project been assessed and taxed at the prevailing commercial assessment rates and mill rates throughout the entire period for which the calculation is being made.
- 2.35 **"Taxes for the Common Areas and Facilities"** means the portion of the Taxes, if any, allocated by the Landlord on a reasonable basis to the non-rentable parts of the Project and to the area or areas within the Project occupied by the Landlord for the management and operation of the Project.
- 2.36 **"Tenant's Share of Taxes"** means the Tenant's share (calculated in accordance with Section 6.01) of Taxes, provided that the Tenant shall be solely responsible for any increase in Taxes resulting from any act or election of the Tenant or from any Improvements in or to the Premises.
- 2.37 **"Term"** means the period of time referred to and described in Subsection 1.01(e).
- 2.38 **"Utilities"** means all gas, electricity, water, sewer, steam, fuel oil, power, signal equipment and other utilities used in or for the Building or the Premises, as applicable.

ARTICLE III - INTENT

3.01 Net Lease

This Lease is a completely net and carefree lease to the Landlord, and except as expressly set out herein, during the Term the Landlord is not responsible for any expense or obligation of any nature whatsoever arising from or relating to the Premises or the Project.

ARTICLE IV - GRANT AND TERM

4.01 Premises

- (a) In consideration of the rents, covenants and agreements herein contained on the part of the Tenant to be paid, observed and performed, the Landlord leases to the Tenant, and the

Tenant leases from the Landlord, the Premises for and during the Term, commencing on the Commencement Date.

- (b) The Tenant acknowledges and agrees that:
- (i) it shall accept the Premises in an “as is” condition;
 - (ii) the Landlord shall have no obligations with respect to any Improvements, including any alterations, decorations, or with respect to any renovations or repairs of or to any portion of the Premises, all of which shall be completed by the Tenant at its sole cost and expense in accordance with the provisions of this Lease; and
 - (iii) the Landlord has made no representations and warranties relating to the Premises or the Project and the Landlord does not make any representation or warranty whatsoever to the Tenant that the permitted use of the Premises as set out in Subsection 1.01(k) herein is permitted under applicable Laws or any applicable zoning by-laws.

4.02 Use of Common Areas and Facilities

The use and occupation by the Tenant of the Premises includes the non-exclusive and non-transferable right to use the Common Areas and Facilities in common with others entitled thereto, for the purposes for which they are intended and during such hours and days as the Building is open for business, subject to provisions of this Lease. The Tenant and its employees and invitees shall not obstruct the Common Areas and Facilities or use the Common Areas and Facilities other than for their intended purposes and then only in accordance with the rules and regulations set by the Landlord from time to time.

4.03 Architect's Certificate

At any time on or after the Commencement Date, the Landlord shall deliver to the Tenant an Architect's certificate certifying the Rentable Area of the Premises. The Base Rent and the Proportionate Share shall be adjusted accordingly, retroactive to the Commencement Date.

Notwithstanding anything in this Lease to the contrary, the Landlord may from time to time, as it deems necessary, cause the Rentable Area of the Premises, the Building or any part thereof to be recalculated or remeasured and the cost thereof shall be included in Operating Costs (except as otherwise provided in this Section 4.03). Upon any such recalculation or remeasurement, Rent shall be adjusted accordingly. If any calculation or determination by the Landlord of the Rentable Area of any premises (including the Premises) is disputed, it shall be calculated or determined by the Architect, whose certificate shall be conclusive and binding upon the parties hereto. The cost of such calculation or determination shall be included in Operating Costs; provided that if the Tenant disputes the Landlord's calculation or determination and the calculation or determination by the Architect agrees with the Landlord's calculation or determination within a two percent (2%) variance, the Tenant shall pay the full cost of such calculation or determination forthwith upon demand. If the Tenant and any one or more of the other tenants in the Building are responsible to pay such costs, the Tenant shall be jointly and severally liable with such other tenant or tenants.

If any error shall be found in the calculation of the Rentable Area of the Premises or in the calculation of the Tenant's Proportionate Share, Rent shall be adjusted for the Rentable Year in which that error is discovered and for the Rental Year preceding the Rental Year in which the error was discovered, if any, and thereafter but not for any prior period.

4.04 Parking

The Tenant will continue have access to thirty (30) random parking spots located at the existing parking lot.

Tenant will occupy approximately Eight Thousand Four Hundred and Thirty-Nine (8,439) square feet of land (the “New Parking Area”) where the Tenant will construct a parking lot of the same quality or better than the existing parking lot for their exclusive use.

The Tenant will be responsible for the upkeep and maintenance of the New Parking Area.

Rent for the New Parking Area will be One Thousand Five Hundred Dollars (\$1,500.00) annually, payable in equal monthly instalments of One Hundred Twenty-Five (\$125.00) plus applicable Sales Tax, the first of such monthly payments to be due and payable on April 1, 2018.

Any additional realty tax as a result of the Tenant's occupancy and use to be calculated and billed to the Tenant annually.

ARTICLE V - RENT

5.01 Covenant to Pay

The Tenant shall pay the Rent in Canadian funds, without deduction, abatement, set-off or compensation whatsoever, as herein further provided.

5.02 Base Rent

- (a) The Tenant shall pay, from and after the Commencement Date, to the Landlord at the address set out in Subsection 1.01(p), or at such other place as designated by the Landlord, as Base Rent, the annual amount payable in equal and consecutive monthly instalments as set out in Subsection 1.01(i), in advance on the first day of each calendar month during the Term, based upon the annual rental rate set out in Subsection 1.01(i). Following the certification of the Rentable Area of the Premises by the Architect pursuant to Section 4.03 of this Lease, the Base Rent shall, if necessary, be adjusted accordingly.
- (b) If the Commencement Date is on a day other than the first day of a calendar month, the Tenant shall pay, upon the Commencement Date, a portion of the Base Rent pro-rated on a per diem basis from the Commencement Date to the end of the month in which the Commencement Date occurs.

5.03 Fixturing Period/Base Rent Free Period - **INTENTIONALLY DELETED**

5.04 Sales Taxes

In addition to the Rent payable hereunder, the Tenant will pay to the Landlord (acting as agent for the taxing Authority if applicable) or directly to the taxing Authority (if required by the applicable legislation) the full amount of all Sales Taxes. The Sales Taxes payable by the Tenant will be calculated and paid in accordance with the applicable legislation. Notwithstanding any other provisions contained in this Lease, Sales Taxes will not be considered Rent, but the Landlord shall have all of the same remedies for and rights of recovery with respect to such amounts as it has for non-payment of Rent under this Lease or at law.

5.05 Overdue Rent

If the Tenant defaults in the payment of Rent, the unpaid Rent shall bear interest from the due date to the date of payment at an interest rate equal to the Prime Rate in force on the due date plus five percent (5%).

5.06 Late Payment Charge

The Tenant hereby acknowledges that late payment by the Tenant to the Landlord of Base Rent or Additional Rent due hereunder will cause the Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult or impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on the Landlord. Accordingly, if any Base Rent or Additional Rent is not received by the Landlord or the Landlord's designee within five (5) days after such amount is due, the Tenant shall pay to the Landlord a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs the Landlord will incur by reason of late payment by the Tenant. Acceptance of such late charge by the Landlord shall in no event constitute a waiver of the Tenant's default with respect to such overdue amount, nor prevent the Landlord from exercising any of the other rights

and remedies granted hereunder. The foregoing shall be without prejudice to any other right or remedy available to the Landlord under or pursuant to this Lease by reason of a monetary default by the Tenant.

5.07 Post-dated Cheques

The Tenant shall deliver to the Landlord thirty (30) days' prior to the commencement of each Rental Year throughout the Term, a series of monthly post-dated cheques for each such year of the Term in respect of the aggregate of the monthly payments of Base Rent and any payments of Additional Rent estimated by the Landlord in advance, and any other payments required by this Lease to be paid by the Tenant monthly in advance. If the Tenant changes its bank or financial institution upon which such post-dated cheques are drawn, the Tenant shall immediately notify the Landlord in writing and provide the Landlord with new post-dated cheques to replace those in the Landlord's possession at that time, so that there is no gap in the continuity of such cheques to the Landlord. At the Landlord's option, the Tenant shall enable the Landlord to electronically debit the Tenant's bank account and to adjust the amount being debited, from time to time. Notwithstanding the foregoing the tenant shall continue to pay their rent through electronic fund transfers.

ARTICLE VI – TAXES

6.01 Taxes Payable by the Tenant

- (a) Commencing on the Commencement Date and thereafter throughout the Term, the Tenant shall pay, as Additional Rent, when due to the taxing Authority or the Landlord at the Landlord's direction, Taxes upon or on account of the following:
 - (i) in the event that a separate tax bill is issued by a taxing Authority for the Premises, then the Taxes payable by the Tenant in respect of the Premises will be determined on the basis of such separate tax bill and shall be paid by the Tenant when due directly to the taxing Authority having jurisdiction, and the Taxes payable by the Tenant in respect of the Common Areas and Facilities shall be the Tenant's Proportionate Share of all Taxes for the Common Areas and Facilities; or,
 - (ii) if there is no such separate tax bill, then at the Landlord's option: (A) the Taxes payable by the Tenant in respect of the Premises shall be calculated on the basis of the assessed value of the Premises, and the Taxes payable by the Tenant in respect of the Common Areas and Facilities shall be the Tenant's Proportionate Share of all Taxes for the Common Areas and Facilities; or (B) if the Landlord elects or is not able to charge on the basis of assessed value, then the Tenant shall pay in lieu thereof (AA) its Proportionate Share, prior to deducting any discounts on account of vacancies in the Project, of all Taxes levied, rated, charged or assessed from time to time against the Project, including the Common Areas and Facilities; or (BB) (if applicable) such amount as is allocated to the Tenant with respect to the Premises and Common Areas and Facilities by the Landlord, acting fairly and reasonably, taking into account practices relevant to multi-use developments consistent with benefits derived by the tenants of each component of the Project.

The Tenant agrees to provide to the Landlord within three (3) days of receipt thereof, an original or duplicate copy of any separate bill for Taxes levied in respect of the Premises. The Tenant shall deliver promptly, upon request of the Landlord, receipts for all such payments and will furnish such other information as the Landlord may require.

Any amounts payable by the Tenant on account of Taxes shall be adjusted on a per diem basis in respect of any period not falling wholly within the Term.

- (b) Notwithstanding the foregoing or Section 2.34, and notwithstanding that any Taxes may be separately imposed, levied, assessed or charged by the appropriate Authority for or in respect of the Premises and other portions of the Project, the Landlord may elect that such Taxes shall be added to Operating Costs and the Landlord may in its absolute discretion allocate such amount among tenants of the Building.

- (c) The Tenant may, at its expense, appeal or contest the Taxes as described in Section 6.01(a)(i) if there is a separate assessment and separate tax bill for the Premises, but such appeal or contest shall be limited to the assessment of the Premises alone and not to any other part of the Building or the Lands and provided that the Tenant first gives the Landlord written notice of its intention to do so, and consults with the Landlord, and provides such security as the Landlord reasonably requires and obtains the Landlord's prior written approval. The Landlord reserves the exclusive right to appeal or contest any Taxes payable by the Landlord.

6.02 Business and Other Taxes

The Tenant shall pay to the relevant taxing Authority, as and when the same are due and payable, all Taxes charged in respect of the personal property and Improvements, or if applicable, in respect of any business conducted on or any use or occupancy of the Premises.

The Tenant agrees to provide to the Landlord within three (3) days of receipt thereof, an original or duplicate copy of any separate bill for Taxes levied in respect of the Premises. The Tenant shall furnish promptly, upon request of the Landlord, such other information related to Taxes levied in respect of the Premises as the Landlord may require.

ARTICLE VII - LANDLORD'S COVENANTS AND BUILDING CONTROL AND PAYMENT

7.01 Landlord's Covenant for Quiet Enjoyment

If the Tenant performs its obligations under this Lease, it may hold and use the Premises without interference by the Landlord or any other Person claiming by, through or under the Landlord, subject to the terms of this Lease.

7.02 Control of the Project by the Landlord

The Project, the Building and the Common Areas and Facilities are at all times subject to the exclusive control and management of the Landlord. Without limiting the generality of the foregoing, the Landlord has the right, in its sole discretion, to:

- (a) obstruct or close off all or any part of the Project for the purpose of maintenance, repair, alteration or construction;
- (b) make such use of the Common Areas and Facilities and permit others to make such use of the Common Areas and Facilities as the Landlord may from time to time determine subject, in the case of use by others, to such terms and conditions and for such consideration as the Landlord may in its discretion determine, provided that such uses do not materially obstruct access to the Premises;
- (c) close all or any part or parts of the Building or the Common Areas and Facilities to such extent as may, in the opinion of the Landlord be legally sufficient to prevent a dedication thereof or the accrual of rights therein to any Person;
- (d) dictate, impose and/or control the security requirements and procedures and the emergency evacuation procedures for the Building;
- (e) regulate the delivery or shipping of supplies and fixtures to the Premises;
- (f) construct other buildings, structures or improvements in the Building and make alterations, reductions and additions to the Project, the Building and the Common Areas and Facilities; and
- (g) relocate or modify the Common Areas and Facilities.

Notwithstanding anything contained in this Lease to the contrary, the Landlord is not liable if as a result of the Landlord's exercise of its rights set out in this Section 7.02 or elsewhere in this Lease, the Common Areas and Facilities in, or improvements to, the Project are diminished or

altered, nor is the Tenant entitled to any compensation or damages for loss of services or repayment or abatement of Rent, nor any diminution or alteration of the Common Areas and Facilities in, or improvements to, the Project be considered a re-entry or a breach of the Landlord's covenant for quiet enjoyment contained in this Lease or implied by law.

7.03 Right to Relocate

The Tenant agrees that, notwithstanding any other provision contained in this Lease, the Landlord has the right at any time and from time to time, during the Term or any extension or renewal thereof, as the case may be, to rearrange the Premises, or to change the location of the Premises to comparable space in the Building. If the Landlord exercises its right to rearrange the Premises or change its location, the appropriate modifications will be made to Sections 1.01(a) and 1.01(b) and Section 4.03 will apply and, if applicable, Base Rent and Additional Rent identified in Subsection 1.01(h) will be adjusted accordingly. The Landlord's exercise of its rights under this Section does not constitute a re-entry or a breach of the Landlord's covenant for quiet enjoyment contained in this Lease or implied by law. If the Landlord exercises its right to rearrange the Premises or to change the location of the Premises after the date on which the Landlord notifies the Tenant that the Premises are ready for installation of Improvements, the Landlord will reimburse the Tenant for the Tenant's reasonable costs it reasonably incurred as a result of the rearrangement or relocation of the Premises. The Landlord also reserves the right on single tenant floors to rearrange any demising walls for purposes of providing the required fire or emergency corridors, or to comply with the Laws from time to time.

7.04 Tenant to Pay Operating Costs and Taxes

- (a) In each Rental Year, the Tenant shall pay to the Landlord, or to the supplier or relevant taxing Authority as the Landlord so directs, as Additional Rent, the Tenant's Proportionate Share of Operating Costs and the Tenant's Proportionate Share of Taxes.
- (b) "Operating Costs" includes the total of all costs, expenses and amounts, incurred or accrued for or with respect to ownership, management, operation, maintenance, repairs, upkeep, insurance, supervision, decoration, cleaning, and upgrading of the Project and the determination and allocation of such costs, expenses and amounts, whether incurred or accrued by or on behalf of the Landlord or by or on behalf of the Services Provider (or any other manager or agent of the Landlord) including, without limitation and without duplication, the aggregate of:
 - (i) the cost of all insurance taken out and maintained by the Landlord under Section 10.01 and the cost of any deductible amount paid by the Landlord in connection with a claim under its insurance and should the Landlord choose in whole or in part to self-insure, the amount of reasonable contingency reserves not exceeding the amount of premiums that would otherwise have been incurred in respect of the risks undertaken;
 - (ii) landscaping, gardening, cleaning, removal of rubbish, dirt and debris, window and sign washing, painting, snow and ice removal, sanding, salting, repaving parking areas and other paved areas (including, without limitation, line painting and curb installations), garbage and waste collection and disposal;
 - (iii) lighting (including the replacement of, from time to time, either by way of group relamping or otherwise, electrical lightbulbs, tubes and ballasts) except to the extent separately invoiced to tenants under clauses similar to Section 8.03 below), directory boards, information kiosks, any telephone answering service and the cost of all Utilities used or consumed either within the Project or the Common Areas and Facilities and the cost of all Utilities used or consumed in connection with any signs designated by the Landlord as part of the Common Areas and Facilities;
 - (iv) policing, security, security systems (including, without limitation, remote control cameras and security patrols), supervision and traffic control;
 - (v) salaries, wages and other amounts paid or payable for and in relation to, all

personnel, including management, supervisory and administrative personnel employed to carry out the maintenance, management and operation of the Project, including the cost of purchasing, cleaning or replacing uniforms, work clothes and equipment for such personnel and all rentals or other amounts payable in respect of any offices maintained or used by such personnel, including the manager of the Project, and all contributions and premiums towards fringe benefits, unemployment and Worker's Compensation insurance, pension plan contributions and similar premiums and contributions and all costs of any independent contractors employed in the repair, care, maintenance, management, supervision, operation and cleaning of the Building or any part thereof, and the Common Areas and Facilities;

- (vi) the cost of the rental of any equipment and signs and the cost of all building and clean-up supplies, tools, materials and equipment used by the Landlord in the operation and maintenance of the Project;
- (vii) the cost of all auditing, accounting, bookkeeping, legal, architectural, surveying and other professional and consulting services and expenses incurred by or on behalf of the Landlord with respect to which relate to the Project or any part thereof, including, without limitation, any leases or agreements therein;
- (viii) the cost of all repairs (including, without limitation, major repairs and all repairs and replacements necessary to observe and comply with the requirements of any Authority in respect of the Project, the Building and the Common Areas and Facilities) and all alterations to, in or for, and the maintenance and operation of, the Building or any part thereof (including the Common Areas and Facilities), and the systems, facilities and equipment serving the Building (including, without limitation, the Mechanical and Electrical Services, all escalators, elevators and other transportation equipment and systems and any signs designated by the Landlord as part of the Common Areas and Facilities);
- (ix) all costs incurred in acquiring, installing, operating, maintaining, revising, repairing, restoring, renewing and replacing any energy conservation, fire safety, sprinkler and life safety systems and equipment for the Building, and for effecting any improvements to the Building made to comply with air pollution, air quality and environmental control standards, and for investigating, testing, monitoring, removing, enclosing, encapsulating or abating any material or substance in, on, under, above or which serves, the Building or any part thereof which, in the opinion of the Landlord, is harmful or hazardous to any Person or to the Building or any part thereof including, without limitation, any costs incurred by the Landlord in complying with Environmental Laws (including Ontario Regulation 127/01-Airborne Contaminant Discharge-Monitoring and Reporting or any similar legislation or regulations thereunder from time to time (the "Regulation"));
- (x) all expenses incurred by the Landlord in respect of the installation or removal of any Improvements;
- (xi) all municipal improvement charges and costs incurred by the Landlord and paid to any Authority in connection with the development of the Project, and the cost of providing additional parking or other Common Areas and Facilities for the benefit of the Building;
- (xii) all costs and expenses of a capital nature as determined in accordance with generally accepted accounting principles or other similar principles as are in standard use in the Ontario commercial leasing industry;
- (xiii) at the Landlord's election (such election to be evidenced by the method of calculating Operating Costs for each Rental Year), either amortization, in an amount determined by the Landlord's accountant, of the cost (whether incurred before or during the Term and whether or not incurred by the party constituting the Landlord at any time or its predecessor in title or interest) of any repair, replacement, decoration or improvement of the Project not expensed within the

Rental Year in which the expenditure was incurred and of all equipment required for the operation and maintenance of the Project not included within Operating Costs for the Rental year in which the expenditure occurred, or depreciation in an amount determined by the Landlord's accountant based on the cost (whether incurred before or during the Term and whether or not incurred by the party constituting the Landlord at any time or its predecessor in title or interest) of any of those items which the Landlord in its absolute discretion has elected to treat as capital in nature together with, in each case, an amount equal to interest at the Prime Rate plus three percent (3%) per annum on the undepreciated or unamortized amount thereof;

- (xiv) contributions towards a capital reserve fund established in order to pay for any future costs incurred by or on behalf of the Landlord for repairing or replacing all or any portion of the Premises, the Common Areas and Facilities and the Project which are not charged fully in the Rental Year in which they are incurred in accordance with generally accepted accounting principles or other similar principles as are in standard use in the Ontario commercial leasing industry;
 - (xv) Taxes for Common Areas and Facilities and all costs incurred by the Landlord, acting reasonably, in contesting, appealing or resisting the business taxes or Taxes or related assessments on all or any part of the Project;
 - (xvi) the cost of investigating, testing, monitoring, removing, enclosing, encapsulating or abating any Environmental Contaminants which is in or about the Project or any part thereof or which has entered the environment from the Project, if the Landlord is required to do so or if, in the Landlord's opinion, it is harmful or hazardous to any Person or to the Project or any part thereof or to the environment;
 - (xvii) all other expenses of every nature incurred in connection with the maintenance and operation of the Project;
 - (xviii) the costs of enforcing and collecting payment of tenant charges and tenants' shares of Operating Costs and Taxes, whether actual or estimated;
 - (xix) interest on a deposit paid by the Landlord to the supplier of a Utility at a rate which shall be one percent (1%) per annum in excess of the Prime Rate;
 - (xx) the amount of any deposits paid to a Utility supplier lost by the Landlord as a result of any bankruptcy of any Utility supplier amortized over a period of three (3) years from the date of such bankruptcy and interest thereon at a rate of two percent (2%) in excess of the Prime Rate;
 - (xxi) the fair rental value (having regard to the rentals prevailing from time to time for similar space) of space in the Project used by the Landlord, acting reasonably, in connection with the maintenance, repair, operation, administration or management of the Project;
 - (xxii) Utilities for the Premises, to the extent charged as part of Operating Costs, as set out in Section 8.01(b) and (c);
 - (xxiii) Utilities consumed in connection with the Common Areas and Facilities of the Building; and
 - (xxiv) an administration fee in the amount of fifteen percent (15%) of the aggregate of the costs referred to in subparagraphs (i) to (xxiii) inclusive hereof.
- (c) Exclusions – Operating Costs shall exclude, without duplication and without limiting the generality of the foregoing, and except to the extent expressly included above:
- (i) debt service in respect of financing secured by or related to the Project;
 - (ii) costs determined by the Landlord from time to time to be fairly allocable to the

correction of initial construction faults or initial maladjustments in operating equipment but only to the extent that such costs are recovered from the contractor or others responsible;

- (iii) any ground rent payable by the Landlord in respect of a lease of the Lands or part thereof; and
 - (iv) tenant improvement allowances, leasing commissions and leasing costs.
- (d) Deductions – There shall be deducted from Operating Costs:
- (i) the proceeds of insurance recovered by the Landlord applicable to damage, the cost of repair of which was included in the calculation of Operating Costs paid by the Tenant; and
 - (ii) amounts recovered as a result of direct charges to the Tenant and other tenants to the extent that the cost thereof was included in the calculation of Operating Costs.
- (e) Within sixty (60) days before the expiry of each Rental Year, the Landlord shall provide the Tenant with a budget outlining the estimated Operating Costs and Taxes for the next succeeding Rental Year, indicating therein the estimates for such Rental Year of: (i) the Tenant's Proportionate Share of Operating Costs; and (ii) the Tenant's Share of Taxes. The Landlord may, at its option, revise the estimated Operating Costs and Taxes for the next succeeding Rental Year at any time or times during the Rental Year as the Landlord deems appropriate.
- (f) The Tenant shall pay, in equal monthly instalments, for each Rental Year one twelfth (1/12th) of the aggregate of the estimates for such Rental Year of: (i) the Proportionate Share of Operating Costs; and (ii) the Tenant's Share of Taxes, each commencing on the first day of such Rental Year.
- (g) Notwithstanding anything in this Lease to the contrary, the Landlord shall always have the right:
- (i) to revise the amount of instalments on account of Taxes payable by the Tenant to an amount that allows the Landlord to collect all Taxes payable by the Tenant by the final due date of Taxes for the calendar year; and/or,
 - (ii) to schedule and require payment by the Tenant of instalments on account of Taxes payable by the Tenant such that by the final due date of Taxes for any calendar year, the Tenant shall have paid the Landlord the full amount of Taxes payable by the Tenant for such calendar year, which arrangement may include payment of instalments by the Tenant in a calendar year on account of Taxes payable by the Tenant for the next calendar year; and/or,
 - (iii) (but not the obligation) to allocate Taxes among categories of rentable premises in the Project on the basis of such factors as the Landlord determines to be relevant, such as, by way of example, the types of business or activity carried on therein, the locations in the Project, costs of construction, relative benefits derived by rentable premises, relative assessment values, non-public school support designations and vacancies. The Landlord shall be entitled to adjust the Tenant's Share of Taxes having regard to the category in which the Tenant is placed by the Landlord.
- (h) Within a reasonable time after the expiry of each Rental Year, the Landlord shall deliver a statement to the Tenant showing: (i) the actual Operating Costs and Taxes for such Rental Year; (ii) the actual Proportionate Share of Operating Costs; and (iii) the actual Tenant's Share of Taxes, and any adjustments or reimbursements shall be paid within thirty (30) days thereafter.

7.05 Vacancy

If any part of the Building available for leasing is not occupied, the Landlord shall have

the right, in respect of amounts forming part of Operating Costs which vary with occupancy, to include in Operating Costs a larger amount of costs, which larger amount shall be based on a reasonable estimate of the actual cost which would have been incurred if the unoccupied parts of the Building available for leasing were occupied, it being intended hereby that the Landlord shall obtain, to the extent reasonably possible, full reimbursement of Operating Costs attributable to or in respect of occupied premises, and not that: (a) the Tenant shall subsidize Operating Costs incurred by the Landlord attributable to or in respect of vacant premises; or (b) the Landlord shall recover more than actual Operating Costs.

In determining the share of Taxes which is payable by the Tenant pursuant to this Lease, Taxes shall include such additional amounts as would have formed part of the Taxes had the Project been fully assessed during the whole of the relevant 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 Taxes or change of assessment category or class for rentable premises within the Project which are vacant.

7.06 Rent Disputes

The Tenant may dispute an invoice or statement in respect of Operating Costs or the Tenant's Share of Taxes only by giving written notice to the Landlord specifying the basis of the dispute within six (6) months after delivery of the invoice or statement. The Tenant will, in any event, continue to pay its share of Operating Costs and Taxes in accordance with the Landlord's invoice or statement until the dispute is resolved.

ARTICLE VIII - UTILITIES AND LANDLORD'S SERVICES

8.01 Utilities

The Tenant shall be responsible and liable for costs of its Utilities consumed on the Premises and the following conditions shall also apply:

- (a) If the Premises are separately metered or if the Tenant, at its sole cost, installs a hydro electric meter, the Tenant shall pay its hydro electric bills directly to the supplier for all hydro electricity consumed and as determined from the reading of the Tenant's meter; and
- (b) If the Tenant, at its sole cost, and subject to the Landlord's prior written approval, installs sub-meters for water and gas, the Landlord or its Service Provider shall invoice the Tenant for its share of the water and gas consumed as determined from the reading of the sub-meters, either by separate invoice or as part of the Operating Costs as set out in Section 7.04. Upon receipt of a separate invoice from the Landlord or its Service Provider, the Tenant shall promptly pay for the water and gas consumed, as invoiced.
- (c) For all Utilities that are not separately metered, the Tenant shall pay the Tenant's Proportionate Share of such Utilities as part of Operating Costs as set out in Section 7.04.

In addition to the foregoing, the Tenant shall pay its Proportionate Share of Utilities consumed in connection with the Common Areas and Facilities of the Building as part of Operating Costs as set out in Section 7.04.

8.02 Interruption of Supply of Utilities

The Landlord may in its sole discretion, without any obligation or liability to the Tenant, and without such action constituting an eviction of the Tenant, discontinue or modify any services, systems or Utilities as a result of the Landlord's exercise of the rights conferred under Section 7.02 hereof.

The Landlord is not liable for interruption or cessation of, or failure in, the supply of Utilities, services or systems in, to or serving the Building or the Premises, whether they are supplied by the Landlord or others and whether the interruption or cessation is caused by the Landlord's negligence or otherwise.

8.03 Replacement of Bulbs

As Additional Services, at the request of the Tenant or as otherwise determined by the Landlord at all times during the Term or any extension or renewal thereof, as the case may be, the Landlord shall replace all starters, fluorescent tubes and light bulbs located within the Premises at the sole cost and expense of the Tenant.

8.04 Additional Services

If the Tenant requires any Additional Services to be performed in or relating to the Premises, it shall advise the Landlord in writing of the required Additional Services and the Landlord may, at its option, perform or provide any such Additional Services. Provided however, that the Landlord shall not be required to provide such Additional Services if to do so would:

- (a) interfere with the reasonable enjoyment of the other tenants of their respective premises or the Common Areas and Facilities;
- (b) jeopardize or impede the Landlord's financing of the Building and/or Lands; or
- (c) cause the Building or its services and Common Areas and Facilities not to be of the Building standard.

The cost of any Additional Services provided by the Landlord pursuant to this Section shall be determined mutually by both the Landlord and the Tenant in advance of the provision of such service(s). The cost of providing such service(s) shall be paid by the Tenant to the Landlord forthwith upon receipt of an invoice for such Additional Services.

8.05 Caretaking

Subject to the payment by the Tenant of the Operating Costs and subject to access being granted to the person or persons employed or retained by the Landlord to perform such work, the Landlord covenants to cause the floors of the Premises to be swept, the interior surface of the exterior windows to be cleaned, the desks, tables, other furniture and venetian blinds to be dusted, wastepaper baskets to be emptied and any carpeting to be vacuumed, all in accordance with normal office cleaning standards. Any cleaning services provided by the Landlord in excess of those described herein shall be charged to the Tenant in accordance with Section 8.04 above.

The Tenant shall leave the Premises in a reasonably tidy state at the end of each Business Day to facilitate the janitorial services provided by or on behalf of the Landlord.

ARTICLE IX - USE OF THE PREMISES

9.01 Use of the Premises

The Tenant shall continuously, actively and diligently use the Premises solely for the purpose stated in Subsection 1.01(k), in a first class and reputable manner and for no other purpose whatsoever.

The Tenant acknowledges that its continued occupancy of the Premises and the continuous and active conduct of its business in the Premises are of the utmost importance to the Landlord in:

- (a) avoiding the appearance and impression generally created by vacant space;
- (b) facilitating the leasing of vacant space in the Building and the lease extensions or renewals of existing tenants;
- (c) maximizing the rents payable to the Landlord both by existing tenants and new tenants of the Building; and
- (d) maintaining the character, quality and image of the Building.

The Tenant acknowledges that the Landlord shall suffer substantial damage and serious and irreparable injury if the Premises are left vacant or are abandoned during the Term or if the Tenant does not comply with the provisions of this Section 9.01, even in the event that the Tenant

pays all Rent required hereunder.

9.02 Tenant's Fixtures

The Tenant shall install and maintain in the Premises at all times during the Term first-class trade fixtures, including furnishings and equipment, adequate and appropriate for the business to be conducted on the Premises, all of which shall be kept in good order and condition. The Tenant shall not remove any trade fixtures or other contents from the Premises during the Term except in the ordinary course of business in the event such items become obsolete or for the purpose of replacing them with others at least equal in value and function to those being removed, and shall promptly repair any damage to the Premises or the Building resulting from such removal.

9.03 Premises Signage

The Landlord shall at the request of the Tenant install on or near the entrance door of the Premises in accordance with the Landlord's uniform scheme for the Project, a sign bearing the name of the Tenant and the cost to the Landlord of any such sign and installation shall be payable by the Tenant to the Landlord in accordance with Section 8.04.

The Tenant shall not erect, install or display any sign, advertisement, notice or display on the exterior of the Premises or anywhere within the Premises which is visible from the exterior of the Premises without the prior written approval of the Landlord, in its sole discretion, as to size, design, location, content, method of installation and any other specifications.

9.04 Waste Removal

- (a) The Tenant shall not allow any garbage or any objectionable material to accumulate in or about the Premises, the Common Areas and Facilities or the Building.
- (b) The Tenant shall, at its cost, comply with the Landlord's waste management program in force from time to time.

9.05 No Waste, Environmental Contamination or Overloading

- (a) The Tenant shall not: (i) cause or permit any waste or damage to the Premises or Improvements, or to the fixtures or equipment contained therein; (ii) permit any overloading of the floors thereof; (iii) use or permit to be used any part of the Premises for any dangerous, noxious or offensive activity; and (iv) do or bring anything or permit anything to be done or brought on or about the Lands which the Landlord may reasonably deem to be hazardous or a nuisance to any other tenants or any other persons permitted to be in the Building.
- (b) The Tenant shall not itself, and shall not permit any of its employees, servants, agents, or contractors, to obstruct the Common Areas and Facilities or use or permit to be used any part of the Common Areas and Facilities for other than its intended purpose.
- (c) The Tenant shall not store, bring in or permit to be placed, any Environmental Contaminants in the Common Areas and Facilities, the Building or the Project.
- (d) The Tenant shall not permit the presence of any Environmental Contaminants in the Premises, except if such is required for the Contemplated Use and then only if the Tenant is in strict compliance with all relevant Authorities, including, without limitation, Environmental Laws.
- (e) The Tenant shall diligently comply with all applicable reporting requirements under the Regulation and under the EPA and shall provide the Landlord with copies of all reports submitted to the Ministry of the Environment. The Tenant shall indemnify the Landlord from all loss, costs and liabilities, including all legal expenses, incurred by the Landlord as a result of the Tenant's failure to comply with the Regulation. The Tenant shall permit the Landlord to inspect the Premises at all reasonable times to conduct air emission testing, as required by the Regulation.

9.06 Landlord's Requirements

The Tenant shall not bring into or allow to be present in the Premises or the Project any Environmental Contaminants except such as are disclosed in Schedule "C" attached hereto. If the Tenant brings or creates upon the Project, including the Premises, any Environmental Contaminants, then such Environmental Contaminants shall be and remain the sole property of the Tenant and the Tenant shall remove same, at its sole cost and expense, at the expiration or early termination of this Lease or sooner if so directed by any Authority, or if required to effect compliance with any Environmental Laws, or if required by the Landlord.

9.07 Governmental Requirements

If, during the Term or any extension thereof, any Authority shall require the clean-up of any Environmental Contaminants:

- (a) held in, released from, abandoned in, or placed upon the Premises or the Project by the Tenant or its employees or those for whom the Tenant is in law responsible; or
- (b) released or disposed of by the Tenant or its employees or those for whom the Tenant is in law responsible;

then, the Tenant shall, at its own expense, carry out all required work including preparing all necessary studies, plans and approvals and providing all bonds and other security required and shall provide full information with respect to all such work to the Landlord provided that the Landlord may, at its sole option, perform any such work at the Tenant's sole cost and expense, which cost and expense shall be payable by the Tenant on demand as Additional Rent.

9.08 Environmental Covenants

In addition, to and without restricting any other obligations or covenants herein, the Tenant covenants that it shall:

- (a) comply in all respects with all Environmental Laws relating to the Premises or the use of the Premises;
- (b) promptly notify the Landlord in writing of any notice by any Authority alleging a possible violation of or with respect to any other matter involving any Environmental Laws relating to operations in the Premises or relating to any Person for whom the Tenant is in law responsible, or any notice from any other party concerning any release or alleged release of any Environmental Contaminants; and
- (c) permit the Landlord to:
 - (i) enter and inspect the Premises and the operations conducted therein;
 - (ii) conduct tests and environmental assessments or appraisals;
 - (iii) remove samples from the Premises;
 - (iv) examine and make copies of any documents or records relating to the Premises and interview the Tenant's employees as necessary; and
- (d) promptly notify the Landlord of the existence of any Environmental Contaminants in the Project.

9.09 Environmental Indemnification

In addition to and without restricting any other obligations or covenants contained herein, the Tenant shall indemnify and hold the Landlord harmless at all times from and against any and all losses, damages, penalties, fines, costs, fees and expenses (including legal fees on a solicitor and client basis and consultants' fees and expenses) resulting from:

- (a) any breach of or non-compliance with the foregoing environmental covenants of the

Tenant; and

- (b) any legal or administrative action commenced by, or claim made or notice from, any third party, including, without limitation, any Authority, to or against the Landlord and pursuant to or under any Environmental Laws or concerning a release or alleged release of Environmental Contaminants at the Premises into the environment and related to or as a result of the operations of the Tenant or those acting under its authority or control at the Premises, and any and all costs associated with air quality issues, if any.

9.10 Compliance with Laws

The Tenant shall be solely responsible for obtaining all necessary permits, licenses and approvals from all relevant Authorities to permit the Tenant to occupy the Premises and conduct its business thereon. The Tenant shall, at its sole cost and expense, comply with all applicable Laws respecting the use, access of services and facilities in the Premises, the condition and occupation of the Premises, any Environmental Contaminants, and all fixtures, equipment and Improvements located therein and thereon.

If any alterations or improvements to the Improvements or to the Premises are necessary to comply with any of the provisions of this Lease or with the requirements of insurance carriers, the Tenant shall forthwith complete such work, complying always with the applicable provisions of this Lease, to the extent that it can be done within the Premises and in any event, shall pay the entire cost of all of the alterations and improvements so required.

The Tenant agrees that if the Landlord determines in its sole discretion that the Landlord, its property, its reputation or the Premises or any one or more of the foregoing is placed in any jeopardy, as determined by the Landlord, by the requirements for any work required to ensure compliance with the provisions of this Lease, or the Tenant is unable to fulfil its obligations under this Section, the Landlord may, at its sole option, undertake such work or any part thereof at the Tenant's sole cost and expense as an Additional Service, payable on demand as Additional Rent. In the event that structural repairs or upgrading of the Building, is or are required to permit the Tenant's Contemplated Use, including but not limited to seismic upgrading, the Landlord may, at its sole discretion, terminate this Lease.

9.11 Deliveries

All deliveries to and from the Premises and loading and unloading of goods, refuse and any other items shall be made only by way of such access routes, doorways, corridors and loading docks as the Landlord may, from time to time, designate and shall be subject to all applicable rules and regulations made by the Landlord from time to time pursuant to Section 17.01.

9.12 Security Devices

The Tenant shall obtain, at its expense, additional keys, photo identification cards and other similar security devices from the Landlord or the Landlord's agent as required.

9.13 Telecommunications

- (a) Provided that the Tenant has obtained the Landlord's prior written approval, which approval the Landlord may withhold in its sole discretion, the Tenant may utilize a telecommunication service provider of its choice for the supply and installation of telephone, computer and other communication equipment and systems, and related wiring within the Premises, subject to the provisions of this Lease, including but not limited to the following:
 - (i) prior to commencing any work in the Project, the telecommunication service provider shall execute and deliver to the Landlord, the Landlord's standard form of license agreement, which shall include a provision for the Landlord to receive compensation for the use of the space for the telecommunication service provider's equipment and materials;
 - (ii) the Landlord shall incur no expense or liability whatsoever with respect to any

aspect of the provision of telecommunication services, including without limitation, the cost of installation, service, materials, repairs, maintenance, removal, interruption or loss of telecommunication service;

- (iii) the Landlord must first reasonably determine that there is sufficient space in the risers of the Building for the installation of the telecommunication service provider's wiring and cross connect;
 - (iv) the Tenant shall indemnify and hold harmless the Landlord for all losses, claims, demands, expenses and judgments against the Landlord caused by or arising out of, either directly or indirectly, any acts or omissions by the telecommunication service provider, its contractors or the Tenant or those for whom they are responsible at law; and
 - (v) the Tenant shall incorporate in its agreement with its telecommunication service provider a provision granting the Tenant the right to terminate the telecommunication service provider's agreement if required to do so by the Landlord and the Landlord shall have the right at any time and from time to time during the Term to require the Tenant, at its expense, to exercise the termination right and to contract for telecommunication service with a different telecommunication service provider. The Landlord shall have no obligation to ensure continuation of service by the Tenant's telecommunication service provider.
- (b) The Tenant shall be responsible for the costs associated with the supply and installation of telephone, computer and other communication equipment and systems and related wiring within the Premises to the boundary of the Premises for hook-up or other integration with telephone and other communication equipment and systems of a telephone or other communication service provider, which equipment and systems of the telephone or other communication service provider are located or are to be located in the Building. pursuant to the Landlord's standard form of license agreement and, subject to the provisions of Article XII, for the removal of same.
- (c) The Landlord shall supply space in the risers of the Building and space on the floor(s) of the Building in which the Premises are located., the location of which shall be designated by the Landlord in its sole discretion, to telecommunication service providers who have entered into the Landlord's standard form of license agreement for the purpose, without any cost or expense to the Landlord therefore, of permitting installation in such risers and on such floor(s) of telephone and other communication services and systems (including data cable patch panels) to the Premises at a point designated by the Landlord.
- (d) The Landlord shall have the right to assume control of wiring, cables and other telecommunication equipment in the Building and may designate them as part of the Common Areas and Facilities.
- (e) The Tenant releases the Landlord from all claims for loss or damage which it might suffer as the result of any interruption of telecommunication service regardless of how it occurs and regardless of negligence on the part of the Landlord, any contractor of the Landlord, and any person for whom they are responsible at law. The Tenant shall indemnify the Landlord against all claims by third parties related to interruption of telecommunication services with the Tenant, or any other occupant of the Premises, regardless of how caused and regardless of negligence on the part of the Landlord, its contractors and those for whom they are responsible at law.

ARTICLE X - INSURANCE AND INDEMNITY

10.01 Landlord's Insurance

- (a) Subject to its general availability and Subsection 10.01(b) herein, the Landlord shall effect and maintain during the Term:
- (i) "all risks" insurance which shall insure the Building for not less than the full replacement cost thereof against loss or damage by perils now or hereafter, from

time to time embraced by or defined in a standard all risks insurance policy;

- (ii) boiler and machinery insurance for not less than the full replacement cost thereof on objects defined in a standard comprehensive boiler and machinery policy against accidents as defined therein;
- (iii) loss of rental income insurance in an amount sufficient to replace all Base Rent and Additional Rent payable under this Lease for an indemnity period of a reasonable period of time (not to be less than twelve (12) months);
- (iv) comprehensive general liability insurance covering claims for personal injury and property damage arising out of all operations in connection with the management and administration of the Project; and
- (v) such other coverages, or increases in the amount of coverage, as the Landlord or its mortgagee may reasonably consider necessary.

For greater certainty, the Tenant acknowledges that the Landlord is not obligated to insure Improvements in the Premises. The insurance to be maintained by the Landlord shall be that which would be carried by reasonably prudent owners of properties similar to the Building.

- (b) Notwithstanding the foregoing, so long as Her Majesty the Queen in right of Ontario is the Landlord, the provisions contained in Subsection 10.01(a) of this Lease shall not apply and the Landlord shall be self-insured with respect of damage to the Building and the Premises and will maintain during the Term coverage with respect to commercial general liability risks as a 'Protected Person' under the Government of Ontario General and Road Liability Protection Program, which is funded by Her Majesty the Queen in right of Ontario. The coverage shall provide limits of at least Five Million Dollars (\$5,000,000) per occurrence.

10.02 Tenant's Insurance

- (a) The Tenant shall, at all times throughout the Term and any extension or renewal thereof, as the case may be, at its sole cost and expense, take out and keep in full force and effect the following insurance:
 - (i) "all risk" insurance covering the Improvements, trade fixtures and contents on or about the Premises and all portions of the Premises, for not less than the full replacement cost thereof (with a replacement cost endorsement);
 - (ii) comprehensive general liability insurance on an occurrence basis with respect to any use and occupancy of or things on the Premises and with respect to the use and occupancy of any other part of the Building by the Tenant or any of its servants, agents, employees, invitees, licensees, subtenants, contractors or persons for whom the Tenant is in law responsible, with coverage of not less than Ten Million Dollars (\$10,000,000.00) per occurrence or such higher amount as the Landlord may reasonably require from time to time;
 - (iii) plate glass insurance;
 - (iv) boiler and machinery insurance, if applicable, including repair or replacement endorsement in an amount satisfactory to the Landlord and providing coverage with respect to all objects introduced into the Premises by or on behalf of the Tenant or otherwise constituting Improvements;
 - (v) business interruption insurance on the profit from providing all risks coverage with a period of indemnity of not less than twelve (12) months and subject to a stated amount co-insurance clause; and
 - (vi) any other form of insurance as the Landlord, acting reasonably, or its mortgagee requires from time to time, in the form, amounts and for insurance risks against which a prudent tenant would insure.

All such policies shall be primary, non-contributing with, and not in excess of any proceeds or other insurance available to the Landlord.

- (b) Each of the Tenant's insurance policies shall note the Landlord and any mortgagee designated by notice of the Landlord as an additional insured, as their respective interests may appear, and shall contain:
 - (i) a waiver by the insurer of any rights of subrogation to which such insurer might otherwise be entitled against the Landlord or any person for whom the Landlord is, in law, responsible;
 - (ii) an undertaking by the insurer that no material change adverse to the Landlord or the Tenant will be made and the policy will not lapse or be terminated, except after not less than thirty (30) days' prior written notice to the Landlord; and
 - (iii) a severability of interests clause, a cross-liability clause and a stated amount for a co-insurance endorsement.
- (c) The Tenant shall ensure that the Landlord shall, at all times, be in possession of certificates of the Tenant's insurance policies executed by the underwriting insurance company which are in good standing and in compliance with the Tenant's obligations hereunder. At the Landlord's request, the Tenant shall provide the Landlord with a certified copy of its insurance policy or policies, as the case may be.
- (d) If the Tenant fails to maintain in force, or pay any premiums for any insurance required to be maintained by the Tenant hereunder, or if the Tenant fails from time to time to deliver to the Landlord satisfactory proof that any such insurance is in good standing, including the payment of premiums therefore, then the Landlord, without prejudice to any of its other rights and remedies hereunder, shall have the option, at the Landlord's sole discretion, but shall not be obligated, to effect such insurance on behalf of the Tenant. In the event that the Landlord effects such insurance, the cost thereof and all other reasonable expenses incurred by the Landlord in that regard, including the Landlord's administrative fee of fifteen percent (15%) of such premium, shall be paid by the Tenant to the Landlord as Additional Rent forthwith upon demand.

10.03 Landlord's Non-Liability

The Tenant agrees that the Landlord shall not be liable or responsible in any way for any injury or death to any person or for any loss or damage to any property, at any time on or about the Premises, no matter how the same shall be caused and whether or not resulting from or contributed to by the fault of the Landlord, its servants, agents, employees, contractors or persons for whom the Landlord is in law responsible. Without limiting the generality of the foregoing, the Landlord shall not be liable or responsible for any such injury, death, loss or damage to any persons or property, caused or contributed to by fire, explosion, steam, water, rain, snow, dampness, leakage, electricity or gas, and the Landlord shall in no event be liable for any indirect or consequential damages suffered by the Tenant.

10.04 Indemnification of the Landlord

The Tenant shall indemnify and save harmless the Landlord and its agent Ontario Infrastructure and Lands Corporation, and each of their agents, officers, directors, employees, contractors, Service Providers and those for whom the Landlord is in law responsible, from and against any and all loss, claims, actions, damages, liability and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease, or any occurrence at the Premises, or the occupancy or use by the Tenant of the Premises, or any part thereof. If the Landlord shall be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and legal fees incurred or paid by the Landlord in connection with such litigation on a solicitor and client basis.

10.05 Benefit of Exculpatory and Indemnity Provisions

For the purpose of every exculpatory clause and indemnity included in this Lease in favour of the Landlord, the word "Landlord" shall be considered to include OILC, the Service Provider, any property management company employed to manage the Building, the owner or owners from time to time of the Building and the officers, directors, employees, agents and contractors of the Landlord and the other parties listed in this Section 10.05. Each of OILC, the Service Provider, the management company and the owner or owners from time to time respectively, and the Landlord, for the purpose of enabling each of those other persons and entities to enforce the benefit of the exculpatory clause or indemnity as the case may be, acts as agent for or trustee for the benefit of each of them.

ARTICLE XI - MAINTENANCE, REPAIRS AND IMPROVEMENTS

11.01 Maintenance and Repairs by the Tenant

The Landlord and the Tenant agree that the Tenant shall, at its sole cost and expense, be responsible for the maintenance and operation of the Premises. Without limiting the generality of the foregoing, the Tenant shall, at all times during the Term, at its sole cost and expense: (i) keep and maintain the Premises, the Improvements and the Tenant's trade fixtures, exterior signs and floor coverings in a clean and first-class condition and repair as would a prudent owner (which shall include, without limitation, periodic painting and decorating); and (ii) make all needed repairs and replacements in a good and workmanlike manner with due diligence, in accordance with all applicable requirements of any relevant Authority. If the Tenant fails to perform any obligation under this Article XI, then on not less than five (5) days' prior written notice to the Tenant, the Landlord may enter the Premises and perform the Tenant's maintenance and repair obligation, at the Tenant's sole cost and expense, and without any liability to the Tenant for any loss or damage that may arise. Upon receipt of the Landlord's invoice the Tenant shall promptly reimburse the Landlord, as Additional Rent, for all costs incurred by the Landlord in performing the Tenant's obligations plus fifteen percent (15%) of the costs for overhead and supervision.

11.02 Landlord's Approval of the Tenant's Improvements

- (a) The Tenant shall not install any Improvements in or to the Premises without the Landlord's prior written consent, which consent shall not be unreasonably withheld, provided such Improvements do not affect the Structure or the Mechanical and Electrical Services.
- (b) With its request for consent, the Tenant shall submit to the Landlord details of the proposed Improvements, including plans and specifications prepared by qualified architects or engineers.
- (c) Under the provisions of the "Ministry of Infrastructure Public Work Class Environmental Assessment (Office Consolidation)" (the "Class EA"), as approved and ordered April 28, 2004, by Order-in-Council No. 913/2004 and amended on September 11, 2009 and on October 31, 2012, as approved, amended, or renewed from time to time by the Minister of the Environment pursuant to section 14 of the Environmental Assessment Act, R.S.O. 1990, c. E.18, the Landlord is obliged to consider the potential for environmental effects and Environmental Contaminants in respect of any Improvements to the Premises. The Tenant acknowledges that any request for consent for proposed Improvements will be subject to the Landlord's obligations to comply with any applicable requirements of the Class EA. The timing of the Landlord's response to the Tenant's request for consent will vary, depending on the nature of the proposed Improvements and the requirements of the Class EA.
- (d) If and when approved by the Landlord, the Improvements shall be completed at the Tenant's sole cost and expense and shall be performed:
 - (i) by such contractor(s) or sub-contractor(s) as the Tenant may select and the Landlord may approve, provided however that the Landlord shall not be liable for any damage or other loss or deficiency arising from or through such work. Each such contractor and sub-contractor shall be the Tenant's contractor and sub-contractor and shall not be deemed to be a contractor or sub-contractor of the Landlord. The Tenant hereby undertakes that there shall be no conflict caused with

any union or other contract to which the Landlord, its contractor(s), or any sub-contractor(s) may be a party to, and in the event of any such conflict, the Tenant shall forthwith remove from the Building the Tenant's conflicting contractor(s) or sub-contractor(s);

- (ii) in a good and workmanlike manner and in compliance with the highest standards including those set by the Landlord and all applicable requirements of any relevant Authority;
 - (iii) in accordance with plans and specifications approved in writing by the Landlord; and
 - (iv) subject to the reasonable regulations, controls, supervision and inspection of the Landlord.
- (e) At the option of the Landlord: (i) the Tenant shall utilize the Landlord's contractors with respect to the construction of any Improvements which affect either the Structure or the Mechanical and Electrical Services; or (ii) all Improvements affecting either the Structure or the Mechanical and Electrical Services shall be performed by the Landlord, on behalf of the Tenant, with the cost thereof, plus an administration fee equal to fifteen percent (15%) of the cost of such work, to be repaid to the Landlord as Additional Rent forthwith upon demand.
- (f) The Tenant shall obtain, at its sole cost and expense, all necessary permits and licenses from any relevant Authority, prior to commencing the Improvements.
- (g) The Tenant shall reimburse the Landlord for the cost of a technical evaluation of the Tenant's plans and specifications and any other costs incurred by the Landlord in respect of the Improvements, plus an administration fee equal to fifteen percent (15%) of such costs. In addition, the Tenant shall pay the Landlord, as Additional Rent, a supervisory fee equal to five percent (5%) of the total cost of any Improvements for co-ordination and supervision services.
- (h) Upon the completion of any Improvements, the Tenant shall provide to the Landlord as-built drawings and/or a CAD disk of same in a format useable by the Landlord, together with evidence satisfactory to the Landlord of a final inspection of such Improvements (including inspection of mechanical and electrical systems where applicable) by the Authority which issued the permit or license for same.
- (i) If the Tenant performs any Improvements without compliance with all of the provisions of this Section, the Landlord shall have the right to require the Tenant to remove such Improvements forthwith, at the Tenant's sole cost and expense, and to restore the Premises to its prior condition, satisfactory to the Landlord.

11.03 Repair According to the Landlord's Notice

The Landlord, or any Persons designated by it, shall have the right to enter the Premises at any reasonable time to view the state of repair and the condition thereof and the Tenant shall promptly perform any maintenance (including painting and repair or replacement or any interior finishings), repairs or replacements according to any notice issued by the Landlord and the Tenant's obligations hereunder.

11.04 Notice by Tenant

The Tenant shall give immediate notice to the Landlord of any accident, defect or damage in any part of the Premises or in the Building, which comes to the attention of the Tenant or any of its employees or contractors, notwithstanding the fact that the Landlord may not have any obligation in respect thereof.

11.05 Ownership of Improvements

All Improvements shall immediately become the property of the Landlord upon

installation, but without the Landlord thereby accepting any responsibility in respect of the insurance, maintenance, repair or replacement thereof.

11.06 Construction Liens

If any construction lien or certificate of action is served or filed against the Lands or any part thereof, whether valid or not and whether preserved or perfected, by reason of work done or to be done or materials or services furnished or to be furnished for the account of the Tenant, or by reason of alteration, repair or installation made or to be made for the account of the Tenant, the Tenant shall promptly discharge the lien or have the certificate vacated, at its sole expense, immediately after notice from the Landlord, or within ten (10) calendar days after registration or service, whichever is earlier. The Tenant shall indemnify and save harmless the Landlord and OILC from and against any liabilities, claims, liens, damages, costs and expenses, including legal expenses, arising in connection with any work, services or material supplied to the Tenant or the Lands. If the lien is vacated but not discharged, the Tenant shall, if requested by the Landlord, undertake OILC's and the Landlord's defence of any subsequent lawsuit commenced in respect of the lien, at the Tenant's sole expense.

In the event that the Tenant fails or refuses to vacate or discharge a construction lien within the time prescribed above, in addition to any other rights of the Landlord, the Landlord and OILC shall, at its option, be entitled to take all steps necessary to vacate and/or discharge the lien, and all costs and expenses incurred by the Landlord and OILC in so doing (including without limitation, all legal fees and disbursements, the amount and costs of any security posted to vacate the lien and any payment which may ultimately be made out of or pursuant to security posted to vacate the lien) shall be for the account of the Tenant. In the event that the Tenant fails to comply with the terms of this Section 11.06, the Landlord may, but shall not be obliged to pay into court the amount necessary to discharge the lien and charge the Tenant with the amounts so paid and all costs incurred by the Landlord, including legal fees and disbursements plus an administrative fee of fifteen percent (15%) of such amounts and costs, which shall be paid by the Tenant to the Landlord, forthwith upon demand, as Additional Rent.

11.07 Maintenance and Repairs by the Landlord

The Landlord will maintain and repair the Building as would a prudent owner of a similar Building, having regard to size, age and location of the Building, with the cost of such maintenance and repair to be included in Operating Costs. The obligations of the Landlord under this Section are subject to the following exceptions:

- (a) damage or destruction as set out in Article XIII, in the circumstances where this Lease will terminate;
- (b) damage or injury caused by or resulting from any negligence, fault, omission, want of skill, act or misconduct of the Tenant, its officers, agents, servants, employees, contractors, invitees, licensees or persons for whom the Tenant is responsible in law or over whom the Tenant may reasonably be expected to exercise control; and
- (c) the Tenant's obligations set out in Section 11.01.

11.08 Repair Where the Tenant is at Fault

If the Building or any part of the Building requires repair, replacement or alteration:

- (a) because of the negligence, fault, omission, want of skill, act or misconduct of the Tenant its officers, agents, servants, employees, contractors, invitees, licensees or persons for whom the Tenant is responsible at law;
- (b) due to the requirements of any Authority relating to the Tenant's conduct of business; or
- (c) as a result of the Tenant stopping up or damaging the heating apparatus, water pipes, drainage pipes or any other equipment or facilities or parts of the Building;

- (d) the cost of the repairs, replacements or alterations, plus a sum equal to fifteen percent (15%) thereof, will be paid by the Tenant to the Landlord forthwith on demand as Additional Rent.

ARTICLE XII - END OF TERM

12.01 Vacating of Possession

Forthwith upon the expiry or earlier termination of the Term, the Tenant shall deliver to the Landlord vacant possession of the Premises in such condition in which the Tenant is required to keep the Premises during the Term, leave the Premises in a neat and clean condition and deliver to the Landlord all keys, and security access cards, if any, for the Premises.

12.02 Removal of Trade Fixtures

Provided the Tenant has paid all Rent and is not otherwise in default hereunder, at the expiry or earlier termination of the Term, the Tenant shall remove its trade fixtures (including any signs erected pursuant to Section 9.03) and repair all damage resulting from the installation or removal of such trade fixtures. If at the expiry or earlier termination of the Term, the Tenant does not remove its trade fixtures or any of its other property on the Premises, the Landlord shall have no obligation in respect thereof and may sell or destroy the same or have them removed or stored at the expense of the Tenant or at the option of the Landlord, such trade fixtures or property shall become the absolute property of the Landlord without any compensation to the Tenant.

12.03 Removal of Improvements

Notwithstanding that the Improvements may become the property of the Landlord upon installation, at the expiry or earlier termination of the Term, the Tenant will, if required by the Landlord, remove any or all such Improvements as required by the Landlord, and in so doing shall restore the Premises to their condition prior to the installation and removal of such Improvements. The Tenant shall repair and make good any damage to the Premises or to the Building caused either by the installation or the removal of the Improvements.

12.04 Overholding by Tenant

If the Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of the Landlord but without any further written agreement, then this Lease shall not be deemed to have been renewed thereby and the Tenant shall be deemed to be occupying the Premises as a monthly tenant on the same terms and conditions as set forth in this Lease insofar as they are applicable to a monthly tenancy, except for the length of the Term, and that the monthly Base Rent shall be twice the monthly Base Rent payable during the last twelve (12) months of the Term or Extension Term, as the case may be.

ARTICLE XIII - DAMAGE AND DESTRUCTION

13.01 Damage to Premises

If, during the Term, the Premises, or any part thereof, are, in the opinion of the Architect, destroyed or damaged by any cause whatsoever so as to render the Premises substantially or wholly unfit for occupancy by the Tenant, then and so often as the same shall happen, the following provisions shall have effect:

(a) Significant Destruction to Premises

If the Premises are, in the opinion of the Architect, incapable of being repaired and restored with reasonable diligence within ninety (90) days of the date of such destruction or damage (the "Date of Damage"), then the Landlord may terminate this Lease by written notice given to the Tenant within thirty (30) days of the Date of Damage. In the event of such notice being so given:

- (i) this Lease shall cease and become null and void from the Date of Damage, except that the Tenant shall remain liable for all Rent accrued up to the Date of Damage;

- (ii) the Tenant shall immediately surrender the Premises and all of its interest therein to the Landlord;
- (iii) all Rent shall be apportioned and shall be payable by the Tenant only to the Date of Damage; and
- (iv) the Landlord may re-enter and re-possess the Premises.

Provided that if, within the said period of thirty (30) days, notice terminating this Lease has not been given, then, upon the expiration of the said period or if the Landlord does not elect to terminate this Lease, the Landlord shall, with reasonable promptitude, proceed to repair and restore the damaged portions of the Structure (but not the Improvements) and the Mechanical and Electrical Services to their condition prior to the Date of Damage and the Tenant shall, with reasonable promptitude, proceed to repair and restore the Improvements and the balance of the Premises to their condition prior to the Date of Damage. In the event that the Landlord does not elect to terminate this Lease in accordance with this Subsection 13.01(a), Base Rent shall abate in proportion to the portion of the Premises rendered untenable by such damage or destruction as determined by the Architect, from the Date of Damage to the date next following the date that the Landlord has substantially restored the Premises to the extent of its obligations hereunder. In the event that this Lease is terminated in accordance with this Subsection 13.01(a), the Landlord hereby reserves any and all rights to indemnification by the Tenant which it may have as a result of any breach of covenant by the Tenant arising prior to the Date of Damage.

(b) Rebuilding/Repairing Premises

If, in the opinion of the Architect, the Premises are capable with reasonable diligence of being rebuilt and/or repaired and restored within ninety (90) days of the Date of Damage, then the Landlord shall rebuild and/or repair and restore the Premises to the extent of its obligations under Section 13.01(a) and the Tenant shall rebuild and/or repair and restore the Improvements and the balance of the Premises with all reasonable speed. Base Rent shall abate in proportion to the portion of the Premises rendered untenable by such damage or destruction as determined by the Architect, from the Date of Damage to the date next following the date that the Landlord has substantially restored the Premises to the extent of its obligations hereunder.

13.02 Restoration of Premises

If there is damage or destruction to the Premises and if this Lease is not terminated pursuant to the provisions of this Article XIII, the Landlord, in performing its repairs as required hereby, shall not be obliged to repair or rebuild in accordance with the plans or specifications for the Premises as they existed as of the Date of Damage but, rather, may repair or rebuild in accordance with any plans and specifications chosen by the Landlord in its sole discretion.

13.03 Damage to Building

If twenty-five percent (25%) or more of the Rentable Area of the Building is damaged or destroyed by any cause whatsoever, whether or not there is any damage to the Premises, the Landlord may, at its sole option, by notice to be given to the Tenant within ninety (90) days after the Date of Damage, terminate this Lease as of the date specified in such notice, which date shall, in any event, be not less than thirty (30) days and not more than one hundred and eighty (180) days after the date of the giving of such notice. In the event of such termination, the Tenant shall surrender vacant possession of the Premises by not later than the said date of termination and Rent hereunder shall be apportioned to the effective date of termination. If the Landlord does not elect to terminate this Lease, the Landlord shall diligently proceed to repair and rebuild the Premises and the Building (but not the Improvements) to the extent of its obligations hereunder, but the repaired or rebuilt Building may be different in configuration and design from that existing prior to the Date of Damage.

13.04 Decision of Architect Binding

The decision of the Architect as to the time within which the damage or destruction to the Premises, the Improvements or the Building can or cannot be repaired, the extent of the damage, or the state of tenantability of the Premises, as the case may be, shall be final and binding upon the parties.

ARTICLE XIV - ASSIGNMENT AND SUBLETTING

14.01 Tenant not to Transfer

- (a) The Tenant shall not, whether by conveyance, written agreement or otherwise, and whether or not by operation of law, assign this Lease in whole or in part (or any interest in this Lease), nor sublet all or any part of the Premises, nor mortgage or encumber this Lease or the Premises or any part thereof, nor suffer or permit the occupation of, or part with or share possession of all or any part of the Premises (whether by way of concessions, franchises, licenses or otherwise) by any Person, nor suffer or permit a change in a partnership if the change results in a change in the effective control of the Tenant (all of the foregoing being collectively referred to in this Article XIV as a "Transfer", and the person to whom the Premises is transferred is referred to as the "Transferee"), without the prior written consent of the Landlord, which consent may not be arbitrarily or unreasonably withheld. The Landlord shall be deemed to be acting reasonably in withholding its consent if:
- (i) the Transfer would violate any covenant or restriction granted to any other tenant of the Building;
 - (ii) in the Landlord's opinion: (A) either the financial background or the business history and capability of the proposed Transferee is not satisfactory; or (B) the nature or character of the proposed business of the proposed Transferee is such that it might harm the Landlord's business or reputation or reflect unfavourably on the Project, the Landlord, or other tenants of the Building, or the image of any of them, or is unethical, immoral or illegal;
 - (iii) the proposed Transferee or any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with Laws;
 - (iv) the proposed Transferee has agreed to pay to the Tenant some form of consideration that is reasonably attributable to the value of the Premises or to the Improvements;
 - (v) the amount of rent to be paid by the proposed Transferee is less than that provided for in this Lease or the terms of the proposed Transfer are otherwise in any respect more favourable to the proposed Transferee than those of this Lease are to the Tenant;
 - (vi) the proposed Transfer is a mortgage, charge or other encumbrance of the Tenant's rights or interest under this Lease;
 - (vii) an event of default on the part of the Tenant has occurred and is continuing or any notice of default was given by the Landlord to the Tenant in the preceding twelve (12) month period;
 - (viii) the proposed Transfer is a sublease by an existing sublessee of the Premises or any part thereof;
 - (ix) there is any other reasonable ground not stated above for withholding consent; or
 - (x) the Landlord does not receive sufficient information (including financial information) to enable it to make a determination concerning the matters set out above or consent for the Landlord to do a credit search in respect of the Transferee.

Notwithstanding any such Transfer permitted or consented to by the Landlord, the Tenant

shall be jointly and severally liable with the Transferee and shall not be released from performing any of the terms, covenants and conditions of this Lease.

- (b) In addition, the following terms and conditions apply in respect of a consent given by the Landlord to a Transfer:
- (i) the consent by the Landlord, if granted, is not a waiver of the requirement for consent to subsequent Transfers, and no Transfer shall relieve the Tenant of its obligations under this Lease, unless specifically so provided in writing;
 - (ii) no acceptance by the Landlord of Rent or other payments by a Transferee is: (A) a waiver of the requirement for the Landlord to consent to the Transfer, (B) the acceptance of the Transferee as tenant, or (C) a release of the Tenant from its obligations under this Lease or any indemnity agreement;
 - (iii) the Landlord may apply amounts collected from the Transferee to any unpaid Rent;
 - (iv) the Transferor (unless the Transferee is a subtenant of the Tenant), shall retain no rights under this Lease in respect of obligations to be performed by the Landlord or in respect of the use or occupation of the Premises after the Transfer and the Transferor shall execute an indemnity agreement on the Landlord's standard form in respect of obligations to be performed after the Transfer by the Transferee;
 - (v) the Transferee shall, when required by the Landlord, jointly and severally with the Tenant, enter into an agreement directly with the Landlord agreeing to be bound by this Lease as if the Transferee had originally executed this Lease as the Tenant;
 - (vi) in the event that this Lease is disaffirmed, disclaimed or terminated by any trustee in bankruptcy of a Transferee, upon notice by the Landlord given within thirty (30) days of such disaffirmation, disclaimer or termination, the original Tenant named in this Lease shall be deemed, to have entered into a lease with the Landlord containing the same terms and conditions as in this Lease, with the exception of the Term of such Lease which shall expire on the date on which this Lease would have ended save for such disaffirmation, disclaimer or termination; and
 - (vii) any documents relating to a Transfer or the Landlord's consent will be prepared by the Landlord or its solicitors and a reasonable administration charge of at least Two Hundred and Fifty Dollars (\$250.00) and the greater of: (i) a reasonable document preparation fee of at least Four Hundred and Fifty Dollars (\$450.00); or (ii) those legal fees on a solicitor and client basis incurred by the Landlord will be paid to the Landlord by the Tenant as Additional Rent forthwith upon demand.

14.02 Landlord's Option

Notwithstanding the other provisions contained in this Article XIV, after the Landlord receives a request for consent to a Transfer with the information herein required, it shall have the option, in its sole discretion, to be exercised by notice to the Tenant within fifteen (15) days after the receipt of such request and the required information to terminate this Lease as it relates to the portion of the Premises which is the subject of the proposed Transfer, effective as of the date on which the proposed Transfer by the Tenant was proposed to occur. If the Landlord elects to terminate this Lease as aforesaid, Tenant shall have the right, to be exercised by written notice to the Landlord within ten (10) days after receipt of such notice of termination, to withdraw the request for consent to the Transfer, in which case, the Tenant shall not proceed with such Transfer, the notice of termination shall be null and void and this Lease shall continue in full force and effect.

14.03 No Advertising of Premises

The Tenant shall not advertise for sale this Lease or all or any part of the Premises or the business or fixtures therein, without the Landlord's prior written consent.

14.04 Assignment by the Landlord

In the event of the sale, lease or disposition by the Landlord of the Building or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that the purchaser or assignee thereof assumes the covenants and obligations of the Landlord hereunder, the Landlord shall, thereupon and without further agreement, be freed and relieved of all liability with respect of such covenants and obligations.

14.05 Corporate Ownership

If the Tenant is a corporation or if the Landlord has consented to a Transfer of this Lease to a corporation, any transfer or issue by sale, assignment, bequest, inheritance, consolidation, subscription, operation of law or other disposition, or liquidation, from time to time of all or any part of the corporate shares of the Tenant or of any holding or subsidiary corporation of the Tenant or any corporation which is an associate or affiliate of the Tenant (as those terms are defined in the *Business Corporations Act*, R.S.O. 1990, c.B.16, as amended) or any amalgamation or merger which results in any change in the present effective voting control of the Tenant by the Person holding such voting control at the date of execution of this Lease (or at the date a Transfer of this Lease to a corporation is permitted) and which does not receive the prior written consent of the Landlord in each instance, which consent may not be unreasonably withheld, shall constitute a default under this Lease which will entitle the Landlord to exercise the remedies contained in Section 16.01 of this Lease. This Section 14.05 shall not apply to the Tenant if and during the period of time the Tenant is a public corporation whose shares are listed and traded on any recognized stock exchange in Canada or the United States. Notwithstanding the foregoing, the Tenant shall not be required to obtain the Landlord's prior written consent, but shall give the Landlord at least thirty (30) days' prior written notice, in the case of any Transfer of this Lease to either: (i) any corporation which is wholly owned by the Tenant so long as the corporation remains wholly owned by the Tenant, and the Tenant and such wholly owned corporation are jointly and severally liable under this Lease to the Landlord; or (ii) a corporation formed as a result of a merger or amalgamation of the Tenant with one or more other corporations, provided that the Premises continue to be used for the Contemplated Use.

The Tenant shall make available to the Landlord or its lawful representatives all corporate books and records for inspection, copying or both, at all reasonable times, to ascertain whether there has been in fact a change in the effective voting control of the Tenant. The Landlord may terminate this Lease upon thirty (30) days' notice if such books and records are not made available as requested by the Landlord.

ARTICLE XV - REGISTRATION, STATUS STATEMENT, ATTORNMENT AND SUBORDINATION

15.01 Registration

The Tenant shall not register this Lease on the title to the Lands or any short form or notice hereof except in such form as has been approved by the Landlord in writing, the Tenant agreeing to pay the Landlord's reasonable expenses, including legal fees, for such approval. The Tenant shall forthwith provide to the Landlord a duplicate registered copy of any short form or notice of this Lease or other document registered on title.

15.02 Status Statement

The Tenant shall, at any time and from time to time, execute and deliver to the Landlord or as the Landlord may direct, within five (5) Business Days after request, a statement in writing, in the form supplied by the Landlord, certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modification and stating that this Lease is in full force and effect as modified), the Commencement Date, the amount of the Base Rent and other Rent then being paid hereunder, the amount of any security deposit or rent deposits, if any, the dates to which such Rent hereunder has been paid, whether or not there is any existing default on the part of the Landlord or the Tenant, whether the Tenant has any claims for any right of set-off or any claim for a deduction or abatement of Rent, confirmation that the Tenant has accepted possession of the Premises and any other particulars that the Landlord may reasonably request.

15.03 Subordination and Attornment

This Lease and the rights of the Tenant hereunder shall be subject and subordinate to all existing or future mortgages, charges or other security instruments or encumbrances and to all renewals, modifications, consolidations, replacements and extensions thereof. Whenever requested by the Landlord or a mortgagee, the Tenant shall enter into an agreement with the mortgagee whereby the Tenant postpones or subordinates this Lease to the interest of such mortgagee and agrees that if such mortgagee becomes a mortgagee in possession or realizes on its security, it shall attorn to such mortgagee as a tenant upon all the terms of this Lease. On written request of the Tenant, the Landlord shall submit the Tenant's form of non-disturbance agreement to any mortgagee with an interest in the Lands for its consideration and the Tenant will be responsible for all costs and charges in connection therewith.

15.04 Attorney

At the request of the Landlord the Tenant shall execute promptly such statements and instruments as required under Sections 15.02 and 15.03. The Tenant hereby irrevocably appoints the Landlord as the Tenant's attorney with full power and authority to execute and deliver in the name of the Tenant any such instruments or certificates. Where the Tenant has not executed such instruments or certificates within fifteen (15) days after the date of a written request by the Landlord, the Landlord shall have the right to terminate this Lease without incurring any liability on account thereof.

ARTICLE XVI - DEFAULT

16.01 Right to Re-Enter

If and whenever:

- (a) the Tenant fails to pay any Rent when due; or
- (b) the Tenant fails to observe or perform any obligation of the Tenant, other than payment of Rent after ten (10) days' notice by the Landlord (or if the failure would reasonably require more than ten (10) days to rectify, unless the Tenant commences rectification within the ten (10) day notice period and thereafter diligently proceeds to rectify the failure); or
- (c) the Tenant or any person occupying the Premises or any part thereof becomes bankrupt or insolvent or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or
- (d) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property; or
- (e) any steps are taken or any action or proceeding are instituted for the dissolution, winding-up or liquidation of the Tenant or its assets; or
- (f) the Tenant makes a sale in bulk of any of its assets, wherever situated (other than a bulk sale made to an assignee or sublessee pursuant to a permitted Transfer hereunder and pursuant to the Bulk Sales Act, R.S.O. 1990, c.B.14, as amended); or
- (g) the Tenant fails to move into or take possession of the Premises, abandons or attempts to abandon the Premises, or sells or disposes of the goods and chattels of the Tenant or removes them from the Premises so that there would not be sufficient goods of the Tenant on the Premises subject to distress to satisfy all Rent due or accruing hereunder for a period of at least six (6) months; or
- (h) the Premises become and remain vacant for a period of five (5) consecutive days or are used by any Persons other than such as are entitled to use them hereunder; or
- (i) the Tenant effects a Transfer of all or any part of the Premises except in a manner permitted by this Lease; or
- (j) this Lease or any of the Tenant's assets are taken under any writ of execution; or

(k) termination or re-entry is permitted under any other provisions of this Lease;

the then current Rent and the next three (3) months' Rent shall be forthwith due and payable and the Landlord, in addition to any other rights or remedies it has pursuant to this Lease or by law, has the immediate right to terminate this Lease or to re-enter the Premises and it may repossess the Premises and may expel all persons and remove all property from the Premises and such property may be removed and sold or disposed of by the Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant.

16.02 Right to Relet

- (a) In the event of the Tenant's default, the Landlord as agent of the Tenant, may relet the Premises and take possession of any furniture, fixtures, equipment or other property thereon and, upon giving notice to the Tenant, store the same at the expense and risk of the Tenant or sell or otherwise dispose of same at a public or private sale without further notice, and to make alterations to the Premises to facilitate their reletting and to apply the net proceeds of the sale of any furniture, fixtures, equipment, or other property or from the reletting of the Premises, less all expenses incurred by the Landlord in making the Premises ready for reletting and in reletting the Premises, on account of the Rent due and to become due under this Lease, and the Tenant shall be liable to the Landlord for any deficiency and for all such expenses incurred by the Landlord as aforesaid; nothing done by the Landlord shall be construed as an election to terminate this Lease unless written notice of such termination is given by the Landlord to the Tenant.
- (b) Upon each such reletting, all Rent received by the Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by the Landlord and applied in payment of future Rent as the same becomes due and payable hereunder. If such Rent received from such reletting during any month is less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency which shall be calculated and paid monthly in advance on or before the first day of each and every month.

16.03 Right to Terminate

If the Landlord at any time terminates this Lease for any breach by the Tenant, it may recover from the Tenant all damages it incurs by reason of such breach, including the cost of recovering the Premises, solicitor's fees (on a solicitor and his client basis) and including the worth at the time of such termination of the excess, if any, of the amount of Rent and charges equivalent to Rent required to be paid pursuant to this Lease for the remainder of the Term over the then reasonable rental value of the Premises for the remainder of the Term, all of which amounts shall be immediately become due and payable by the Tenant to the Landlord.

16.04 Landlord may Cure the Tenant's Default or Perform the Tenant's Covenants

The Landlord may pay any amounts or charges required to be paid by the Tenant pursuant to this Lease, if the Tenant has not paid such amounts after five (5) days' notice by the Landlord of any such amount. If the Tenant is in default in the performance of any obligations hereunder (other than the payment of Rent), the Landlord may from time to time after giving such notice as it considers sufficient (or without notice in the case of an emergency), perform or cause to be performed any or part of such obligations, and for such purpose may do such things as may be required including, without limitation, entering upon the Premises and doing such things upon or in respect of the Premises or any part thereof as the Landlord reasonably considers necessary. All expenses incurred and expenditures made pursuant to this Section shall be paid by the Tenant as Additional Rent, forthwith upon demand and shall include an administration fee equal to fifteen percent (15%) of the Landlord's expenses. The Landlord shall have no liability to the Tenant for any loss or damage resulting from any such action or entry by the Landlord upon the Premises and the same is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

16.05 Costs

The Tenant shall pay to the Landlord, forthwith upon demand, all costs incurred by Landlord including, without limitation, legal expenses (on a substantial indemnity basis) and reasonable compensation for all time expended by the Landlord's own personnel arising as a result of any default in the Tenant's obligations under this Lease.

16.06 Charges Collectible as Rent

If the Tenant is in default in the payment of any amounts or charges required to be paid pursuant to this Lease, such amounts or charges shall, if not paid when due, be collectible as Rent with the next monthly instalment of Base Rent thereafter falling due hereunder, but nothing herein contained is deemed to suspend or delay the exercise of any other remedy of the Landlord. The Tenant agrees that the Landlord may, at its sole option, apply or allocate any sums received from or due to the Tenant against any amounts due and payable hereunder in such manner as the Landlord sees fit.

ARTICLE XVII - MISCELLANEOUS

17.01 Rules and Regulations

The Landlord may, from time to time, make and amend reasonable rules and regulations for the management and operation of the Building and the Tenant and all persons under its control shall comply with all of such rules and regulations of which notice is given to the Tenant from time to time, all of which shall be deemed to be incorporated into and form part of this Lease.

17.02 Option(s) to Extend

Provided that the Tenant has not been in default of any of its obligations under this Lease at any time during the Term, the Tenant shall have the right to extend this Lease for one (1) further term of five (5) years (the "Extension Term"), upon the following terms and conditions:

- (a) The Tenant shall provide the Landlord with at least six (6) months' prior written notice but not more than nine (9) months' prior written notice, of the Tenant's intention to extend this Lease prior to the expiry of the Term or the then current Extension Term, as the case may be.
- (b) Each Extension Term shall be upon the same terms and conditions of this Lease, except:
(i) for any Landlord's work, rent free period, Fixturing Period, tenant allowance or other tenant inducements; (ii) that, in the case of the last Extension Term, there shall be no further extension term; and (iii) for the Base Rent, which will be based on the then current fair market rental for the Premises as of the date which is six (6) months prior to the expiry of the Term or the then current Extension Term, as the case may be, as negotiated between the parties, by no later than the date which is three (3) months prior to the expiry of the Term or the then current Extension Term, as the case may be, taking into consideration the age, size and location of the Building and the use, and condition of the Premises, which shall not, in any event, be less than the Base Rent payable by the Tenant during the last year of the Term or the then current Extension Term, as the case may be.
- (c) The Landlord may, at its option, require that the Tenant: (i) enter into an agreement prepared by the Landlord to give effect to the extension terms provided for in this Lease; or (ii) execute a new net lease for the Extension Term on the Landlord's standard net lease form for the Building in use at such time.
- (d) If the parties are unable to agree upon the rental rate to be charged during the Extension Term provided for in this Lease on or before the date which is three (3) months prior to the expiry of the Term or the then current Extension Term, as the case may be, then they shall submit the dispute to arbitration by a single arbitrator in accordance with the provisions of the Arbitration Act, S.O. 1991, c.17, as amended, or any successor act. Pending the completion of any arbitration process, the Tenant shall continue to pay Base Rent at the rate payable during the last year of the Term or the then current Extension Term, as the case may be. Within thirty (30) days of completion of the arbitration process, the Tenant

shall pay to the Landlord the amount, if any, by which the new Base Rent exceeds the Base Rent rate for the last year of the Term, for the period during the Extension Term that the Tenant continued to pay Base Rent at the rate payable during the last year of the Term. The decision of the arbitrator shall be final and binding on the parties and shall not be subject to any appeal or review process.

17.03 Access to Premises

- (a) Without limiting any other rights the Landlord may have pursuant to this Lease or at law, the Landlord shall have the right to enter the Premises at any time for any of the following purposes: (i) to examine the Premises and to perform any maintenance, repairs or alterations to any part of the Premises or to any equipment and services serving the Premises or any other part of the Building; (ii) in cases of emergency; (iii) to read any Utility or other meters; (iv) to show the Premises to prospective purchasers and to permit prospective purchasers to make inspections, measurements and plans; and (v) during the last twelve (12) months of the Term or Extension Term, as the case may be, to show the Premises to prospective tenants and to permit prospective tenants to make inspections, measurements and plans.
- (b) The Landlord shall have the right to run, conduits, wires, pipes, ducts and other elements of any systems through the Premises for Utilities, heating, ventilating, air-conditioning and humidity control, telephone and other communications systems and any other such systems that serve the Premises, the Common Areas and Facilities or the Building.
- (c) The Landlord shall exercise its rights pursuant to this Section in such manner and at such times as the Landlord, acting reasonably but in its sole discretion, shall determine. At any time that entry by the Landlord is desired in the case of an emergency, and if no personnel of the Tenant are known by the Landlord to be present on the Premises, or if such personnel fail for any reason to provide the Landlord with immediate access at the time such entry is desired, the Landlord may forcibly enter the Premises without liability for any damage caused thereby.

17.04 Cancellation

The Landlord shall have the right to terminate this Lease, upon providing the Tenant with twenty-four (24) months' prior written notice, without penalty, compensation, damages or bonus to the Tenant. Upon the expiry date of such notice, the Tenant shall deliver up vacant possession of the Premises, pursuant to the terms of this Lease, and this Lease shall then be terminated.]

17.05 Remedies to Subsist

No waiver of any of the Tenant's obligations under this Lease or of any of the Landlord's rights in respect of any default by the Tenant hereunder shall be deemed to have occurred as a result of any condoning, overlooking or delay by the Landlord in respect of any default by the Tenant or by any other act or omission of the Landlord including, without limitation, the acceptance of any Rent less than the full amount thereof or the acceptance of any Rent after the occurrence of any default by the Tenant. The waiver by the Landlord of any default of the Tenant or of any rights of the Landlord, which shall be effected only by an express written waiver executed by the Landlord, shall not be deemed to be a waiver of any other term, covenant or condition under this Lease or at law and shall not be deemed to be a waiver of any subsequent default of the Tenant or right of the Landlord. All rights and remedies of the Landlord under this Lease and at law shall be cumulative and not alternative, and the exercise by the Landlord of any of its rights pursuant to this Lease, at law or in equity shall at all times be without prejudice to any other rights of the Landlord, whether or not they are expressly reserved.

17.06 Impossibility of Performance

If and to the extent that either the Landlord or the Tenant shall be bona fide delayed in the fulfilment of any obligation under this Lease, other than the payment of Rent by the Tenant, by reason of the unavailability of materials, equipment, utilities, services or by reason of any Laws, including Orders-in-Council, or by reason of any other similar cause beyond its control and not

avoidable by the exercise of reasonable foresight (excluding the inability to pay for their performance of such obligation), then the party being delayed shall be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay and the other party shall not be entitled to any compensation for any loss or inconvenience occasioned thereby. The party delayed shall use its best efforts to fulfil the obligation in question as soon as reasonably practicable by arranging an alternate method of providing the work, services or materials.

17.07 Notices

All notices, statements, demands, requests or other instruments which may be or are required to be given under this Lease shall be in writing and shall be delivered in person or sent by facsimile or mailed by either prepaid registered or signature Canadian mail enclosed in a sealed envelope, addressed to the Tenant, the Landlord and the Service Provider as set out in Subsections 1.01(n) and 1.01(o) respectively, or such other addresses as the Landlord, the Tenant or Service Provider may from time to time designate. The time of giving of notice by either registered or signature mail shall be conclusively deemed to be the fifth (5th) Business Day after the day of such mailing. Such notice, if personally delivered or if delivered by facsimile (with confirmation of transmission) shall be conclusively deemed to have been given and received at the time of such delivery. The parties hereto acknowledge and agree that notwithstanding anything to the contrary in the *Electronic Commerce Act, 2000*, S.O. 2000, c.17, as amended from time to time, any notice, statement, demand, request or other instrument which may be or is required to be given under this Lease or at law may not be validly delivered by way of electronic communication, save as specifically provided in this Section 17.07. Any party may at any time during the Term and any extension or renewal thereof, by giving notice to the other party/ies (in the manner provided above) change the address of the party/ies by giving such notice, and thereafter the address as set out in the relevant Articles shall be deemed to be the address so changed. If two or more persons are named as tenant, any notice given hereunder shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.

17.08 Complete Agreement

There are no covenants, representatives, agreements, warranties or conditions in any way relating to the subject matter of this Lease or the tenancy created hereby, expressed or implied, collateral or otherwise, except as expressly set forth herein, and this Lease constitutes the entire agreement between the parties and may not be modified except by subsequent written agreement duly executed by the Landlord and Tenant. Schedules "A", "B-1", "B-2" and "C" attached hereto form part of this Lease.

17.09 Collateral Rights

The Tenant acknowledges that any right of first refusal, option to lease, right of first offer, or other right to lease and any exclusive restriction or similar restriction granted to it under this Lease is collateral in nature and not fundamental to this Lease. The remedies of the Tenant in connection with any breach of such rights are limited to an action in damages and shall not entitle the Tenant to treat any breach of such rights as a repudiation or fundamental breach of this Lease by the Landlord.

17.10 Time of the Essence

Time is of the essence of all terms of this Lease.

17.11 Applicable Law

This Lease shall be governed by and interpreted in accordance with the Laws of the Province of Ontario. The parties agree that the Courts of Ontario shall have jurisdiction to determine any matters arising hereunder.

17.12 Severability

If any provision of this Lease is illegal, unenforceable or invalid, it shall be considered separate and severable and the remainder of this Lease shall remain in full force and effect as though such provision had not been included in this Lease but such provision shall nonetheless

continue to be enforceable to the extent permitted by law.

17.13 No Partnership or Agency

The Landlord does not in any way or for any purpose become a partner of the Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with the Tenant, nor is the relationship of principal and agent created.

17.14 Section Numbers and Headings

The section numbers and headings of this Lease are inserted for convenience only and shall in no way limit or affect the interpretation of this Lease. References in this Lease to section numbers refer to the applicable section of this Lease, unless a statute or other document is specifically referred to.

17.15 Interpretation

Whenever a word importing the singular or plural is used in this Lease, such word shall include the plural and singular respectively. Where any party is comprised of more than one entity, the obligations of each such entities shall be joint and several. Words importing persons of either gender and firms or corporations shall include persons of the other gender and firms or corporations as applicable. Subject to the express provisions contained in this Lease, words such as "hereof", "herein", "hereby", "hereafter" and "hereunder" and all similar words or expressions shall refer to this Lease as a whole and not to any particular section or portion hereof.

17.16 Successors

This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and other legal representatives except only that this Lease shall not enure to the benefit of any of such parties unless and only to the extent expressly permitted pursuant to the provisions of this Lease.

17.17 Not Binding on the Landlord

This Lease shall not be binding on the Landlord until it has been duly executed by or on behalf of the Landlord.

17.18 Freedom of Information and Open Data Directive

The Tenant acknowledges and agrees that the commercial and financial information in this Lease may be required to be released pursuant to the provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended, or any successor act, and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of this Lease or of any information or documents.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

17.19 Conflict of Interest

The Tenant and any of its successors, administrators, permitted assigns, directors, officers, employees, agents, servants, and representatives shall not engage in any activity where such activity creates a conflict of interest, actual or potential, in the sole opinion of the Landlord, with the Lease or the exercise of any of the rights or obligations of the Tenant hereunder. The Tenant shall disclose to the Landlord in writing and without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

For clarification, a "conflict of interest" means, in relation to the performance of its contractual obligations pursuant to this Lease, the Tenant's other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations pursuant to this Lease.

IN WITNESS WHEREOF the parties hereto have executed this Lease on the dates written below.

SIGNED, SEALED AND DELIVERED

Dated the 15th day of JUNE, 2018

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per:

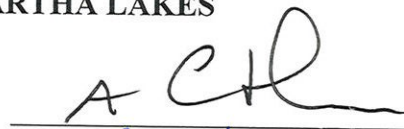

Name: _____
Title: _____
James Harvey
Vice President, Leasing & Valuation Services
Infrastructure Ontario

Authorized Signing Officer

Dated the 20th day of April, 2018.

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES**

Per:


Name: _____
Title: _____
Andy Bethune
Mayor

Authorized Signing Officer

Per:


Name: _____
Title: _____
Ann Rogth
Deputy Clerk

Authorized Signing Officer

SCHEDULE “A”
LEGAL DESCRIPTION

Concession 4, East Part of Lot 21, North of Highway 7B, West of Angeline Street, in the Town of Lindsay, in the County of Victoria.

[illegible]

[illegible]

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SCHEDULE "C"
ENVIRONMENTAL CONTAMINANTS

NONE

FIRST LEASE EXTENSION AND AMENDING AGREEMENT

THIS AGREEMENT made in duplicate as of April 1, 2021.

B E T W E E N:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND CONSUMER SERVICES**

(the “**Landlord**”)

- and -

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “**Tenant**”)

WHEREAS:

- A. By a lease dated January 22, 2018 (the “Original Lease”), Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure (“MOI”) leased to the Tenant a portion of the ground floor (the “Ground Floor Office Space”) of the building being approximately thirteen thousand, eight hundred and ninety (13,890) square feet, and a portion of the basement (the “Basement Storage Space”) of the building, being approximately three thousand and thirty-three (3,033) square feet, comprising an aggregate Rentable Area of approximately sixteen thousand, nine hundred and twenty-three (16,923) square feet, having a municipal address of 322 Kent Street West, Lindsay, Ontario, as outlined on the plan attached to the Original Lease as Schedule “A” attached thereto (the “Original Premises”) for a term of five (5) years, commencing on April 1, 2016 and expiring on March 31, 2021 (the “Original Term”), in addition to other terms and conditions as set out therein.
- B. By Order in Council No. 1152/2018, approved and ordered October 22, 2018, certain responsibilities in respect of government property under the *Ministry of Infrastructure Act*, 2011, S.O. 2011, c. 9, Sched. 27 and other responsibilities were assigned and transferred from the MOI to the Minister of Government and Consumer Services.
- C. By a lease amending agreement dated April 1, 2020 (the “First Lease Amending Agreement”) both the Landlord and the Tenant agreed to expand the Basement Storage Space from deemed square footage of three thousand and thirty-three (3,033) to deemed square footage of three thousand four hundred twenty-six (3,426) square feet. The Original Premises plus the Expansion Storage Premises shall comprise an aggregate rentable area of seventeen thousand three hundred and sixteen (17,316) square feet (the “Rentable Area of the Premises”) and are hereinafter collectively referred to as the “Premises”, except as specifically set out therein.
- D. By a second lease amending agreement dated November 1, 2020 (the “Second Lease Amending Agreement”) The Landlord granted the approval to the Tenant to install, maintain and operate a base radio system on November 1, 2020 and expiring on March 31, 2021, in addition to the terms and conditions stated therein.
- E. Pursuant to the terms of the Original Lease, the Tenant was entitled to extend the Original Term for one (1) additional term of five (5) years.
- F. The Tenant exercised its right to extend the Original Term (the “First Lease Extension and Amending Agreement”) with an extension term commencing on April 1, 2021 and expiring on March 31, 2026 (the “First Extension Term”), in addition to other terms and conditions as set out herein.
- G. The Landlord and the Tenant have agreed to amend the Original Lease as hereinafter provided.

- A. The Original Lease, the First Lease Amending Agreement, the Second Lease Amending Agreement and this First Lease Extension and Amending Agreement, is hereinafter collectively referred to as the “**Lease**”, except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) Any reference made, throughout the Lease, to "square feet" shall be “deemed square feet”.
- (b) The Lease is hereby extended for the First Extension Term.
- (c) The First Extension Term shall commence on April 1, 2021 and expire on March 31, 2026.

3. RENT FOR THE FIRST EXTENSION TERM.

- (a) Base Rent for Ground Floor Office Premises for the period commencing on April 1, 2021 and ending on March 31, 2023, One Hundred Fifty-Nine Thousand Seven Hundred Thirty-Five Dollars (\$159,735.00) per annum, payable in equal monthly instalments of Thirteen Thousand Three Hundred Eleven Dollars and Twenty-Five Cents (\$13,311.25) per month, calculated at a rate of Eleven Dollars and Fifty Cents (\$11.50) per square foot of the Rentable Area of the Premises, Sales Taxes to be added, the first of such monthly payments to be due and payable on April 1, 2021.
- (b) Base Rent for the Ground Floor Office Premises For period commencing on April 1, 2023 and ending on March 31, 2026, One Hundred Sixty-Three Thousand Two Hundred Seven Dollars and Fifty Cents (\$163,207.50) per annum, payable in equal monthly instalments of Thirteen Thousand Six Hundred Dollars and Sixty-Three Cents (\$13,600.63) per month, calculated at a rate of Eleven Dollars and Seventy-Five Cents (\$11.75) per square foot of the Rentable Area of the Premises, Sales Taxes to be added, the first of such monthly payments to be due and payable on April 1, 2023.
- (c) Basement Storage Space for the period commencing April 1, 2021 and ending on March 31, 2026, Twenty-Three Thousand Nine Hundred Eighty-Two Dollars (\$23,982.00) per annum, payable in equal monthly instalments of One Thousand Nine Hundred Ninety-Eight Dollars and Fifty Cents (\$1,998.50), calculated at a rate of Seven Dollars (\$7.00) per square foot of rentable area, Sales Taxes to be added, the first of such monthly payments to be due and payable on April 1, 2021.
- (d) Additional Rent for the year 2020 has been estimated by the Landlord to be Seven Dollars and Five Cents (\$7.05) per square foot of the Rentable Area of the Premises and is subject to annual adjustments in accordance with the terms and provisions of the Lease. The annual Additional Rent shall be in the amount of One Hundred Twenty-Two Thousand Seventy-Seven Dollars and Eight Cents (\$122,077.80), shall be payable in equal monthly installment of Ten Thousand One Hundred Seventy-Three Dollars and Fifteen Cents (\$10,173.15), Sales Taxes to be added, the first of such monthly payment to be due and payable on April 1, 2021.

4. AMENDMENT OF LEASE

The extension contemplated in this First Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) **New Parking Space:** In addition to the thirty (30) parking spots made available to the Tenant, the Landlord agrees to provide the Tenant with additional parking space of

approximately seven thousand (7,000) square feet (the "Additional Parking Space"). The Tenant shall pay, for the Additional Parking Space, an annual fee of Five Thousand Six Hundred Forty Dollars and Sixty Cents (\$5,640.60) per annum, plus Sales Taxes, payable upon the Tenant receiving an invoice from the Landlord.

- (b) **Option to Extend:** The Landlord and the Tenant agree that, provided the Tenant is not then in default, the Tenant shall be granted one (1) further option to extend the term of the Lease for five (5) years (the "Further Extension Term"). The Further Extension Term shall be upon the same terms and conditions of the Original Lease, as extended, renewed or amended, as the case may be, except: (i) for any Landlord's work, rent free period, fixturing period, tenant allowance or other tenant inducements, (ii) that there shall be no further right of extension beyond the Further Extension Term, and (iii) except for the Rent, which shall for the Further Extension Term be based upon: (1) the Rentable Area of the Premises, and (2) the then current fair market rental for the Premises, as set out in Section 17.02(b) of the Original Lease, as of the date which is six (6) months prior to the commencement of the respective Further Extension Term, which shall not, in any event, be less than the, the Rent, payable by the Tenant during the last year of the Original Term of the then current Further Extension Term, as the case may be. The Rent for the Further Extension Term shall be determined by mutual agreement as of the date which is six (6) months prior to the commencement of the Further Extension Term, or failing such agreement, by arbitration in accordance with Section 17.02(d) of the Original Lease. The Tenant shall give written notice to the Landlord of its intention to extend this First Lease Extension and Amending Agreement not less than six (6) months prior to the expiry of this First Extension Term.

5. GENERAL

- (a) Both the Landlord and the Tenant acknowledge and confirm that the Cancellation right stated in Section 17.04 of the Original Lease shall continue to apply during this First Extension Term.
- (b) The Landlord and the Tenant hereby mutually covenant and agree that during the First Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Lease.
- (c) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (d) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, as amended and extended.
- (e) The provisions of this First Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

- (f) The Tenant acknowledges and agrees that the commercial and financial information in this First Lease Extension and Amending Agreement is subject to the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31, as amended and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of the Lease or of any information or documents.

EXECUTED by each of the parties hereto under seal on the date written below.

SIGNED, SEALED AND DELIVERED

Dated this ____ day of _____, 20 ____.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTER OF GOVERNMENT
AND CONSUMER SERVICES, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____
Name:
Title:

Authorized Signing Officer

Dated this ____ day of _____, 20 ____.

**THE CORPORATION OF THE CITY
OF KAWARTHA LAKES**

Per: _____
Name:
Title:

Authorized Signing Officer

Per: _____
Name:
Title:

Authorized Signing Officer

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Space at 322 Kent Street West, Lindsay

Recitals

1. Section 5.03(3) of By-Law 2016-009, being a By-Law to Provide Authority for the Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that Lease Agreements with revenue or expense over \$10,000.00 per year with a lease term of five (5) years or under, must be approved by Council.
2. A Lease Extension and Amending Agreement for a five year term, which will expire on March 31, 2026, has been reviewed and approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 **Definitions:** In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 **Interpretation Rules:**

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Approval Authorization

- 2.01 **Approval:** The Agreement attached to this By-Law as Schedule A is hereby approved.
- 2.02 **Authorization:** The Mayor and City Clerk are authorized to sign the agreement attached to this By-law as Schedule A, and to affix the corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A
To By-Law 2021-
Passed this 23rd day of February, 2021



Lease Extension
and Amending Agre

Council Report

Report Number:	RS2021-010
Meeting Date:	February 23, 2021
Title:	Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Courtroom Space)
Description:	Lease Agreement for Courtroom and Office Space for use by Provincial Offences division
Author and Title:	Laura Carnochan, Law Clerk – Realty Services

Recommendations:

That Report RS2021-010, **Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Courtroom and Office Space)**, be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services for the purpose of leasing courtroom and office space for use by the Provincial Offences division; and

That a By-Law (attached as Schedule C) authorizing the signing of the Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes for courtroom space at 440 Kent Street West, Lindsay, be forwarded to Council for adoption.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Corporation of the City of Kawartha Lakes has been leasing space at 440 Kent Street West, Lindsay for the purpose of courtroom and office space for the Provincial Offences division.

The current Lease Agreement (attached as Appendix A) will expire on March 31, 2021.

The space leased by the City consists of 2,182 square feet of second floor courtroom and office space.

The proposed Lease Extension and Amending Agreement (attached as Appendix B) sets the base rent for the ground floor space as follows:

Years 1 and 2 - \$11.50 per square foot (\$25,093.00 per annum)

Years 3, 4, and 5 - \$11.75 per square foot (\$25,638.50 per annum)

A proportionate share of the building's operating costs (which may vary from one year to the next) is also allocated to the City under the Lease. The proposed Lease estimates the operating cost allocation for the City's rented space at \$8.99 per square foot (\$19,616.18 per annum), subject to annual adjustments.

Sales tax will be payable in addition to each of the above-noted rental amounts.

Rationale:

The terms and conditions of the proposed Lease are substantially the same as the current Lease Agreement in place for the courtroom and office space at 440 Kent Street West.

The proposed Lease extension is for a period from April 1, 2021 to March 31 2026 and the City has one further allowable extension following that term.

The Manager of Realty Services and City Solicitor have reviewed the proposed Lease and have expressed agreement, in principle, subject to Council approval.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be renewed. This is not recommended in this circumstance as the City is currently utilizing the space for the Provincial Offences division and alternative space is not available at this time.

Alignment to Strategic Priorities

The recommendations set out in this Report align with the following strategic priority:

- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

The annual cost of the proposed lease is \$25,093.00, plus HST, for Years 1 and 2. This amount includes the base rent for the courtroom and office space. This is an increase of \$3,883.96 from the current rate. The annual rent will increase by \$545.50 in Year 3 and there will be no further increases to the base rent for the remainder of the term.

In addition, the City is responsible for additional rent for its proportionate share of the building's operating costs. The proposed Lease estimates the additional rent at \$19,616.18 per year. This amount is subject to annual adjustments and may increase or decrease from year to year.

The proposed increases have been reviewed by the Manager of Realty Services and City Solicitor and determined to be a reasonable increase.

Consultations:

City Solicitor

Attachments:

Appendix A – Current Lease Agreement (440 Kent Street West – Courtroom/Office Space)



Appendix A -
Current Lease Agree

Appendix B – Proposed Lease Extension and Amending Agreement (440 Kent Street West – Courtroom/Office Space)



Appendix B -
Proposed Lease Exte

Appendix C – By-Law to Authorize the Execution of the Lease Extension and Amending Agreement for 440 Kent Street West (Courtroom/Office Space)



Appendix C -
By-Law to Authorize

Department Head E-mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: L17-20-RS060

CRA: M51347
Building No.: B10991
Business Entity: N00665
Property Number: P00665

DATED: JUNE 14, 2017

OFFICE PREMISES NET LEASE

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE

(the “Landlord”)

– and –

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “Tenant”)

M51347

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SCHEDULE “A” LEGAL DESCRIPTION

SCHEDULE “B” FLOOR PLAN

SCHEDULE “C” ENVIRONMENTAL CONTAMINANTS

OFFICE PREMISES NET LEASE

THIS LEASE is made in triplicate as of June 14, 2017, with effect April 1, 2016.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE**

(hereinafter referred to as the "Landlord")

- and -

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES**

(hereinafter referred to as the "Tenant")

ARTICLE I - LEASE SUMMARY

1.01 Lease Summary

The following is a summary of some of the basic terms of this Lease, which are elaborated upon in this Lease.

- (a) Premises: a portion of the second floor of the building, as shown cross hatched on the floor plan attached hereto as Schedule "B".
- (b) Rentable Area of the Premises: approximately two thousand, one hundred and eighty-two (2,182) square feet, to be confirmed by an Architect's certificate provided in accordance with Section 4.03 hereof and measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA) Standards approved June 7, 1996.
- (c) Building: having a municipal address of 440 Kent Street West, Lindsay, Ontario, located on the Lands having the legal description set out in Schedule "A" attached hereto.
- (d) Rentable Area of the Building: has been measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996) to comprise approximately sixty-three thousand, four hundred and forty-six (63,446) square feet, subject to Section 4.03 hereof.
- (e) Term: five (5) years.
- (f) Commencement Date: April 1, 2016.
- (g) Expiry Date: March 31, 2021.
- (h) Rent Free Fixturing Period/Basic Rent Free Period: INTENTIONALLY DELETED.
- (i) Basic Rent: the Tenant shall pay to the Landlord, Twenty One Thousand, Two Hundred and Nine Dollars and Four Cents (\$21,209.04) per annum, Sales Taxes to be added, payable in equal monthly instalments of One Thousand, Seven Hundred and Sixty-Seven Dollars and Forty-Two Cents (\$1,767.42) per month, calculated at a rate of Nine Dollars and Seventy-Two Cents (\$9.72) per square foot of the Rentable Area of the Premises, the

first of such monthly payments to be due and payable on April 1, 2016.

- (j) Additional Rent: Additional Rent for the year 2016 has been estimated by the Landlord to be Seven Dollars and Fifty-Two Cents (\$11.53) per square foot of the Rentable Area of the Premises and is subject to annual adjustments in accordance with the terms and provisions of this Lease. The annual Additional Rent in the amount of Twenty-Five Thousand, One Hundred and Fifty-Eight Dollars and Forty-Six Cents (\$25,158.46) shall be payable in advance in equal monthly instalments of Two Thousand and Ninety-Six Dollars and Fifty-Four Cents (\$2,096.54), plus Sales Taxes on the first day of each month during the Term.
- (k) Use of the Premises permitted by this Lease: office and for no other purpose whatsoever.
- (l) Parking: as further provided in Section 4.04 of this Lease.
- (m) Extension Option(s): two (2) extension term(s) of five (5) years each (each an "Extension Term"), each exercisable upon six (6) months' prior written notice to the Landlord, subject to Section 17.02 hereof.
- (n) Address for Service of Notice on Tenant:

The Corporation of the City of Kawartha Lakes
440 Kent Street
Lindsay, Ontario K9V 5R8
Attention: Manager
Fax: (705) 324-7991

With a copy to:

The Corporation of the City of Kawartha Lakes
26 Francis Street
Lindsay, Ontario K9V 5R8
Attention: Clerk's Office
Fax: 705-324-8110

- (o) Address for Service of Notice on Landlord:

Ontario Infrastructure and Lands Corporation
333 Preston Street, 10th Floor, Suite 1010
Ottawa, Ontario K1S 5N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation
777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8
Attention: Director, Legal Services (Real Estate and Leasing)
Fax: 416-326-2854

And an additional copy to:

CBRE Limited
Global Workplace Solutions
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Director, Lease Administration – OILC
Fax: (416) 775-3989

(p) Payment of Rent:

Ontario Infrastructure and Lands Corporation
c/o CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: IO PLMS Accounts Receivable
Fax: (416) 775-3989

All Cheques are payable to Ontario Infrastructure and Lands Corporation.

ARTICLE II - DEFINITIONS

When used in this Lease, the following words or expressions have the meaning hereinafter set forth:

- 2.01 “Additional Rent”** means any and all sums of money or charges required to be paid by the Tenant under this Lease (except Basic Rent) whether or not the same are designated “Additional Rent” or whether or not the same are payable to the Landlord or otherwise. Additional Rent is due and payable with the next monthly instalment of Basic Rent unless otherwise provided herein. Additional Rent is payable to the Landlord at the address set out in Subsection 1.01(q).
- 2.02 “Additional Services”** means all services supplied by the Landlord or by anyone authorized by the Landlord in addition to those required to be supplied by the Landlord to the Tenant as a standard service pursuant to this Lease (except for any services which the Landlord elects to supply to all of the tenants of the Building), the cost of which is included in Operating Costs at rates and charges determined by the Landlord; by way of example and without limitation, adjusting and balancing heating, ventilation and air-conditioning facilities, cleaning of carpets, moving furniture, construction, installation and alterations to or removal of Improvements, providing access and connection to fibre optics or other enhanced information technology, are each Additional Services. “Additional Service” shall have a corresponding meaning.
- 2.03 “Basic Rent”** means the annual rent payable by the Tenant pursuant to and in the manner set out in Section 5.02.
- 2.04 “Architect”** means an architect, Ontario Land Surveyor, professional engineer or other person from time to time named by the Landlord. The decision of the Architect whenever required hereunder and any certificate related thereto shall be final and binding on the parties hereto.
- 2.05 “Authority”** means any governmental authority, quasi-governmental authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Premises or the Building or the use thereof, and “Authorities” means all such authorities, agencies, bodies and departments.
- 2.06 “Building”** means buildings, structures and Improvements from time to time erected on the Lands municipally identified in subsection 1.01(c) and all alterations and additions thereto and replacements thereof, as same may be altered, expanded or reduced from time to time.
- 2.07 “Business Day”** means Mondays through Fridays, inclusive, but excluding any statutory holidays.
- 2.08 “Commencement Date”** means the date referred to in Subsection 1.01(f).
- 2.09 “Common Areas and Facilities”** means those lands, areas, facilities, utilities, improvements, equipment and installations designated from time to time by the Landlord which serve or are for the benefit of the Building, whether or not located within, adjacent to, or near the Building, including access roads, parking areas, lobbies, foyers and vestibules, sidewalks, storage and mechanical areas, Mechanical and Electrical Services,

janitor rooms, mail rooms, telephone rooms, rooms for the Mechanical and Electrical Services, stairways, escalators, elevators, truck and receiving areas, driveways, loading docks and corridors.

- 2.10 “Contemplated Use”** has the meaning ascribed to it in Section 9.01.
- 2.11 “Environmental Contaminants”** means (a) any substance which, when it exists in the Project or the water supplied to or in the Project, or when it is released into the Premises, the Project or any part thereof, or into the water or the natural environment, is likely to cause, at any time, material harm or degradation to the Project or any part thereof, or to the natural environmental or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, lead paint, PCBs, fungal contaminants (including, without limitation, *stachybotrys chartarum* and other moulds), mercury and its compounds, dioxins and furans, chlordane (DDT), polychlorinated biphenyls, chlorofluorocarbons (CFCs), hydro-chlorofluorocarbons (HCFCs), volatile organic compounds (VOCs), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic or noxious substances or related materials, petroleum and petroleum products, or (b) any substance declared to be hazardous or toxic under any Environmental Laws now or hereafter enacted or promulgated by any authorities, or (c) both (a) and (b).
- 2.12 “Environmental Laws”** means any federal, provincial or local law, statute, ordinance, regulation, policy, guideline or order and all amendments thereto pertaining to health, industrial hygiene, environmental conditions or Environmental Contaminants, including, without limitation, the Environmental Protection Act, R.S.O. 1990, c.E.19 (the “EPA”), the Environmental Assessment Act, R.S.O. 1990, c. E.18, the Ontario Water Resources Act, R.S.O. 1990, c. O.40, the Occupational Health and Safety Act, R.S.O. 1990, c.O.1, Ontario Regulation 153/04 under Part XV.1 of the Environmental Protection Act (2004), as amended by Ontario Regulation 511/09 (2009), the Safe Drinking Water Act, 2002, S.O. 2002, c.32 and applicable air quality guidelines (including, without limitation, Ontario Regulation 127/01-“Airborne Contaminant Discharge-Monitoring and Reporting” under the EPA), as such statutes, regulations and guidelines may be amended from time to time.
- 2.13 “Improvements”** means without limitation, all fixtures, installations, alterations and additions from time to time made, erected or installed in or about the Premises, whether or not they are trade fixtures or easily removable and whether or not installed by or on behalf the Tenant or a prior occupant, including without limitation, all of the following: doors, partitions and hardware, mechanical, electrical and utility installations, lighting fixtures and built-in furniture and any repairs, replacements, changes, additions or alterations.
- 2.14 “Lands”** means those lands upon which the Building is located, having the legal description set out in Schedule “A” attached hereto, as same may be altered, expanded or reduced from time to time.
- 2.15 “Laws”** means any enactments, by-laws, statutes, ordinances, regulations, guidelines, codes, orders and policies and all amendments thereto and any successor legislation, of any Authority.
- 2.16 “Mechanical and Electrical Services”** include, but are not limited to, all mechanical, electrical, drainage, lighting, incinerating, ventilation, air-conditioning, elevating, heating, pumping, sprinkling, alarm, plumbing and other mechanical and electrical systems installed in or used in the operation of the Building and the Lands.
- 2.17 “Normal Business Hours”** means the hours between 8:00 a.m. and 6:00 p.m., Monday through Friday.
- 2.18 “OILC”** means the Ontario Infrastructure and Lands Corporation.

- 2.19 **“Operating Costs”** has the meaning provided in Subsection 7.04 (b) of this Lease.
- 2.20 **“Parking Areas”** means the improvements constructed from time to time, in or as part of the Building and the Lands for use as parking facilities for the tenants of the Building and their employees, servants and invitees, and the areas and facilities that are appurtenant solely to those improvements, but excluding the parking areas, driveways, loading areas and other parts of the service area forming part of the Premises and available exclusively to the Tenant or other tenants in the Building. The Landlord shall designate the minimum number of the parking spaces comprising the Parking Areas prescribed by the relevant Authority for the sole and exclusive use of people with disabilities.
- 2.21 **“Person”** if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.
- 2.22 **“Premises”** means the premises identified in Subsection 1.01(a).
- 2.23 **“Prime Rate”** means the rate of interest per annum from time to time publicly quoted by the Royal Bank of Canada as the reference rate of interest (commonly known as its “prime rate”) used by it to determine rates of interest chargeable in Canada on Canadian dollar demand loans to its commercial customers.
- 2.24 **“Project”** means the Lands and Building and includes, without limitation, the Common Areas and Facilities, as same may be altered, expanded or reduced from time to time.
- 2.25 **“Proportionate Share”** means the fraction which has: (i) as its numerator the Rentable Area of the Premises; and (ii) as its denominator the Rentable Area of the Building less the Rentable Area of the Building which is not leased at the time of the calculation.
- 2.26 **“Rent”** means the aggregate of Basic Rent, Additional Rent and all other sums of money payable by the Tenant pursuant to this Lease.
- 2.27 **“Rentable Area”** means in the case of the Premises or any other premises in the Building the area expressed in square feet, of all floors of the premises, measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996). The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area in accordance with a more recent BOMA Standard.
- 2.28 **“Rentable Area of the Building”** has been measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996) to comprise sixty-three thousand, four hundred and forty-six (63,446) square feet. The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area of the Building in accordance with a more recent BOMA Standard.
- 2.29 **“Rentable Area of the Premises”** has been estimated to comprise approximately two thousand, one hundred and eighty-two (2,182) square feet and shall be measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996), as confirmed by an Architect’s certificate to be provided by the Landlord pursuant to Section 4.03 of this Lease. The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area of the Premises in accordance with a more recent BOMA Standard.
- 2.30 **“Rental Year”** means a period of time for the first Rental Year commencing as of the Commencement Date and ending on March 31 of the following calendar year and, thereafter, each Rental Year shall consist of consecutive periods of twelve (12) calendar months commencing on April 1 and ending on March 31 of the following calendar year, except in respect of the last Rental Year, which shall terminate on the expiration or earlier termination of this Lease, as the case may be.
- 2.31 **“Sales Taxes”** means collectively and individually, all business transfer, multi-usage sales, sales, goods and services, harmonized sales, use, consumption, value-added or

other similar taxes imposed by any Authority upon the Landlord, or the Tenant, or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.

- 2.32 **"Service Provider"** means any Person retained by the Landlord to provide to the Landlord services in respect of the administration and operations under this Lease.
- 2.33 **"Structure"** means the foundation, roof (excluding roof membrane), exterior wall assemblies, including weather walls and bearing walls, subfloor and structural columns and beams of the Building and all plumbing, drainage and equipment leading up to, from and under the Building.
- 2.34 **"Taxes"** means the total of: (a) all taxes, rates, levies, duties and assessments whatsoever levied, charged, imposed or assessed against the Project or upon the Landlord in respect thereto or from time to time by a taxing Authority, and any taxes or other amounts that are imposed or paid in lieu thereof (including payments in lieu of Taxes) or in addition thereto, including, without limitation, taxes levied, charged, imposed or assessed for education, school and local improvements and all business taxes, if any, from time to time payable by the Landlord or levied against the Landlord on account of its ownership or interest in or the operation of the Project; and, (b) all costs and expenses incurred by the Landlord in good faith in contesting, resisting or appealing any such taxes, rates, duties, levies or assessments including, without limitation, legal fees on a solicitor and client basis. Taxes shall also include any professional fees and interest and penalties on deferred payments but excluding income or profits taxes upon the income of the Landlord. If any portion of the Project is assessed or taxed other than at the prevailing commercial assessment rates and mill rates due to the occupancy of any tenants or the nature of any tenant's operation, then the amount of such taxes, rates, levies, duties or assessments shall be adjusted to be an amount equal to the amount which would have been incurred had such portion of the Project been assessed and taxed at the prevailing commercial assessment rates and mill rates throughout the entire period for which the calculation is being made.
- 2.35 **"Taxes for the Common Areas and Facilities"** means the portion of the Taxes, if any, allocated by the Landlord on a reasonable basis to the non-rentable parts of the Project and to the area or areas within the Project occupied by the Landlord for the management and operation of the Project.
- 2.36 **"Tenant's Share of Taxes"** means the Tenant's share (calculated in accordance with Section 6.01) of Taxes, provided that the Tenant shall be solely responsible for any increase in Taxes resulting from any act or election of the Tenant or from any Improvements in or to the Premises.
- 2.37 **"Term"** means the period of time referred to and described in Subsection 1.01(e).
- 2.38 **"Utilities"** means all gas, electricity, water, sewer, steam, fuel oil, power, signal equipment and other utilities used in or for the Building or the Premises, as applicable.

ARTICLE III - INTENT

3.01 Net Lease

This Lease is a completely net and carefree lease to the Landlord, and except as expressly set out herein, during the Term the Landlord is not responsible for any expense or obligation of any nature whatsoever arising from or relating to the Premises or the Project.

ARTICLE IV - GRANT AND TERM

4.01 Premises

- (a) In consideration of the rents, covenants and agreements herein contained on the part of the Tenant to be paid, observed and performed, the Landlord leases to the Tenant, and the

Tenant leases from the Landlord, the Premises for and during the Term, commencing on the Commencement Date.

(b) The Tenant acknowledges and agrees that:

- (i) it shall accept the Premises in an “as is” condition;
- (ii) the Landlord shall have no obligations with respect to any Improvements, including any alterations, decorations, or with respect to any renovations or repairs of or to any portion of the Premises, all of which shall be completed by the Tenant at its sole cost and expense in accordance with the provisions of this Lease; and
- (iii) the Landlord has made no representations and warranties relating to the Premises or the Project and the Landlord does not make any representation or warranty whatsoever to the Tenant that the permitted use of the Premises as set out in Subsection 1.01(k) herein is permitted under applicable Laws or any applicable zoning by-laws.

4.02 Use of Common Areas and Facilities

The use and occupation by the Tenant of the Premises includes the non-exclusive and non-transferable right to use the Common Areas and Facilities in common with others entitled thereto, for the purposes for which they are intended and during such hours and days as the Building is open for business, subject to provisions of this Lease. The Tenant and its employees and invitees shall not obstruct the Common Areas and Facilities or use the Common Areas and Facilities other than for their intended purposes and then only in accordance with the rules and regulations set by the Landlord from time to time.

4.03 Architect's Certificate

At any time on or after the Commencement Date, the Landlord shall deliver to the Tenant an Architect's certificate certifying the Rentable Area of the Premises. The Basic Rent and the Proportionate Share shall be adjusted accordingly, retroactive to the Commencement Date.

Notwithstanding anything in this Lease to the contrary, the Landlord may from time to time, as it deems necessary, cause the Rentable Area of the Premises, the Building or any part thereof to be recalculated or remeasured and the cost thereof shall be included in Operating Costs (except as otherwise provided in this Section 4.03). Upon any such recalculation or remeasurement, Rent shall be adjusted accordingly. If any calculation or determination by the Landlord of the Rentable Area of any premises (including the Premises) is disputed, it shall be calculated or determined by the Architect, whose certificate shall be conclusive and binding upon the parties hereto. The cost of such calculation or determination shall be included in Operating Costs; provided that if the Tenant disputes the Landlord's calculation or determination and the calculation or determination by the Architect agrees with the Landlord's calculation or determination within a two percent (2%) variance, the Tenant shall pay the full cost of such calculation or determination forthwith upon demand. If the Tenant and any one or more of the other tenants in the Building are responsible to pay such costs, the Tenant shall be jointly and severally liable with such other tenant or tenants.

If any error shall be found in the calculation of the Rentable Area of the Premises or in the calculation of the Tenant's Proportionate Share, Rent shall be adjusted for the Rentable Year in which that error is discovered and for the Rental Year preceding the Rental Year in which the error was discovered, if any, and thereafter but not for any prior period.

4.04 Parking

The Tenant, and persons utilizing the services of the Tenant is/are entitled, in common with other tenants of the Building, to use any Parking Areas, at no cost to the Tenant.

ARTICLE V - RENT

5.01 Covenant to Pay

The Tenant shall pay the Rent in Canadian funds, without deduction, abatement, set-off or compensation whatsoever, as herein further provided.

5.02 Basic Rent

- (a) Subject to Section 5.03 hereof, The Tenant shall pay, from and after the Commencement Date, to the Landlord at the address set out in Subsection 1.01(p), or at such other place as designated by the Landlord, as Basic Rent, the annual amount payable in equal and consecutive monthly instalments as set out in Subsection 1.01(i), in advance on the first day of each calendar month during the Term, based upon the annual rental rate set out in Subsection 1.01(i). Following the certification of the Rentable Area of the Premises by the Architect pursuant to Section 4.03 of this Lease, the Basic Rent shall, if necessary, be adjusted accordingly.
- (b) If the Commencement Date is on a day other than the first day of a calendar month, the Tenant shall pay, upon the Commencement Date, a portion of the Basic Rent pro-rated on a per diem basis from the Commencement Date to the end of the month in which the Commencement Date occurs.

5.03 Fixturing Period/Basic Rent Free Period

INTENTIONALLY DELETED

5.04 Sales Taxes

In addition to the Rent payable hereunder, the Tenant will pay to the Landlord (acting as agent for the taxing Authority if applicable) or directly to the taxing Authority (if required by the applicable legislation) the full amount of all Sales Taxes. The Sales Taxes payable by the Tenant will be calculated and paid in accordance with the applicable legislation. Notwithstanding any other provisions contained in this Lease, Sales Taxes will not be considered Rent, but the Landlord shall have all of the same remedies for and rights of recovery with respect to such amounts as it has for non-payment of Rent under this Lease or at law.

5.05 Overdue Rent

If the Tenant defaults in the payment of Rent, the unpaid Rent shall bear interest from the due date to the date of payment at an interest rate equal to the Prime Rate in force on the due date plus five percent (5%).

5.06 Late Payment Charge

The Tenant hereby acknowledges that late payment by the Tenant to the Landlord of Basic Rent or Additional Rent due hereunder will cause the Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult or impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on the Landlord. Accordingly, if any Basic Rent or Additional Rent is not received by the Landlord or the Landlord's designee within five (5) days after such amount is due, the Tenant shall pay to the Landlord a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs the Landlord will incur by reason of late payment by the Tenant. Acceptance of such late charge by the Landlord shall in no event constitute a waiver of the Tenant's default with respect to such overdue amount, nor prevent the Landlord from exercising any of the other rights and remedies granted hereunder. The foregoing shall be without prejudice to any other right or remedy available to the Landlord under or pursuant to this Lease by reason of a monetary default by the Tenant.

5.07 Post-dated Cheques

The Tenant shall deliver to the Landlord thirty (30) days' prior to the commencement of each Rental Year throughout the Term, a series of monthly post-dated cheques for each such year

of the Term in respect of the aggregate of the monthly payments of Basic Rent and any payments of Additional Rent estimated by the Landlord in advance, and any other payments required by this Lease to be paid by the Tenant monthly in advance. If the Tenant changes its bank or financial institution upon which such post-dated cheques are drawn, the Tenant shall immediately notify the Landlord in writing and provide the Landlord with new post-dated cheques to replace those in the Landlord's possession at that time, so that there is no gap in the continuity of such cheques to the Landlord. At the Landlord's option, the Tenant shall enable the Landlord to electronically debit the Tenant's bank account and to adjust the amount being debited, from time to time.

ARTICLE VI – TAXES

6.01 Taxes Payable by the Tenant

- (a) Commencing on the Commencement Date and thereafter throughout the Term, the Tenant shall pay, as Additional Rent, when due to the taxing Authority or the Landlord at the Landlord's direction, Taxes upon or on account of the following:
 - (i) in the event that a separate tax bill is issued by a taxing Authority for the Premises, then the Taxes payable by the Tenant in respect of the Premises will be determined on the basis of such separate tax bill and shall be paid by the Tenant when due directly to the taxing Authority having jurisdiction, and the Taxes payable by the Tenant in respect of the Common Areas and Facilities shall be the Tenant's Proportionate Share of all Taxes for the Common Areas and Facilities; or,
 - (ii) if there is no such separate tax bill, then at the Landlord's option: (A) the Taxes payable by the Tenant in respect of the Premises shall be calculated on the basis of the assessed value of the Premises, and the Taxes payable by the Tenant in respect of the Common Areas and Facilities shall be the Tenant's Proportionate Share of all Taxes for the Common Areas and Facilities; or (B) if the Landlord elects or is not able to charge on the basis of assessed value, then the Tenant shall pay in lieu thereof (AA) its Proportionate Share, prior to deducting any discounts on account of vacancies in the Project, of all Taxes levied, rated, charged or assessed from time to time against the Project, including the Common Areas and Facilities; or (BB) (if applicable) such amount as is allocated to the Tenant with respect to the Premises and Common Areas and Facilities by the Landlord, acting fairly and reasonably, taking into account practices relevant to multi-use developments consistent with benefits derived by the tenants of each component of the Project.

The Tenant agrees to provide to the Landlord within three (3) days of receipt thereof, an original or duplicate copy of any separate bill for Taxes levied in respect of the Premises. The Tenant shall deliver promptly, upon request of the Landlord, receipts for all such payments and will furnish such other information as the Landlord may require.

Any amounts payable by the Tenant on account of Taxes shall be adjusted on a per diem basis in respect of any period not falling wholly within the Term.

- (b) Notwithstanding the foregoing or Section 2.34, and notwithstanding that any Taxes may be separately imposed, levied, assessed or charged by the appropriate Authority for or in respect of the Premises and other portions of the Project, the Landlord may elect that such Taxes shall be added to Operating Costs and the Landlord may in its absolute discretion allocate such amount among tenants of the Building.
- (c) The Tenant may, at its expense, appeal or contest the Taxes as described in Section 6.01(a)(i) if there is a separate assessment and separate tax bill for the Premises, but such appeal or contest shall be limited to the assessment of the Premises alone and not to any other part of the Building or the Lands and provided that the Tenant first gives the Landlord written notice of its intention to do so, and consults with the Landlord, and provides such security as the Landlord reasonably requires and obtains the Landlord's

prior written approval. The Landlord reserves the exclusive right to appeal or contest any Taxes payable by the Landlord.

6.02 Business and Other Taxes

The Tenant shall pay to the relevant taxing Authority, as and when the same are due and payable, all Taxes charged in respect of the personal property and Improvements, or if applicable, in respect of any business conducted on or any use or occupancy of the Premises.

The Tenant agrees to provide to the Landlord within three (3) days of receipt thereof, an original or duplicate copy of any separate bill for Taxes levied in respect of the Premises. The Tenant shall furnish promptly, upon request of the Landlord, such other information related to Taxes levied in respect of the Premises as the Landlord may require.

ARTICLE VII - LANDLORD'S COVENANTS AND BUILDING CONTROL AND PAYMENT

7.01 Landlord's Covenant for Quiet Enjoyment

If the Tenant performs its obligations under this Lease, it may hold and use the Premises without interference by the Landlord or any other Person claiming by, through or under the Landlord, subject to the terms of this Lease.

7.02 Control of the Project by the Landlord

The Project, the Building and the Common Areas and Facilities are at all times subject to the exclusive control and management of the Landlord. Without limiting the generality of the foregoing, the Landlord has the right, in its sole discretion, to:

- (a) obstruct or close off all or any part of the Project for the purpose of maintenance, repair, alteration or construction;
- (b) make such use of the Common Areas and Facilities and permit others to make such use of the Common Areas and Facilities as the Landlord may from time to time determine subject, in the case of use by others, to such terms and conditions and for such consideration as the Landlord may in its discretion determine, provided that such uses do not materially obstruct access to the Premises;
- (c) close all or any part or parts of the Building or the Common Areas and Facilities to such extent as may, in the opinion of the Landlord be legally sufficient to prevent a dedication thereof or the accrual of rights therein to any Person;
- (d) dictate, impose and/or control the security requirements and procedures and the emergency evacuation procedures for the Building;
- (e) regulate the delivery or shipping of supplies and fixtures to the Premises;
- (f) construct other buildings, structures or improvements in the Building and make alterations, reductions and additions to the Project, the Building and the Common Areas and Facilities; and
- (g) relocate or modify the Common Areas and Facilities.

Notwithstanding anything contained in this Lease to the contrary, the Landlord is not liable if as a result of the Landlord's exercise of its rights set out in this Section 7.02 or elsewhere in this Lease, the Common Areas and Facilities in, or improvements to, the Project are diminished or altered, nor is the Tenant entitled to any compensation or damages for loss of services or repayment or abatement of Rent, nor any diminution or alteration of the Common Areas and Facilities in, or improvements to, the Project be considered a re-entry or a breach of the Landlord's covenant for quiet enjoyment contained in this Lease or implied by law.

7.03 Right to Relocate

The Tenant agrees that, notwithstanding any other provision contained in this Lease, the Landlord has the right at any time and from time to time, during the Term or any extension or renewal thereof, as the case may be, to rearrange the Premises, or to change the location of the Premises to comparable space in the Building. If the Landlord exercises its right to rearrange the Premises or change its location, the appropriate modifications will be made to Sections 1.01(a) and 1.01(b) and Section 4.03 will apply and, if applicable, Basic Rent and Additional Rent identified in Subsection 1.01(h) will be adjusted accordingly. The Landlord's exercise of its rights under this Section does not constitute a re-entry or a breach of the Landlord's covenant for quiet enjoyment contained in this Lease or implied by law. If the Landlord exercises its right to rearrange the Premises or to change the location of the Premises after the date on which the Landlord notifies the Tenant that the Premises are ready for installation of Improvements, the Landlord will reimburse the Tenant for the Tenant's reasonable costs it reasonably incurred as a result of the rearrangement or relocation of the Premises. The Landlord also reserves the right on single tenant floors to rearrange any demising walls for purposes of providing the required fire or emergency corridors, or to comply with the Laws from time to time.

7.04 Tenant to Pay Operating Costs and Taxes

- (a) In each Rental Year, the Tenant shall pay to the Landlord, or to the supplier or relevant taxing Authority as the Landlord so directs, as Additional Rent, the Tenant's Proportionate Share of Operating Costs and the Tenant's Proportionate Share of Taxes.
- (b) "Operating Costs" includes the total of all costs, expenses and amounts, incurred or accrued for or with respect to ownership, management, operation, maintenance, repairs, upkeep, insurance, supervision, decoration, cleaning, and upgrading of the Project and the determination and allocation of such costs, expenses and amounts, whether incurred or accrued by or on behalf of the Landlord or by or on behalf of the Services Provider (or any other manager or agent of the Landlord) including, without limitation and without duplication, the aggregate of:
 - (i) the cost of all insurance taken out and maintained by the Landlord under Section 10.01 and the cost of any deductible amount paid by the Landlord in connection with a claim under its insurance and should the Landlord choose in whole or in part to self-insure, the amount of reasonable contingency reserves not exceeding the amount of premiums that would otherwise have been incurred in respect of the risks undertaken;
 - (ii) landscaping, gardening, cleaning, removal of rubbish, dirt and debris, window and sign washing, painting, snow and ice removal, sanding, salting, repaving parking areas and other paved areas (including, without limitation, line painting and curb installations), garbage and waste collection and disposal;
 - (iii) lighting (including the replacement of, from time to time, either by way of group relamping or otherwise, electrical lightbulbs, tubes and ballasts) except to the extent separately invoiced to tenants under clauses similar to Section 8.03 below), directory boards, information kiosks, any telephone answering service and the cost of all Utilities used or consumed either within the Project or the Common Areas and Facilities and the cost of all Utilities used or consumed in connection with any signs designated by the Landlord as part of the Common Areas and Facilities;
 - (iv) policing, security, security systems (including, without limitation, remote control cameras and security patrols), supervision and traffic control;
 - (v) salaries, wages and other amounts paid or payable for and in relation to, all personnel, including management, supervisory and administrative personnel employed to carry out the maintenance, management and operation of the Project, including the cost of purchasing, cleaning or replacing uniforms, work clothes and equipment for such personnel and all rentals or other amounts payable in respect of any offices maintained or used by such personnel, including the manager of the Project, and all contributions and premiums towards fringe benefits,

unemployment and Worker's Compensation insurance, pension plan contributions and similar premiums and contributions and all costs of any independent contractors employed in the repair, care, maintenance, management, supervision, operation and cleaning of the Building or any part thereof, and the Common Areas and Facilities;

- (vi) the cost of the rental of any equipment and signs and the cost of all building and clean-up supplies, tools, materials and equipment used by the Landlord in the operation and maintenance of the Project;
- (vii) the cost of all auditing, accounting, bookkeeping, legal, architectural, surveying and other professional and consulting services and expenses incurred by or on behalf of the Landlord with respect or which relate to the Project or any part thereof, including, without limitation, any leases or agreements therein;
- (viii) the cost of all repairs (including, without limitation, major repairs and all repairs and replacements necessary to observe and comply with the requirements of any Authority in respect of the Project, the Building and the Common Areas and Facilities) and all alterations to, in or for, and the maintenance and operation of, the Building or any part thereof (including the Common Areas and Facilities), and the systems, facilities and equipment serving the Building (including, without limitation, the Mechanical and Electrical Services, all escalators, elevators and other transportation equipment and systems and any signs designated by the Landlord as part of the Common Areas and Facilities);
- (ix) all costs incurred in acquiring, installing, operating, maintaining, revising, repairing, restoring, renewing and replacing any energy conservation, fire safety, sprinkler and life safety systems and equipment for the Building, and for effecting any improvements to the Building made to comply with air pollution, air quality and environmental control standards, and for investigating, testing, monitoring, removing, enclosing, encapsulating or abating any material or substance in, on, under, above or which serves, the Building or any part thereof which, in the opinion of the Landlord, is harmful or hazardous to any Person or to the Building or any part thereof including, without limitation, any costs incurred by the Landlord in complying with Environmental Laws (including Ontario Regulation 127/01-Airborne Contaminant Discharge-Monitoring and Reporting or any similar legislation or regulations thereunder from time to time (the "Regulation"));
- (x) all expenses incurred by the Landlord in respect of the installation or removal of any Improvements;
- (xi) all municipal improvement charges and costs incurred by the Landlord and paid to any Authority in connection with the development of the Project, and the cost of providing additional parking or other Common Areas and Facilities for the benefit of the Building;
- (xii) all costs and expenses of a capital nature as determined in accordance with generally accepted accounting principles or other similar principles as are in standard use in the Ontario commercial leasing industry;
- (xiii) at the Landlord's election (such election to be evidenced by the method of calculating Operating Costs for each Rental Year), either amortization, in an amount determined by the Landlord's accountant, of the cost (whether incurred before or during the Term and whether or not incurred by the party constituting the Landlord at any time or its predecessor in title or interest) of any repair, replacement, decoration or improvement of the Project not expensed within the Rental Year in which the expenditure was incurred and of all equipment required for the operation and maintenance of the Project not included within Operating Costs for the Rental year in which the expenditure occurred, or depreciation in an amount determined by the Landlord's accountant based on the cost (whether

incurred before or during the Term and whether or not incurred by the party constituting the Landlord at any time or its predecessor in title or interest) of any of those items which the Landlord in its absolute discretion has elected to treat as capital in nature together with, in each case, an amount equal to interest at the Prime Rate plus three percent (3%) per annum on the undepreciated or unamortized amount thereof;

- (xiv) contributions towards a capital reserve fund established in order to pay for any future costs incurred by or on behalf of the Landlord for repairing or replacing all or any portion of the Premises, the Common Areas and Facilities and the Project which are not charged fully in the Rental Year in which they are incurred in accordance with generally accepted accounting principles or other similar principles as are in standard use in the Ontario commercial leasing industry;
 - (xv) Taxes for Common Areas and Facilities and all costs incurred by the Landlord, acting reasonably, in contesting, appealing or resisting the business taxes or Taxes or related assessments on all or any part of the Project;
 - (xvi) the cost of investigating, testing, monitoring, removing, enclosing, encapsulating or abating any Environmental Contaminants which is in or about the Project or any part thereof or which has entered the environment from the Project, if the Landlord is required to do so or if, in the Landlord's opinion, it is harmful or hazardous to any Person or to the Project or any part thereof or to the environment;
 - (xvii) all other expenses of every nature incurred in connection with the maintenance and operation of the Project;
 - (xviii) the costs of enforcing and collecting payment of tenant charges and tenants' shares of Operating Costs and Taxes, whether actual or estimated;
 - (xix) interest on a deposit paid by the Landlord to the supplier of a Utility at a rate which shall be one percent (1%) per annum in excess of the Prime Rate;
 - (xx) the amount of any deposits paid to a Utility supplier lost by the Landlord as a result of any bankruptcy of any Utility supplier amortized over a period of three (3) years from the date of such bankruptcy and interest thereon at a rate of two percent (2%) in excess of the Prime Rate;
 - (xxi) the fair rental value (having regard to the rentals prevailing from time to time for similar space) of space in the Project used by the Landlord, acting reasonably, in connection with the maintenance, repair, operation, administration or management of the Project;
 - (xxii) Utilities for the Premises, to the extent charged as part of Operating Costs, as set out in Section 8.01(b) and (c);
 - (xxiii) Utilities consumed in connection with the Common Areas and Facilities of the Building; and
 - (xxiv) an administration fee in the amount of fifteen percent (15%) of the aggregate of the costs referred to in subparagraphs (i) to (xxiii) inclusive hereof.
- (c) Exclusions – Operating Costs shall exclude, without duplication and without limiting the generality of the foregoing, and except to the extent expressly included above:
- (i) debt service in respect of financing secured by or related to the Project;
 - (ii) costs determined by the Landlord from time to time to be fairly allocable to the correction of initial construction faults or initial maladjustments in operating equipment but only to the extent that such costs are recovered from the contractor or others responsible;

- (iii) any ground rent payable by the Landlord in respect of a lease of the Lands or part thereof; and
 - (iv) tenant improvement allowances, leasing commissions and leasing costs.
- (d) Deductions – There shall be deducted from Operating Costs:
 - (i) the proceeds of insurance recovered by the Landlord applicable to damage, the cost of repair of which was included in the calculation of Operating Costs paid by the Tenant; and
 - (ii) amounts recovered as a result of direct charges to the Tenant and other tenants to the extent that the cost thereof was included in the calculation of Operating Costs.
- (e) Within sixty (60) days before the expiry of each Rental Year, the Landlord shall provide the Tenant with a budget outlining the estimated Operating Costs and Taxes for the next succeeding Rental Year, indicating therein the estimates for such Rental Year of: (i) the Tenant's Proportionate Share of Operating Costs; and (ii) the Tenant's Share of Taxes. The Landlord may, at its option, revise the estimated Operating Costs and Taxes for the next succeeding Rental Year at any time or times during the Rental Year as the Landlord deems appropriate.
- (f) The Tenant shall pay, in equal monthly instalments, for each Rental Year one twelfth (1/12th) of the aggregate of the estimates for such Rental Year of: (i) the Proportionate Share of Operating Costs; and (ii) the Tenant's Share of Taxes, each commencing on the first day of such Rental Year.
- (g) Notwithstanding anything in this Lease to the contrary, the Landlord shall always have the right:
 - (i) to revise the amount of instalments on account of Taxes payable by the Tenant to an amount that allows the Landlord to collect all Taxes payable by the Tenant by the final due date of Taxes for the calendar year; and/or,
 - (ii) to schedule and require payment by the Tenant of instalments on account of Taxes payable by the Tenant such that by the final due date of Taxes for any calendar year, the Tenant shall have paid the Landlord the full amount of Taxes payable by the Tenant for such calendar year, which arrangement may include payment of instalments by the Tenant in a calendar year on account of Taxes payable by the Tenant for the next calendar year; and/or,
 - (iii) (but not the obligation) to allocate Taxes among categories of rentable premises in the Project on the basis of such factors as the Landlord determines to be relevant, such as, by way of example, the types of business or activity carried on therein, the locations in the Project, costs of construction, relative benefits derived by rentable premises, relative assessment values, non-public school support designations and vacancies. The Landlord shall be entitled to adjust the Tenant's Share of Taxes having regard to the category in which the Tenant is placed by the Landlord.
- (h) Within a reasonable time after the expiry of each Rental Year, the Landlord shall deliver a statement to the Tenant showing: (i) the actual Operating Costs and Taxes for such Rental Year; (ii) the actual Proportionate Share of Operating Costs; and (iii) the actual Tenant's Share of Taxes, and any adjustments or reimbursements shall be paid within thirty (30) days thereafter.

7.05 Vacancy

If any part of the Building available for leasing is not occupied, the Landlord shall have the right, in respect of amounts forming part of Operating Costs which vary with occupancy, to include in Operating Costs a larger amount of costs, which larger amount shall be based on a reasonable estimate of the actual cost which would have been incurred if the unoccupied parts of

the Building available for leasing were occupied, it being intended hereby that the Landlord shall obtain, to the extent reasonably possible, full reimbursement of Operating Costs attributable to or in respect of occupied premises, and not that: (a) the Tenant shall subsidize Operating Costs incurred by the Landlord attributable to or in respect of vacant premises; or (b) the Landlord shall recover more than actual Operating Costs.

In determining the share of Taxes which is payable by the Tenant pursuant to this Lease, Taxes shall include such additional amounts as would have formed part of the Taxes had the Project been fully assessed during the whole of the relevant 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 Taxes or change of assessment category or class for rentable premises within the Project which are vacant.

7.06 Rent Disputes

The Tenant may dispute an invoice or statement in respect of Operating Costs or the Tenant's Share of Taxes only by giving written notice to the Landlord specifying the basis of the dispute within six (6) months after delivery of the invoice or statement. The Tenant will, in any event, continue to pay its share of Operating Costs and Taxes in accordance with the Landlord's invoice or statement until the dispute is resolved.

ARTICLE VIII - UTILITIES AND LANDLORD'S SERVICES

8.01 Utilities

The Tenant shall be responsible and liable for costs of its Utilities consumed on the Premises and the following conditions shall also apply:

- (a) If the Premises are separately metered or if the Tenant, at its sole cost, installs a hydro electric meter, the Tenant shall pay its hydro electric bills directly to the supplier for all hydro electricity consumed and as determined from the reading of the Tenant's meter; and
- (b) If the Tenant, at its sole cost, and subject to the Landlord's prior written approval, installs sub-meters for water and gas, the Landlord or its Service Provider shall invoice the Tenant for its share of the water and gas consumed as determined from the reading of the sub-meters, either by separate invoice or as part of the Operating Costs as set out in Section 7.04. Upon receipt of a separate invoice from the Landlord or its Service Provider, the Tenant shall promptly pay for the water and gas consumed, as invoiced.
- (c) For all Utilities that are not separately metered, the Tenant shall pay the Tenant's Proportionate Share of such Utilities as part of Operating Costs as set out in Section 7.04.

In addition to the foregoing, the Tenant shall pay its Proportionate Share of Utilities consumed in connection with the Common Areas and Facilities of the Building as part of Operating Costs as set out in Section 7.04.

8.02 Interruption of Supply of Utilities

The Landlord may in its sole discretion, without any obligation or liability to the Tenant, and without such action constituting an eviction of the Tenant, discontinue or modify any services, systems or Utilities as a result of the Landlord's exercise of the rights conferred under Section 7.02 hereof.

The Landlord is not liable for interruption or cessation of, or failure in, the supply of Utilities, services or systems in, to or serving the Building or the Premises, whether they are supplied by the Landlord or others and whether the interruption or cessation is caused by the Landlord's negligence or otherwise.

8.03 Replacement of Bulbs

As Additional Services, at the request of the Tenant or as otherwise determined by the

Landlord at all times during the Term or any extension or renewal thereof, as the case may be, the Landlord shall replace all starters, fluorescent tubes and light bulbs located within the Premises at the sole cost and expense of the Tenant.

8.04 Additional Services

If the Tenant requires any Additional Services to be performed in or relating to the Premises, it shall advise the Landlord in writing of the required Additional Services and the Landlord may, at its option, perform or provide any such Additional Services. Provided however, that the Landlord shall not be required to provide such Additional Services if to do so would:

- (a) interfere with the reasonable enjoyment of the other tenants of their respective premises or the Common Areas and Facilities;
- (b) jeopardize or impede the Landlord's financing of the Building and/or Lands; or
- (c) cause the Building or its services and Common Areas and Facilities not to be of the Building standard.

The cost of any Additional Services provided by the Landlord pursuant to this Section shall be determined mutually by both the Landlord and the Tenant in advance of the provision of such service(s). The cost of providing such service(s) shall be paid by the Tenant to the Landlord forthwith upon receipt of an invoice for such Additional Services.

8.05 Caretaking

Subject to the payment by the Tenant of the Operating Costs and subject to access being granted to the person or persons employed or retained by the Landlord to perform such work, the Landlord covenants to cause the floors of the Premises to be swept, the interior surface of the exterior windows to be cleaned, the desks, tables, other furniture and venetian blinds to be dusted, wastepaper baskets to be emptied and any carpeting to be vacuumed, all in accordance with normal office cleaning standards. Any cleaning services provided by the Landlord in excess of those described herein shall be charged to the Tenant in accordance with Section 8.04 above.

The Tenant shall leave the Premises in a reasonably tidy state at the end of each Business Day to facilitate the janitorial services provided by or on behalf of the Landlord.

ARTICLE IX - USE OF THE PREMISES

9.01 Use of the Premises

The Tenant shall continuously, actively and diligently use the Premises solely for the purpose stated in Subsection 1.01(k), in a first class and reputable manner and for no other purpose whatsoever.

The Tenant acknowledges that its continued occupancy of the Premises and the continuous and active conduct of its business in the Premises are of the utmost importance to the Landlord in:

- (a) avoiding the appearance and impression generally created by vacant space;
- (b) facilitating the leasing of vacant space in the Building and the lease extensions or renewals of existing tenants;
- (c) maximizing the rents payable to the Landlord both by existing tenants and new tenants of the Building; and
- (d) maintaining the character, quality and image of the Building.

The Tenant acknowledges that the Landlord shall suffer substantial damage and serious

and irreparable injury if the Premises are left vacant or are abandoned during the Term or if the Tenant does not comply with the provisions of this Section 9.01, even in the event that the Tenant pays all Rent required hereunder.

9.02 Tenant's Fixtures

The Tenant shall install and maintain in the Premises at all times during the Term first-class trade fixtures, including furnishings and equipment, adequate and appropriate for the business to be conducted on the Premises, all of which shall be kept in good order and condition. The Tenant shall not remove any trade fixtures or other contents from the Premises during the Term except in the ordinary course of business in the event such items become obsolete or for the purpose of replacing them with others at least equal in value and function to those being removed, and shall promptly repair any damage to the Premises or the Building resulting from such removal.

9.03 Premises Signage

The Landlord shall at the request of the Tenant install on or near the entrance door of the Premises in accordance with the Landlord's uniform scheme for the Project, a sign bearing the name of the Tenant and the cost to the Landlord of any such sign and installation shall be payable by the Tenant to the Landlord in accordance with Section 8.04.

The Tenant shall not erect, install or display any sign, advertisement, notice or display on the exterior of the Premises or anywhere within the Premises which is visible from the exterior of the Premises without the prior written approval of the Landlord, in its sole discretion, as to size, design, location, content, method of installation and any other specifications.

9.04 Waste Removal

- (a) The Tenant shall not allow any garbage or any objectionable material to accumulate in or about the Premises, the Common Areas and Facilities or the Building.
- (b) The Tenant shall, at its cost, comply with the Landlord's waste management program in force from time to time.

9.05 No Waste, Environmental Contamination or Overloading

- (a) The Tenant shall not: (i) cause or permit any waste or damage to the Premises or Improvements, or to the fixtures or equipment contained therein; (ii) permit any overloading of the floors thereof; (iii) use or permit to be used any part of the Premises for any dangerous, noxious or offensive activity; and (iv) do or bring anything or permit anything to be done or brought on or about the Lands which the Landlord may reasonably deem to be hazardous or a nuisance to any other tenants or any other persons permitted to be in the Building.
- (b) The Tenant shall not itself, and shall not permit any of its employees, servants, agents, or contractors, to obstruct the Common Areas and Facilities or use or permit to be used any part of the Common Areas and Facilities for other than its intended purpose.
- (c) The Tenant shall not store, bring in or permit to be placed, any Environmental Contaminants in the Common Areas and Facilities, the Building or the Project.
- (d) The Tenant shall not permit the presence of any Environmental Contaminants in the Premises, except if such is required for the Contemplated Use and then only if the Tenant is in strict compliance with all relevant Authorities, including, without limitation, Environmental Laws.
- (e) The Tenant shall diligently comply with all applicable reporting requirements under the Regulation and under the EPA and shall provide the Landlord with copies of all reports submitted to the Ministry of the Environment. The Tenant shall indemnify the Landlord from all loss, costs and liabilities, including all legal expenses, incurred by the Landlord as a result of the Tenant's failure to comply with the Regulation. The Tenant shall permit

the Landlord to inspect the Premises at all reasonable times to conduct air emission testing, as required by the Regulation.

9.06 Landlord's Requirements

The Tenant shall not bring into or allow to be present in the Premises or the Project any Environmental Contaminants except such as are disclosed in Schedule "C" attached hereto. If the Tenant brings or creates upon the Project, including the Premises, any Environmental Contaminants, then such Environmental Contaminants shall be and remain the sole property of the Tenant and the Tenant shall remove same, at its sole cost and expense, at the expiration or early termination of this Lease or sooner if so directed by any Authority, or if required to effect compliance with any Environmental Laws, or if required by the Landlord.

9.07 Governmental Requirements

If, during the Term or any extension thereof, any Authority shall require the clean-up of any Environmental Contaminants:

- (a) held in, released from, abandoned in, or placed upon the Premises or the Project by the Tenant or its employees or those for whom the Tenant is in law responsible; or
- (b) released or disposed of by the Tenant or its employees or those for whom the Tenant is in law responsible;

then, the Tenant shall, at its own expense, carry out all required work including preparing all necessary studies, plans and approvals and providing all bonds and other security required and shall provide full information with respect to all such work to the Landlord provided that the Landlord may, at its sole option, perform any such work at the Tenant's sole cost and expense, which cost and expense shall be payable by the Tenant on demand as Additional Rent.

9.08 Environmental Covenants

In addition, to and without restricting any other obligations or covenants herein, the Tenant covenants that it shall:

- (a) comply in all respects with all Environmental Laws relating to the Premises or the use of the Premises;
- (b) promptly notify the Landlord in writing of any notice by any Authority alleging a possible violation of or with respect to any other matter involving any Environmental Laws relating to operations in the Premises or relating to any Person for whom the Tenant is in law responsible, or any notice from any other party concerning any release or alleged release of any Environmental Contaminants; and
- (c) permit the Landlord to:
 - (i) enter and inspect the Premises and the operations conducted therein;
 - (ii) conduct tests and environmental assessments or appraisals;
 - (iii) remove samples from the Premises;
 - (iv) examine and make copies of any documents or records relating to the Premises and interview the Tenant's employees as necessary; and
- (d) promptly notify the Landlord of the existence of any Environmental Contaminants in the Project.

9.09 Environmental Indemnification

In addition to and without restricting any other obligations or covenants contained herein, the Tenant shall indemnify and hold the Landlord harmless at all times from and against any and all losses, damages, penalties, fines, costs, fees and expenses (including legal fees on a

solicitor and client basis and consultants' fees and expenses) resulting from:

- (a) any breach of or non-compliance with the foregoing environmental covenants of the Tenant; and
- (b) any legal or administrative action commenced by, or claim made or notice from, any third party, including, without limitation, any Authority, to or against the Landlord and pursuant to or under any Environmental Laws or concerning a release or alleged release of Environmental Contaminants at the Premises into the environment and related to or as a result of the operations of the Tenant or those acting under its authority or control at the Premises, and any and all costs associated with air quality issues, if any.

9.10 Compliance with Laws

The Tenant shall be solely responsible for obtaining all necessary permits, licenses and approvals from all relevant Authorities to permit the Tenant to occupy the Premises and conduct its business thereon. The Tenant shall, at its sole cost and expense, comply with all applicable Laws respecting the use, access of services and facilities in the Premises, the condition and occupation of the Premises, any Environmental Contaminants, and all fixtures, equipment and Improvements located therein and thereon.

If any alterations or improvements to the Improvements or to the Premises are necessary to comply with any of the provisions of this Lease or with the requirements of insurance carriers, the Tenant shall forthwith complete such work, complying always with the applicable provisions of this Lease, to the extent that it can be done within the Premises and in any event, shall pay the entire cost of all of the alterations and improvements so required.

The Tenant agrees that if the Landlord determines in its sole discretion that the Landlord, its property, its reputation or the Premises or any one or more of the foregoing is placed in any jeopardy, as determined by the Landlord, by the requirements for any work required to ensure compliance with the provisions of this Lease, or the Tenant is unable to fulfil its obligations under this Section, the Landlord may, at its sole option, undertake such work or any part thereof at the Tenant's sole cost and expense as an Additional Service, payable on demand as Additional Rent. In the event that structural repairs or upgrading of the Building, is or are required to permit the Tenant's Contemplated Use, including but not limited to seismic upgrading, the Landlord may, at its sole discretion, terminate this Lease.

9.11 Deliveries

All deliveries to and from the Premises and loading and unloading of goods, refuse and any other items shall be made only by way of such access routes, doorways, corridors and loading docks as the Landlord may, from time to time, designate and shall be subject to all applicable rules and regulations made by the Landlord from time to time pursuant to Section 17.01.

9.12 Security Devices

The Tenant shall obtain, at its expense, additional keys, photo identification cards and other similar security devices from the Landlord or the Landlord's agent as required.

9.13 Telecommunications

- (a) Provided that the Tenant has obtained the Landlord's prior written approval, which approval the Landlord may withhold in its sole discretion, the Tenant may utilize a telecommunication service provider of its choice for the supply and installation of telephone, computer and other communication equipment and systems, and related wiring within the Premises, subject to the provisions of this Lease, including but not limited to the following:
 - (i) prior to commencing any work in the Project, the telecommunication service provider shall execute and deliver to the Landlord, the Landlord's standard form of license agreement, which shall include a provision for the Landlord to receive

compensation for the use of the space for the telecommunication service provider's equipment and materials;

- (ii) the Landlord shall incur no expense or liability whatsoever with respect to any aspect of the provision of telecommunication services, including without limitation, the cost of installation, service, materials, repairs, maintenance, removal, interruption or loss of telecommunication service;
 - (iii) the Landlord must first reasonably determine that there is sufficient space in the risers of the Building for the installation of the telecommunication service provider's wiring and cross connect;
 - (iv) the Tenant shall indemnify and hold harmless the Landlord for all losses, claims, demands, expenses and judgments against the Landlord caused by or arising out of, either directly or indirectly, any acts or omissions by the telecommunication service provider, its contractors or the Tenant or those for whom they are responsible at law; and
 - (v) the Tenant shall incorporate in its agreement with its telecommunication service provider a provision granting the Tenant the right to terminate the telecommunication service provider's agreement if required to do so by the Landlord and the Landlord shall have the right at any time and from time to time during the Term to require the Tenant, at its expense, to exercise the termination right and to contract for telecommunication service with a different telecommunication service provider. The Landlord shall have no obligation to ensure continuation of service by the Tenant's telecommunication service provider.
- (b) The Tenant shall be responsible for the costs associated with the supply and installation of telephone, computer and other communication equipment and systems and related wiring within the Premises to the boundary of the Premises for hook-up or other integration with telephone and other communication equipment and systems of a telephone or other communication service provider, which equipment and systems of the telephone or other communication service provider are located or are to be located in the Building, pursuant to the Landlord's standard form of license agreement and, subject to the provisions of Article XII, for the removal of same.
- (c) The Landlord shall supply space in the risers of the Building and space on the floor(s) of the Building in which the Premises are located., the location of which shall be designated by the Landlord in its sole discretion, to telecommunication service providers who have entered into the Landlord's standard form of license agreement for the purpose, without any cost or expense to the Landlord therefore, of permitting installation in such risers and on such floor(s) of telephone and other communication services and systems (including data cable patch panels) to the Premises at a point designated by the Landlord.
- (d) The Landlord shall have the right to assume control of wiring, cables and other telecommunication equipment in the Building and may designate them as part of the Common Areas and Facilities.
- (e) The Tenant releases the Landlord from all claims for loss or damage which it might suffer as the result of any interruption of telecommunication service regardless of how it occurs and regardless of negligence on the part of the Landlord, any contractor of the Landlord, and any person for whom they are responsible at law. The Tenant shall indemnify the Landlord against all claims by third parties related to interruption of telecommunication services with the Tenant, or any other occupant of the Premises, regardless of how caused and regardless of negligence on the part of the Landlord, its contractors and those for whom they are responsible at law.

ARTICLE X - INSURANCE AND INDEMNITY

10.01 Landlord's Insurance

- (a) Subject to its general availability and Subsection 10.01(b) herein, the Landlord shall effect and maintain during the Term:
- (i) "all risks" insurance which shall insure the Building for not less than the full replacement cost thereof against loss or damage by perils now or hereafter, from time to time embraced by or defined in a standard all risks insurance policy;
 - (ii) boiler and machinery insurance for not less than the full replacement cost thereof on objects defined in a standard comprehensive boiler and machinery policy against accidents as defined therein;
 - (iii) loss of rental income insurance in an amount sufficient to replace all Basic Rent and Additional Rent payable under this Lease for an indemnity period of a reasonable period of time (not to be less than twelve (12) months);
 - (iv) comprehensive general liability insurance covering claims for personal injury and property damage arising out of all operations in connection with the management and administration of the Project; and
 - (v) such other coverages, or increases in the amount of coverage, as the Landlord or its mortgagee may reasonably consider necessary.

For greater certainty, the Tenant acknowledges that the Landlord is not obligated to insure Improvements in the Premises. The insurance to be maintained by the Landlord shall be that which would be carried by reasonably prudent owners of properties similar to the Building.

- (b) Notwithstanding the foregoing, so long as Her Majesty the Queen in right of Ontario is the Landlord, the provisions contained in Subsection 10.01(a) of this Lease shall not apply and the Landlord shall be self-insured with respect of damage to the Building and the Premises and will maintain during the Term coverage with respect to commercial general liability risks as a 'Protected Person' under the Government of Ontario General and Road Liability Protection Program, which is funded by Her Majesty the Queen in right of Ontario. The coverage shall provide limits of at least Five Million Dollars (\$5,000,000) per occurrence.

10.02 Tenant's Insurance

- (a) The Tenant shall, at all times throughout the Term and any extension or renewal thereof, as the case may be, at its sole cost and expense, take out and keep in full force and effect the following insurance:
- (i) "all risk" insurance covering the Improvements, trade fixtures and contents on or about the Premises and all portions of the Premises, for not less than the full replacement cost thereof (with a replacement cost endorsement);
 - (ii) comprehensive general liability insurance on an occurrence basis with respect to any use and occupancy of or things on the Premises and with respect to the use and occupancy of any other part of the Building by the Tenant or any of its servants, agents, employees, invitees, licensees, subtenants, contractors or persons for whom the Tenant is in law responsible, with coverage of not less than Five Million Dollars (\$5,000,000.00) per occurrence or such higher amount as the Landlord may reasonably require from time to time;
 - (iii) plate glass insurance;
 - (iv) boiler and machinery insurance, if applicable, including repair or replacement endorsement in an amount satisfactory to the Landlord and providing coverage

with respect to all objects introduced into the Premises by or on behalf of the Tenant or otherwise constituting Improvements;

- (v) business interruption insurance on the profit from providing all risks coverage with a period of indemnity of not less than twelve (12) months and subject to a stated amount co-insurance clause; and
- (vi) any other form of insurance as the Landlord, acting reasonably, or its mortgagee requires from time to time, in the form, amounts and for insurance risks against which a prudent tenant would insure.

All such policies shall be primary, non-contributing with, and not in excess of any proceeds or other insurance available to the Landlord.

- (b) Each of the Tenant's insurance policies shall note the Landlord and any mortgagee designated by notice of the Landlord as an additional insured, as their respective interests may appear, and shall contain:
 - (i) a waiver by the insurer of any rights of subrogation to which such insurer might otherwise be entitled against the Landlord or any person for whom the Landlord is, in law, responsible;
 - (ii) an undertaking by the insurer that no material change adverse to the Landlord or the Tenant will be made and the policy will not lapse or be terminated, except after not less than thirty (30) days' prior written notice to the Landlord; and
 - (iii) a severability of interests clause, a cross-liability clause and a stated amount for a co-insurance endorsement.
- (c) The Tenant shall ensure that the Landlord shall, at all times, be in possession of certificates of the Tenant's insurance policies executed by the underwriting insurance company which are in good standing and in compliance with the Tenant's obligations hereunder. At the Landlord's request, the Tenant shall provide the Landlord with a certified copy of its insurance policy or policies, as the case may be.
- (d) If the Tenant fails to maintain in force, or pay any premiums for any insurance required to be maintained by the Tenant hereunder, or if the Tenant fails from time to time to deliver to the Landlord satisfactory proof that any such insurance is in good standing, including the payment of premiums therefore, then the Landlord, without prejudice to any of its other rights and remedies hereunder, shall have the option, at the Landlord's sole discretion, but shall not be obligated, to effect such insurance on behalf of the Tenant. In the event that the Landlord effects such insurance, the cost thereof and all other reasonable expenses incurred by the Landlord in that regard, including the Landlord's administrative fee of fifteen percent (15%) of such premium, shall be paid by the Tenant to the Landlord as Additional Rent forthwith upon demand.

10.03 Landlord's Non-Liability

The Tenant agrees that the Landlord shall not be liable or responsible in any way for any injury or death to any person or for any loss or damage to any property, at any time on or about the Premises, no matter how the same shall be caused and whether or not resulting from or contributed to by the fault of the Landlord, its servants, agents, employees, contractors or persons for whom the Landlord is in law responsible. Without limiting the generality of the foregoing, the Landlord shall not be liable or responsible for any such injury, death, loss or damage to any persons or property, caused or contributed to by fire, explosion, steam, water, rain, snow, dampness, leakage, electricity or gas, and the Landlord shall in no event be liable for any indirect or consequential damages suffered by the Tenant.

10.04 Indemnification of the Landlord

The Tenant shall indemnify and save harmless the Landlord and its agent Ontario Infrastructure and Lands Corporation, and each of their agents, officers, directors, employees,

contractors, Service Providers and those for whom the Landlord is in law responsible, from and against any and all loss, claims, actions, damages, liability and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease, or any occurrence at the Premises, or the occupancy or use by the Tenant of the Premises, or any part thereof. If the Landlord shall be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and legal fees incurred or paid by the Landlord in connection with such litigation on a solicitor and client basis.

10.05 Benefit of Exculpatory and Indemnity Provisions

For the purpose of every exculpatory clause and indemnity included in this Lease in favour of the Landlord, the word "Landlord" shall be considered to include OILC, the Service Provider, any property management company employed to manage the Building, the owner or owners from time to time of the Building and the officers, directors, employees, agents and contractors of the Landlord and the other parties listed in this Section 10.05. Each of OILC, the Service Provider, the management company and the owner or owners from time to time respectively, and the Landlord, for the purpose of enabling each of those other persons and entities to enforce the benefit of the exculpatory clause or indemnity as the case may be, acts as agent for or trustee for the benefit of each of them.

ARTICLE XI - MAINTENANCE, REPAIRS AND IMPROVEMENTS

11.01 Maintenance and Repairs by the Tenant

The Landlord and the Tenant agree that the Tenant shall, at its sole cost and expense, be responsible for the maintenance and operation of the Premises. Without limiting the generality of the foregoing, the Tenant shall, at all times during the Term, at its sole cost and expense: (i) keep and maintain the Premises, the Improvements and the Tenant's trade fixtures, exterior signs and floor coverings in a clean and first-class condition and repair as would a prudent owner (which shall include, without limitation, periodic painting and decorating); and (ii) make all needed repairs and replacements in a good and workmanlike manner with due diligence, in accordance with all applicable requirements of any relevant Authority. If the Tenant fails to perform any obligation under this Article XI, then on not less than five (5) days' prior written notice to the Tenant, the Landlord may enter the Premises and perform the Tenant's maintenance and repair obligation, at the Tenant's sole cost and expense, and without any liability to the Tenant for any loss or damage that may arise. Upon receipt of the Landlord's invoice the Tenant shall promptly reimburse the Landlord, as Additional Rent, for all costs incurred by the Landlord in performing the Tenant's obligations plus fifteen percent (15%) of the costs for overhead and supervision.

11.02 Landlord's Approval of the Tenant's Improvements

- (a) The Tenant shall not install any Improvements in or to the Premises without the Landlord's prior written consent, which consent shall not be unreasonably withheld, provided such Improvements do not affect the Structure or the Mechanical and Electrical Services.
- (b) With its request for consent, the Tenant shall submit to the Landlord details of the proposed Improvements, including plans and specifications prepared by qualified architects or engineers.
- (c) Under the provisions of the "Ministry of Infrastructure Public Work Class Environmental Assessment (Office Consolidation)" (the "Class EA"), as approved and ordered April 28, 2004, by Order-in-Council No. 913/2004 and amended on September 11, 2009 and on October 31, 2012, as approved, amended, or renewed from time to time by the Minister of the Environment pursuant to section 14 of the Environmental Assessment Act, R.S.O. 1990, c. E.18, the Landlord is obliged to consider the potential for environmental effects and Environmental Contaminants in respect of any Improvements to the Premises. The Tenant acknowledges that any request for consent for proposed Improvements will be

subject to the Landlord's obligations to comply with any applicable requirements of the Class EA. The timing of the Landlord's response to the Tenant's request for consent will vary, depending on the nature of the proposed Improvements and the requirements of the Class EA.

- (d) If and when approved by the Landlord, the Improvements shall be completed at the Tenant's sole cost and expense and shall be performed:
 - (i) by such contractor(s) or sub-contractor(s) as the Tenant may select and the Landlord may approve, provided however that the Landlord shall not be liable for any damage or other loss or deficiency arising from or through such work. Each such contractor and sub-contractor shall be the Tenant's contractor and sub-contractor and shall not be deemed to be a contractor or sub-contractor of the Landlord. The Tenant hereby undertakes that there shall be no conflict caused with any union or other contract to which the Landlord, its contractor(s), or any sub-contractor(s) may be a party to, and in the event of any such conflict, the Tenant shall forthwith remove from the Building the Tenant's conflicting contractor(s) or sub-contractor(s);
 - (ii) in a good and workmanlike manner and in compliance with the highest standards including those set by the Landlord and all applicable requirements of any relevant Authority;
 - (iii) in accordance with plans and specifications approved in writing by the Landlord; and
 - (iv) subject to the reasonable regulations, controls, supervision and inspection of the Landlord.
- (e) At the option of the Landlord: (i) the Tenant shall utilize the Landlord's contractors with respect to the construction of any Improvements which affect either the Structure or the Mechanical and Electrical Services; or (ii) all Improvements affecting either the Structure or the Mechanical and Electrical Services shall be performed by the Landlord, on behalf of the Tenant, with the cost thereof, plus an administration fee equal to fifteen percent (15%) of the cost of such work, to be repaid to the Landlord as Additional Rent forthwith upon demand.
- (f) The Tenant shall obtain, at its sole cost and expense, all necessary permits and licenses from any relevant Authority, prior to commencing the Improvements.
- (g) The Tenant shall reimburse the Landlord for the cost of a technical evaluation of the Tenant's plans and specifications and any other costs incurred by the Landlord in respect of the Improvements, plus an administration fee equal to fifteen percent (15%) of such costs. In addition, the Tenant shall pay the Landlord, as Additional Rent, a supervisory fee equal to five percent (5%) of the total cost of any Improvements for co-ordination and supervision services.
- (h) Upon the completion of any Improvements, the Tenant shall provide to the Landlord as-built drawings and/or a CAD disk of same in a format useable by the Landlord, together with evidence satisfactory to the Landlord of a final inspection of such Improvements (including inspection of mechanical and electrical systems where applicable) by the Authority which issued the permit or license for same.
- (i) If the Tenant performs any Improvements without compliance with all of the provisions of this Section, the Landlord shall have the right to require the Tenant to remove such Improvements forthwith, at the Tenant's sole cost and expense, and to restore the Premises to its prior condition, satisfactory to the Landlord.

11.03 Repair According to the Landlord's Notice

The Landlord, or any Persons designated by it, shall have the right to enter the Premises at any reasonable time to view the state of repair and the condition thereof and the Tenant shall

promptly perform any maintenance (including painting and repair or replacement or any interior finishings), repairs or replacements according to any notice issued by the Landlord and the Tenant's obligations hereunder.

11.04 Notice by Tenant

The Tenant shall give immediate notice to the Landlord of any accident, defect or damage in any part of the Premises or in the Building, which comes to the attention of the Tenant or any of its employees or contractors, notwithstanding the fact that the Landlord may not have any obligation in respect thereof.

11.05 Ownership of Improvements

All Improvements shall immediately become the property of the Landlord upon installation, but without the Landlord thereby accepting any responsibility in respect of the insurance, maintenance, repair or replacement thereof.

11.06 Construction Liens

If any construction lien or certificate of action is served or filed against the Lands or any part thereof, whether valid or not and whether preserved or perfected, by reason of work done or to be done or materials or services furnished or to be furnished for the account of the Tenant, or by reason of alteration, repair or installation made or to be made for the account of the Tenant, the Tenant shall promptly discharge the lien or have the certificate vacated, at its sole expense, immediately after notice from the Landlord, or within ten (10) calendar days after registration or service, whichever is earlier. The Tenant shall indemnify and save harmless the Landlord and OILC from and against any liabilities, claims, liens, damages, costs and expenses, including legal expenses, arising in connection with any work, services or material supplied to the Tenant or the Lands. If the lien is vacated but not discharged, the Tenant shall, if requested by the Landlord, undertake OILC's and the Landlord's defence of any subsequent lawsuit commenced in respect of the lien, at the Tenant's sole expense.

In the event that the Tenant fails or refuses to vacate or discharge a construction lien within the time prescribed above, in addition to any other rights of the Landlord, the Landlord and OILC shall, at its option, be entitled to take all steps necessary to vacate and/or discharge the lien, and all costs and expenses incurred by the Landlord and OILC in so doing (including without limitation, all legal fees and disbursements, the amount and costs of any security posted to vacate the lien and any payment which may ultimately be made out of or pursuant to security posted to vacate the lien) shall be for the account of the Tenant. In the event that the Tenant fails to comply with the terms of this Section 11.06, the Landlord may, but shall not be obliged to pay into court the amount necessary to discharge the lien and charge the Tenant with the amounts so paid and all costs incurred by the Landlord, including legal fees and disbursements plus an administrative fee of fifteen percent (15%) of such amounts and costs, which shall be paid by the Tenant to the Landlord, forthwith upon demand, as Additional Rent.

11.07 Maintenance and Repairs by the Landlord

The Landlord will maintain and repair the Building as would a prudent owner of a similar Building, having regard to size, age and location of the Building, with the cost of such maintenance and repair to be included in Operating Costs. The obligations of the Landlord under this Section are subject to the following exceptions:

- (a) damage or destruction as set out in Article XIII, in the circumstances where this Lease will terminate;
- (b) damage or injury caused by or resulting from any negligence, fault, omission, want of skill, act or misconduct of the Tenant, its officers, agents, servants, employees, contractors, invitees, licensees or persons for whom the Tenant is responsible in law or over whom the Tenant may reasonably be expected to exercise control; and
- (c) the Tenant's obligations set out in Section 11.01.

11.08 Repair Where the Tenant is at Fault

If the Building or any part of the Building requires repair, replacement or alteration:

- (a) because of the negligence, fault, omission, want of skill, act or misconduct of the Tenant its officers, agents, servants, employees, contractors, invitees, licensees or persons for whom the Tenant is responsible at law;
- (b) due to the requirements of any Authority relating to the Tenant's conduct of business; or
- (c) as a result of the Tenant stopping up or damaging the heating apparatus, water pipes, drainage pipes or any other equipment or facilities or parts of the Building;
- (d) the cost of the repairs, replacements or alterations, plus a sum equal to fifteen percent (15%) thereof, will be paid by the Tenant to the Landlord forthwith on demand as Additional Rent.

ARTICLE XII - END OF TERM

12.01 Vacating of Possession

Forthwith upon the expiry or earlier termination of the Term, the Tenant shall deliver to the Landlord vacant possession of the Premises in such condition in which the Tenant is required to keep the Premises during the Term, leave the Premises in a neat and clean condition and deliver to the Landlord all keys, and security access cards, if any, for the Premises.

12.02 Removal of Trade Fixtures

Provided the Tenant has paid all Rent and is not otherwise in default hereunder, at the expiry or earlier termination of the Term, the Tenant shall remove its trade fixtures (including any signs erected pursuant to Section 9.03) and repair all damage resulting from the installation or removal of such trade fixtures. If at the expiry or earlier termination of the Term, the Tenant does not remove its trade fixtures or any of its other property on the Premises, the Landlord shall have no obligation in respect thereof and may sell or destroy the same or have them removed or stored at the expense of the Tenant or at the option of the Landlord, such trade fixtures or property shall become the absolute property of the Landlord without any compensation to the Tenant.

12.03 Removal of Improvements

Notwithstanding that the Improvements may become the property of the Landlord upon installation, at the expiry or earlier termination of the Term, the Tenant will, if required by the Landlord, remove any or all such Improvements as required by the Landlord, and in so doing shall restore the Premises to their condition prior to the installation and removal of such Improvements. The Tenant shall repair and make good any damage to the Premises or to the Building caused either by the installation or the removal of the Improvements.

12.04 Overholding by Tenant

If the Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of the Landlord but without any further written agreement, then this Lease shall not be deemed to have been renewed thereby and the Tenant shall be deemed to be occupying the Premises as a monthly tenant on the same terms and conditions as set forth in this Lease insofar as they are applicable to a monthly tenancy, except for the length of the Term, and that the monthly Basic Rent shall be twice the monthly Basic Rent payable during the last twelve (12) months of the Term or Extension Term, as the case may be.

ARTICLE XIII - DAMAGE AND DESTRUCTION

13.01 Damage to Premises

If, during the Term, the Premises, or any part thereof, are, in the opinion of the Architect,

destroyed or damaged by any cause whatsoever so as to render the Premises substantially or wholly unfit for occupancy by the Tenant, then and so often as the same shall happen, the following provisions shall have effect:

(a) Significant Destruction to Premises

If the Premises are, in the opinion of the Architect, incapable of being repaired and restored with reasonable diligence within ninety (90) days of the date of such destruction or damage (the "Date of Damage"), then the Landlord may terminate this Lease by written notice given to the Tenant within thirty (30) days of the Date of Damage. In the event of such notice being so given:

- (i) this Lease shall cease and become null and void from the Date of Damage, except that the Tenant shall remain liable for all Rent accrued up to the Date of Damage;
- (ii) the Tenant shall immediately surrender the Premises and all of its interest therein to the Landlord;
- (iii) all Rent shall be apportioned and shall be payable by the Tenant only to the Date of Damage; and
- (iv) the Landlord may re-enter and re-possess the Premises.

Provided that if, within the said period of thirty (30) days, notice terminating this Lease has not been given, then, upon the expiration of the said period or if the Landlord does not elect to terminate this Lease, the Landlord shall, with reasonable promptitude, proceed to repair and restore the damaged portions of the Structure (but not the Improvements) and the Mechanical and Electrical Services to their condition prior to the Date of Damage and the Tenant shall, with reasonable promptitude, proceed to repair and restore the Improvements and the balance of the Premises to their condition prior to the Date of Damage. In the event that the Landlord does not elect to terminate this Lease in accordance with this Subsection 13.01(a), Basic Rent shall abate in proportion to the portion of the Premises rendered untenable by such damage or destruction as determined by the Architect, from the Date of Damage to the date next following the date that the Landlord has substantially restored the Premises to the extent of its obligations hereunder. In the event that this Lease is terminated in accordance with this Subsection 13.01(a), the Landlord hereby reserves any and all rights to indemnification by the Tenant which it may have as a result of any breach of covenant by the Tenant arising prior to the Date of Damage.

(b) Rebuilding/Repairing Premises

If, in the opinion of the Architect, the Premises are capable with reasonable diligence of being rebuilt and/or repaired and restored within ninety (90) days of the Date of Damage, then the Landlord shall rebuild and/or repair and restore the Premises to the extent of its obligations under Section 13.01(a) and the Tenant shall rebuild and/or repair and restore the Improvements and the balance of the Premises with all reasonable speed. Basic Rent shall abate in proportion to the portion of the Premises rendered untenable by such damage or destruction as determined by the Architect, from the Date of Damage to the date next following the date that the Landlord has substantially restored the Premises to the extent of its obligations hereunder.

13.02 Restoration of Premises

If there is damage or destruction to the Premises and if this Lease is not terminated pursuant to the provisions of this Article XIII, the Landlord, in performing its repairs as required hereby, shall not be obliged to repair or rebuild in accordance with the plans or specifications for the Premises as they existed as of the Date of Damage but, rather, may repair or rebuild in accordance with any plans and specifications chosen by the Landlord in its sole discretion.

13.03 Damage to Building

If twenty-five percent (25%) or more of the Rentable Area of the Building is damaged or destroyed by any cause whatsoever, whether or not there is any damage to the Premises, the Landlord may, at its sole option, by notice to be given to the Tenant within ninety (90) days after the Date of Damage, terminate this Lease as of the date specified in such notice, which date shall, in any event, be not less than thirty (30) days and not more than one hundred and eighty (180) days after the date of the giving of such notice. In the event of such termination, the Tenant shall surrender vacant possession of the Premises by not later than the said date of termination and Rent hereunder shall be apportioned to the effective date of termination. If the Landlord does not elect to terminate this Lease, the Landlord shall diligently proceed to repair and rebuild the Premises and the Building (but not the Improvements) to the extent of its obligations hereunder, but the repaired or rebuilt Building may be different in configuration and design from that existing prior to the Date of Damage.

13.04 Decision of Architect Binding

The decision of the Architect as to the time within which the damage or destruction to the Premises, the Improvements or the Building can or cannot be repaired, the extent of the damage, or the state of tenantability of the Premises, as the case may be, shall be final and binding upon the parties.

ARTICLE XIV - ASSIGNMENT AND SUBLETTING

14.01 Tenant not to Transfer

- (a) The Tenant shall not, whether by conveyance, written agreement or otherwise, and whether or not by operation of law, assign this Lease in whole or in part (or any interest in this Lease), nor sublet all or any part of the Premises, nor mortgage or encumber this Lease or the Premises or any part thereof, nor suffer or permit the occupation of, or part with or share possession of all or any part of the Premises (whether by way of concessions, franchises, licenses or otherwise) by any Person, nor suffer or permit a change in a partnership if the change results in a change in the effective control of the Tenant (all of the foregoing being collectively referred to in this Article XIV as a "Transfer", and the person to whom the Premises is transferred is referred to as the "Transferee"), without the prior written consent of the Landlord, which consent may not be arbitrarily or unreasonably withheld. The Landlord shall be deemed to be acting reasonably in withholding its consent if:
- (i) the Transfer would violate any covenant or restriction granted to any other tenant of the Building;
 - (ii) in the Landlord's opinion: (A) either the financial background or the business history and capability of the proposed Transferee is not satisfactory; or (B) the nature or character of the proposed business of the proposed Transferee is such that it might harm the Landlord's business or reputation or reflect unfavourably on the Project, the Landlord, or other tenants of the Building, or the image of any of them, or is unethical, immoral or illegal;
 - (iii) the proposed Transferee or any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with Laws;
 - (iv) the proposed Transferee has agreed to pay to the Tenant some form of consideration that is reasonably attributable to the value of the Premises or to the Improvements;
 - (v) the amount of rent to be paid by the proposed Transferee is less than that provided for in this Lease or the terms of the proposed Transfer are otherwise in any respect more favourable to the proposed Transferee than those of this Lease are to the Tenant;

- (vi) the proposed Transfer is a mortgage, charge or other encumbrance of the Tenant's rights or interest under this Lease;
- (vii) an event of default on the part of the Tenant has occurred and is continuing or any notice of default was given by the Landlord to the Tenant in the preceding twelve (12) month period;
- (viii) the proposed Transfer is a sublease by an existing sublessee of the Premises or any part thereof;
- (ix) there is any other reasonable ground not stated above for withholding consent; or
- (x) the Landlord does not receive sufficient information (including financial information) to enable it to make a determination concerning the matters set out above or consent for the Landlord to do a credit search in respect of the Transferee.

Notwithstanding any such Transfer permitted or consented to by the Landlord, the Tenant shall be jointly and severally liable with the Transferee and shall not be released from performing any of the terms, covenants and conditions of this Lease.

- (b) In addition, the following terms and conditions apply in respect of a consent given by the Landlord to a Transfer:
 - (i) the consent by the Landlord, if granted, is not a waiver of the requirement for consent to subsequent Transfers, and no Transfer shall relieve the Tenant of its obligations under this Lease, unless specifically so provided in writing;
 - (ii) no acceptance by the Landlord of Rent or other payments by a Transferee is: (A) a waiver of the requirement for the Landlord to consent to the Transfer, (B) the acceptance of the Transferee as tenant, or (C) a release of the Tenant from its obligations under this Lease or any indemnity agreement;
 - (iii) the Landlord may apply amounts collected from the Transferee to any unpaid Rent;
 - (iv) the Transferor (unless the Transferee is a subtenant of the Tenant), shall retain no rights under this Lease in respect of obligations to be performed by the Landlord or in respect of the use or occupation of the Premises after the Transfer and the Transferor shall execute an indemnity agreement on the Landlord's standard form in respect of obligations to be performed after the Transfer by the Transferee;
 - (v) the Transferee shall, when required by the Landlord, jointly and severally with the Tenant, enter into an agreement directly with the Landlord agreeing to be bound by this Lease as if the Transferee had originally executed this Lease as the Tenant;
 - (vi) in the event that this Lease is disaffirmed, disclaimed or terminated by any trustee in bankruptcy of a Transferee, upon notice by the Landlord given within thirty (30) days of such disaffirmation, disclaimer or termination, the original Tenant named in this Lease shall be deemed, to have entered into a lease with the Landlord containing the same terms and conditions as in this Lease, with the exception of the Term of such Lease which shall expire on the date on which this Lease would have ended save for such disaffirmation, disclaimer or termination; and
 - (vii) any documents relating to a Transfer or the Landlord's consent will be prepared by the Landlord or its solicitors and a reasonable administration charge of at least Two Hundred and Fifty Dollars (\$250.00) and the greater of: (i) a reasonable document preparation fee of at least Four Hundred and Fifty Dollars (\$450.00); or (ii) those legal fees on a solicitor and client basis incurred by the Landlord will be paid to the Landlord by the Tenant as Additional Rent forthwith upon demand.

14.02 Landlord's Option

Notwithstanding the other provisions contained in this Article XIV, after the Landlord receives a request for consent to a Transfer with the information herein required, it shall have the option, in its sole discretion, to be exercised by notice to the Tenant within fifteen (15) days after the receipt of such request and the required information to terminate this Lease as it relates to the portion of the Premises which is the subject of the proposed Transfer, effective as of the date on which the proposed Transfer by the Tenant was proposed to occur. If the Landlord elects to terminate this Lease as aforesaid, Tenant shall have the right, to be exercised by written notice to the Landlord within ten (10) days after receipt of such notice of termination, to withdraw the request for consent to the Transfer, in which case, the Tenant shall not proceed with such Transfer, the notice of termination shall be null and void and this Lease shall continue in full force and effect.

14.03 No Advertising of Premises

The Tenant shall not advertise for sale this Lease or all or any part of the Premises or the business or fixtures therein, without the Landlord's prior written consent.

14.04 Assignment by the Landlord

In the event of the sale, lease or disposition by the Landlord of the Building or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that the purchaser or assignee thereof assumes the covenants and obligations of the Landlord hereunder, the Landlord shall, thereupon and without further agreement, be freed and relieved of all liability with respect of such covenants and obligations.

14.05 Corporate Ownership

If the Tenant is a corporation or if the Landlord has consented to a Transfer of this Lease to a corporation, any transfer or issue by sale, assignment, bequest, inheritance, consolidation, subscription, operation of law or other disposition, or liquidation, from time to time of all or any part of the corporate shares of the Tenant or of any holding or subsidiary corporation of the Tenant or any corporation which is an associate or affiliate of the Tenant (as those terms are defined in the Business Corporations Act, R.S.O. 1990, c.B.16, as amended) or any amalgamation or merger which results in any change in the present effective voting control of the Tenant by the Person holding such voting control at the date of execution of this Lease (or at the date a Transfer of this Lease to a corporation is permitted) and which does not receive the prior written consent of the Landlord in each instance, which consent may not be unreasonably withheld, shall constitute a default under this Lease which will entitle the Landlord to exercise the remedies contained in Section 16.01 of this Lease. This Section 14.05 shall not apply to the Tenant if and during the period of time the Tenant is a public corporation whose shares are listed and traded on any recognized stock exchange in Canada or the United States. Notwithstanding the foregoing, the Tenant shall not be required to obtain the Landlord's prior written consent, but shall give the Landlord at least thirty (30) days' prior written notice, in the case of any Transfer of this Lease to either: (i) any corporation which is wholly owned by the Tenant so long as the corporation remains wholly owned by the Tenant, and the Tenant and such wholly owned corporation are jointly and severally liable under this Lease to the Landlord; or (ii) a corporation formed as a result of a merger or amalgamation of the Tenant with one or more other corporations, provided that the Premises continue to be used for the Contemplated Use.

The Tenant shall make available to the Landlord or its lawful representatives all corporate books and records for inspection, copying or both, at all reasonable times, to ascertain whether there has been in fact a change in the effective voting control of the Tenant. The Landlord may terminate this Lease upon thirty (30) days' notice if such books and records are not made available as requested by the Landlord.

ARTICLE XV - REGISTRATION, STATUS STATEMENT, ATTORNMENT AND SUBORDINATION

15.01 Registration

The Tenant shall not register this Lease on the title to the Lands or any short form or notice hereof except in such form as has been approved by the Landlord in writing, the Tenant agreeing to pay the Landlord's reasonable expenses, including legal fees, for such approval. The Tenant shall forthwith provide to the Landlord a duplicate registered copy of any short form or notice of this Lease or other document registered on title.

15.02 Status Statement

The Tenant shall, at any time and from time to time, execute and deliver to the Landlord or as the Landlord may direct, within five (5) Business Days after request, a statement in writing, in the form supplied by the Landlord, certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modification and stating that this Lease is in full force and effect as modified), the Commencement Date, the amount of the Basic Rent and other Rent then being paid hereunder, the amount of any security deposit or rent deposits, if any, the dates to which such Rent hereunder has been paid, whether or not there is any existing default on the part of the Landlord or the Tenant, whether the Tenant has any claims for any right of set-off or any claim for a deduction or abatement of Rent, confirmation that the Tenant has accepted possession of the Premises and any other particulars that the Landlord may reasonably request.

15.03 Subordination and Attornment

This Lease and the rights of the Tenant hereunder shall be subject and subordinate to all existing or future mortgages, charges or other security instruments or encumbrances and to all renewals, modifications, consolidations, replacements and extensions thereof. Whenever requested by the Landlord or a mortgagee, the Tenant shall enter into an agreement with the mortgagee whereby the Tenant postpones or subordinates this Lease to the interest of such mortgagee and agrees that if such mortgagee becomes a mortgagee in possession or realizes on its security, it shall attorn to such mortgagee as a tenant upon all the terms of this Lease. On written request of the Tenant, the Landlord shall submit the Tenant's form of non-disturbance agreement to any mortgagee with an interest in the Lands for its consideration and the Tenant will be responsible for all costs and charges in connection therewith.

15.04 Attorney

At the request of the Landlord the Tenant shall execute promptly such statements and instruments as required under Sections 15.02 and 15.03. The Tenant hereby irrevocably appoints the Landlord as the Tenant's attorney with full power and authority to execute and deliver in the name of the Tenant any such instruments or certificates. Where the Tenant has not executed such instruments or certificates within fifteen (15) days after the date of a written request by the Landlord, the Landlord shall have the right to terminate this Lease without incurring any liability on account thereof.

ARTICLE XVI - DEFAULT

16.01 Right to Re-Enter

If and whenever:

- (a) the Tenant fails to pay any Rent when due; or
- (b) the Tenant fails to observe or perform any obligation of the Tenant, other than payment of Rent after ten (10) days' notice by the Landlord (or if the failure would reasonably require more than ten (10) days to rectify, unless the Tenant commences rectification within the ten (10) day notice period and thereafter diligently proceeds to rectify the failure); or
- (c) the Tenant or any person occupying the Premises or any part thereof becomes bankrupt or

insolvent or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or

- (d) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property; or
- (e) any steps are taken or any action or proceeding are instituted for the dissolution, winding-up or liquidation of the Tenant or its assets; or
- (f) the Tenant makes a sale in bulk of any of its assets, wherever situated (other than a bulk sale made to an assignee or sublessee pursuant to a permitted Transfer hereunder and pursuant to the Bulk Sales Act, R.S.O. 1990, c.B.14, as amended); or
- (g) the Tenant fails to move into or take possession of the Premises, abandons or attempts to abandon the Premises, or sells or disposes of the goods and chattels of the Tenant or removes them from the Premises so that there would not be sufficient goods of the Tenant on the Premises subject to distress to satisfy all Rent due or accruing hereunder for a period of at least six (6) months; or
- (h) the Premises become and remain vacant for a period of five (5) consecutive days or are used by any Persons other than such as are entitled to use them hereunder; or
- (i) the Tenant effects a Transfer of all or any part of the Premises except in a manner permitted by this Lease; or
- (j) this Lease or any of the Tenant's assets are taken under any writ of execution; or
- (k) termination or re-entry is permitted under any other provisions of this Lease;

the then current Rent and the next three (3) months' Rent shall be forthwith due and payable and the Landlord, in addition to any other rights or remedies it has pursuant to this Lease or by law, has the immediate right to terminate this Lease or to re-enter the Premises and it may repossess the Premises and may expel all persons and remove all property from the Premises and such property may be removed and sold or disposed of by the Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant.

16.02 Right to Relet

- (a) In the event of the Tenant's default, the Landlord as agent of the Tenant, may relet the Premises and take possession of any furniture, fixtures, equipment or other property thereon and, upon giving notice to the Tenant, store the same at the expense and risk of the Tenant or sell or otherwise dispose of same at a public or private sale without further notice, and to make alterations to the Premises to facilitate their reletting and to apply the net proceeds of the sale of any furniture, fixtures, equipment, or other property or from the reletting of the Premises, less all expenses incurred by the Landlord in making the Premises ready for reletting and in reletting the Premises, on account of the Rent due and to become due under this Lease, and the Tenant shall be liable to the Landlord for any deficiency and for all such expenses incurred by the Landlord as aforesaid; nothing done by the Landlord shall be construed as an election to terminate this Lease unless written notice of such termination is given by the Landlord to the Tenant.
- (b) Upon each such reletting, all Rent received by the Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by the Landlord and applied in payment of future Rent as the same becomes due and payable hereunder. If such Rent received from such reletting during any month is less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency which shall be calculated and paid monthly in advance on or before the first day of each and every month.

16.03 Right to Terminate

If the Landlord at any time terminates this Lease for any breach by the Tenant, it may recover from the Tenant all damages it incurs by reason of such breach, including the cost of recovering the Premises, solicitor's fees (on a solicitor and his client basis) and including the worth at the time of such termination of the excess, if any, of the amount of Rent and charges equivalent to Rent required to be paid pursuant to this Lease for the remainder of the Term over the then reasonable rental value of the Premises for the remainder of the Term, all of which amounts shall be immediately become due and payable by the Tenant to the Landlord.

16.04 Landlord may Cure the Tenant's Default or Perform the Tenant's Covenants

The Landlord may pay any amounts or charges required to be paid by the Tenant pursuant to this Lease, if the Tenant has not paid such amounts after five (5) days' notice by the Landlord of any such amount. If the Tenant is in default in the performance of any obligations hereunder (other than the payment of Rent), the Landlord may from time to time after giving such notice as it considers sufficient (or without notice in the case of an emergency), perform or cause to be performed any or part of such obligations, and for such purpose may do such things as may be required including, without limitation, entering upon the Premises and doing such things upon or in respect of the Premises or any part thereof as the Landlord reasonably considers necessary. All expenses incurred and expenditures made pursuant to this Section shall be paid by the Tenant as Additional Rent, forthwith upon demand and shall include an administration fee equal to fifteen percent (15%) of the Landlord's expenses. The Landlord shall have no liability to the Tenant for any loss or damage resulting from any such action or entry by the Landlord upon the Premises and the same is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

16.05 Costs

The Tenant shall pay to the Landlord, forthwith upon demand, all costs incurred by Landlord including, without limitation, legal expenses (on a substantial indemnity basis) and reasonable compensation for all time expended by the Landlord's own personnel arising as a result of any default in the Tenant's obligations under this Lease.

16.06 Charges Collectible as Rent

If the Tenant is in default in the payment of any amounts or charges required to be paid pursuant to this Lease, such amounts or charges shall, if not paid when due, be collectible as Rent with the next monthly instalment of Basic Rent thereafter falling due hereunder, but nothing herein contained is deemed to suspend or delay the exercise of any other remedy of the Landlord. The Tenant agrees that the Landlord may, at its sole option, apply or allocate any sums received from or due to the Tenant against any amounts due and payable hereunder in such manner as the Landlord sees fit.

ARTICLE XVII - MISCELLANEOUS

17.01 Rules and Regulations

The Landlord may, from time to time, make and amend reasonable rules and regulations for the management and operation of the Building and the Tenant and all persons under its control shall comply with all of such rules and regulations of which notice is given to the Tenant from time to time, all of which shall be deemed to be incorporated into and form part of this Lease.

17.02 Option(s) to Extend

Provided that the Tenant has not been in default of any of its obligations under this Lease at any time during the Term, the Tenant shall have the right to extend this Lease for two (2) further term(s) of five (5) years each (each an "Extension Term"), upon the following terms and conditions:

- (a) The Tenant shall provide the Landlord with six (6) months' prior written notice, of the

Tenant's intention to extend this Lease prior to the expiry of the Term or the then current Extension Term, as the case may be.

- (b) Each Extension Term shall be upon the same terms and conditions of this Lease, except: (i) for any Landlord's work, rent free period, Fixturing Period, tenant allowance or other tenant inducements; (ii) that, in the case of the last Extension Term, there shall be no further extension term; and (iii) for the Basic Rent, which will be based on the then current fair market rental for the Premises as of the date which is six (6) months prior to the expiry of the Term or the then current Extension Term, as the case may be, as negotiated between the parties, by no later than the date which is three (3) months prior to the expiry of the Term or the then current Extension Term, as the case may be, taking into consideration the age, size and location of the Building and the use, and condition of the Premises, which shall not, in any event, be less than the Basic Rent payable by the Tenant during the last year of the Term or the then current Extension Term, as the case may be.
- (c) The Landlord may, at its option, require that the Tenant: (i) enter into an agreement prepared by the Landlord to give effect to the extension terms provided for in this Lease; or (ii) execute a new net lease for the Extension Term on the Landlord's standard net lease form for the Building in use at such time.
- (d) If the parties are unable to agree upon the rental rate to be charged during the Extension Term provided for in this Lease on or before the date which is three (3) months prior to the expiry of the Term or the then current Extension Term, as the case may be, then they shall submit the dispute to arbitration by a single arbitrator in accordance with the provisions of the Arbitration Act, S.O. 1991, c.17, as amended, or any successor act. Pending the completion of any arbitration process, the Tenant shall continue to pay Basic Rent at the rate payable during the last year of the Term or the then current Extension Term, as the case may be. Within thirty (30) days of completion of the arbitration process, the Tenant shall pay to the Landlord the amount, if any, by which the new Basic Rent exceeds the Basic Rent rate for the last year of the Term, for the period during the Extension Term that the Tenant continued to pay Basic Rent at the rate payable during the last year of the Term. The decision of the arbitrator shall be final and binding on the parties and shall not be subject to any appeal or review process.

17.03 Access to Premises

- (a) Without limiting any other rights the Landlord may have pursuant to this Lease or at law, the Landlord shall have the right to enter the Premises at any time for any of the following purposes: (i) to examine the Premises and to perform any maintenance, repairs or alterations to any part of the Premises or to any equipment and services serving the Premises or any other part of the Building; (ii) in cases of emergency; (iii) to read any Utility or other meters; (iv) to show the Premises to prospective purchasers and to permit prospective purchasers to make inspections, measurements and plans; and (v) during the last twelve (12) months of the Term or Extension Term, as the case may be, to show the Premises to prospective tenants and to permit prospective tenants to make inspections, measurements and plans.
- (b) The Landlord shall have the right to run, conduits, wires, pipes, ducts and other elements of any systems through the Premises for Utilities, heating, ventilating, air-conditioning and humidity control, telephone and other communications systems and any other such systems that serve the Premises, the Common Areas and Facilities or the Building.
- (c) The Landlord shall exercise its rights pursuant to this Section in such manner and at such times as the Landlord, acting reasonably but in its sole discretion, shall determine. At any time that entry by the Landlord is desired in the case of an emergency, and if no personnel of the Tenant are known by the Landlord to be present on the Premises, or if such personnel fail for any reason to provide the Landlord with immediate access at the time such entry is desired, the Landlord may forcibly enter the Premises without liability for any damage caused thereby.

17.04 Cancellation

The Landlord shall have the right to terminate this Lease, upon providing the Tenant with twenty-four (24) months' prior written notice, without penalty, compensation, damages or bonus to the Tenant. Upon the expiry date of such notice, the Tenant shall deliver up vacant possession of the Premises, pursuant to the terms of this Lease, and this Lease shall then be terminated.

17.05 Remedies to Subsist

No waiver of any of the Tenant's obligations under this Lease or of any of the Landlord's rights in respect of any default by the Tenant hereunder shall be deemed to have occurred as a result of any condoning, overlooking or delay by the Landlord in respect of any default by the Tenant or by any other act or omission of the Landlord including, without limitation, the acceptance of any Rent less than the full amount thereof or the acceptance of any Rent after the occurrence of any default by the Tenant. The waiver by the Landlord of any default of the Tenant or of any rights of the Landlord, which shall be effected only by an express written waiver executed by the Landlord, shall not be deemed to be a waiver of any other term, covenant or condition under this Lease or at law and shall not be deemed to be a waiver of any subsequent default of the Tenant or right of the Landlord. All rights and remedies of the Landlord under this Lease and at law shall be cumulative and not alternative, and the exercise by the Landlord of any of its rights pursuant to this Lease, at law or in equity shall at all times be without prejudice to any other rights of the Landlord, whether or not they are expressly reserved.

17.06 Impossibility of Performance

If and to the extent that either the Landlord or the Tenant shall be bona fide delayed in the fulfilment of any obligation under this Lease, other than the payment of Rent by the Tenant, by reason of the unavailability of materials, equipment, utilities, services or by reason of any Laws, including Orders-in-Council, or by reason of any other similar cause beyond its control and not avoidable by the exercise of reasonable foresight (excluding the inability to pay for their performance of such obligation), then the party being delayed shall be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay and the other party shall not be entitled to any compensation for any loss or inconvenience occasioned thereby. The party delayed shall use its best efforts to fulfil the obligation in question as soon as reasonably practicable by arranging an alternate method of providing the work, services or materials.

17.07 Notices

All notices, statements, demands, requests or other instruments which may be or are required to be given under this Lease shall be in writing and shall be delivered in person or sent by facsimile or mailed by either prepaid registered or signature Canadian mail enclosed in a sealed envelope, addressed to the Tenant, the Landlord and the Service Provider as set out in Subsections 1.01(n) and 1.01(o) respectively, or such other addresses as the Landlord, the Tenant or Service Provider may from time to time designate. The time of giving of notice by either registered or signature mail shall be conclusively deemed to be the fifth (5th) Business Day after the day of such mailing. Such notice, if personally delivered or if delivered by facsimile (with confirmation of transmission) shall be conclusively deemed to have been given and received at the time of such delivery. The parties hereto acknowledge and agree that notwithstanding anything to the contrary in the *Electronic Commerce Act, 2000*, S.O. 2000, c.17, as amended from time to time, any notice, statement, demand, request or other instrument which may be or is required to be given under this Lease or at law may not be validly delivered by way of electronic communication, save as specifically provided in this Section 17.07. Any party may at any time during the Term and any extension or renewal thereof, by giving notice to the other party/ies (in the manner provided above) change the address of the party/ies by giving such notice, and thereafter the address as set out in the relevant Articles shall be deemed to be the address so changed. If two or more persons are named as tenant, any notice given hereunder shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.

17.08 Complete Agreement

There are no covenants, representatives, agreements, warranties or conditions in any way relating to the subject matter of this Lease or the tenancy created hereby, expressed or implied, collateral or otherwise, except as expressly set forth herein, and this Lease constitutes the entire agreement between the parties and may not be modified except by subsequent written agreement duly executed by the Landlord and Tenant. Schedules “A”, “B” and “C” attached hereto form part of this Lease.

17.09 Collateral Rights

The Tenant acknowledges that any right of first refusal, option to lease, right of first offer, or other right to lease and any exclusive restriction or similar restriction granted to it under this Lease is collateral in nature and not fundamental to this Lease. The remedies of the Tenant in connection with any breach of such rights are limited to an action in damages and shall not entitle the Tenant to treat any breach of such rights as a repudiation or fundamental breach of this Lease by the Landlord.

17.10 Time of the Essence

Time is of the essence of all terms of this Lease.

17.11 Applicable Law

This Lease shall be governed by and interpreted in accordance with the Laws of the Province of Ontario. The parties agree that the Courts of Ontario shall have jurisdiction to determine any matters arising hereunder.

17.12 Severability

If any provision of this Lease is illegal, unenforceable or invalid, it shall be considered separate and severable and the remainder of this Lease shall remain in full force and effect as though such provision had not been included in this Lease but such provision shall nonetheless continue to be enforceable to the extent permitted by law.

17.13 No Partnership or Agency

The Landlord does not in any way or for any purpose become a partner of the Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with the Tenant, nor is the relationship of principal and agent created.

17.14 Section Numbers and Headings

The section numbers and headings of this Lease are inserted for convenience only and shall in no way limit or affect the interpretation of this Lease. References in this Lease to section numbers refer to the applicable section of this Lease, unless a statute or other document is specifically referred to.

17.15 Interpretation

Whenever a word importing the singular or plural is used in this Lease, such word shall include the plural and singular respectively. Where any party is comprised of more than one entity, the obligations of each such entities shall be joint and several. Words importing persons of either gender and firms or corporations shall include persons of the other gender and firms or corporations as applicable. Subject to the express provisions contained in this Lease, words such as “hereof”, “herein”, “hereby”, “hereafter” and “hereunder” and all similar words or expressions shall refer to this Lease as a whole and not to any particular section or portion hereof.

17.16 Successors

This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and other legal representatives

except only that this Lease shall not enure to the benefit of any of such parties unless and only to the extent expressly permitted pursuant to the provisions of this Lease.

17.17 Not Binding on the Landlord

This Lease shall not be binding on the Landlord until it has been duly executed by or on behalf of the Landlord.

17.18 Freedom of Information

The Tenant acknowledges and agrees that the commercial and financial information in this Lease may be required to be released pursuant to the provisions of the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31, as amended, or any successor act.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

17.19 Conflict of Interest

The Tenant and any of its successors, administrators, permitted assigns, directors, officers, employees, agents, servants, and representatives shall not engage in any activity where such activity creates a conflict of interest, actual or potential, in the sole opinion of the Landlord, with the Lease or the exercise of any of the rights or obligations of the Tenant hereunder. The Tenant shall disclose to the Landlord in writing and without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

For clarification, a “conflict of interest” means, in relation to the performance of its contractual obligations pursuant to this Lease, the Tenant’s other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations pursuant to this Lease.

IN WITNESS WHEREOF the parties hereto have executed this Lease on the dates written below.

SIGNED, SEALED AND DELIVERED

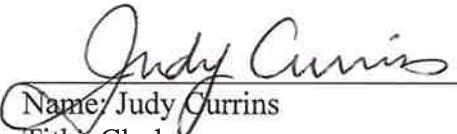
Dated the 2nd day of OCTOBER, 2017

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

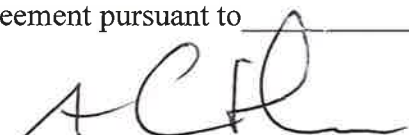
Per: 
Name: _____
Title: **James Harvey**
Vice President, Leasing & Valuation Services
Infrastructure Ontario
Authorized Signing Officer

Dated the 15th day of August, 2017

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES**

Per: 
Name: **Judy Currins**
Title: **Clerk**

Authorized Signing Officer
I have the authority to execute this
agreement pursuant to _____.

Per: 
Name: **Andy Letham**
Title: **Mayor**

Authorized Signing Officer
I have the authority to execute this
agreement pursuant to CR2017-523.

SCHEDULE "A"
LEGAL DESCRIPTION

PT S1/2 LT 21 CON 4 OPS PT 1 57R8709; KAWARTHA LAKES

SCHEDULE "C"
ENVIRONMENTAL CONTAMINANTS

NONE

LEASE EXTENSION AND AMENDING AGREEMENT

THIS AGREEMENT made in duplicate as of April 1, 2021.

B E T W E E N:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND CONSUMER SERVICES**

(the “**Landlord**”)

- and -

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “**Tenant**”)

WHEREAS:

- A. By a lease dated June 14, 2017 (the “**Original Lease**”), the Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure (“MOI”) leased to the Tenant the premises described as a portion of the ground floor, comprising a rentable area of approximately two thousand, one hundred and eighty-two (2,182) square feet (the “**Rentable Area of the Premises**”), in the building municipally known as 440 Kent Street West, in the Town of Lindsey, in the Province of Ontario, as outlined on the plan attached to the Original Lease as Schedule “A” thereto (the “**Premises**”) for a term of five (5) years, commencing on April 1, 2016 and expiring on March 1, 2021 (the “**Original Term**”), in addition to other terms and conditions as set out therein.
- B. Pursuant to the terms of the Original Lease, the Tenant was entitled to extend the Original Term for two (2) additional terms of five (5) years each.
- C. By Order in Council No. 1152/2018, approved and ordered October 22, 2018, certain responsibilities in respect of government property under the *Ministry of Infrastructure Act*, 2011, S.O. 2011, c. 9, Sched. 27 and other responsibilities were assigned and transferred from the MOI to the Minister of Government and Consumer Services.
- D. The Tenant has now exercised its right to extend the Original Term in accordance with the terms of the Original Lease with an extension term commencing on April 1, 2021 and expiring on March 31, 2026 (the “**Extension Term**”).
- E. The Landlord and the Tenant have agreed to amend the Original Lease as hereinafter provided.
- F. The Original Lease, and this lease extension and amending agreement (the “**Lease Extension and Amending Agreement**”), is hereinafter collectively referred to as the “**Lease**”, except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) Any reference made, throughout the Lease, to "square feet" shall be “deemed square feet”.

- (b) The Lease is hereby extended for the Extension Term.
- (c) The Extension Term shall commence on April 1, 2021 and expire on March 31, 2026.

3. RENT FOR THE EXTENSION TERM.

- (a) The Basic Rent payable for the period April 1, 2021 to March 31, 2023, shall be Twenty-Five Thousand, Ninety-Three Dollars (\$25,093.00) per annum (based on a rate of Eleven Dollars and Fifty Cents (\$11.50) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Two Thousand, Ninety-One Dollars and Eight Cents (\$2,091.08), plus Sales Taxes, each on the first day of each month during the Extension Term, the first of such monthly instalments to be due and payable on April 1, 2021.
- (b) The Basic Rent payable for the period April 1, 2023 to March 31, 2026, shall be Twenty-Five Thousand, Six Hundred Thirty-Eight Dollars and Fifty Cents (\$25,638.50) per annum (based on a rate of Eleven Dollars and Seventy-Five Cents (\$11.75) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Two Thousand, One Hundred Thirty-Six Dollars and Fifty-Four Cents (\$2,136.54), plus Sales Taxes, each on the first day of each month during the Extension Term, the first of such monthly instalments to be due and payable on April 1, 2023.
- (c) The Additional Rent for the year 2020 has been estimated by the Landlord to be Eight Dollars and Ninety-Nine Cents (\$8.99) per square foot of the Rentable Area of the Premise and is subject to annual adjustments in accordance with the terms and provisions of the Original Lease. The annual Additional Rent in the amount of Nineteen Thousand, Six Hundred Sixteen Dollars and Eighteen Cents (\$19,616.18) shall be payable in advance in equal monthly instalments of One Thousand, Six Hundred Thirty-Four Dollars and Sixty-Eight Cents (\$1,634.68), plus Sales Taxes on the first day of each month during the Extension Term, in accordance with the Original Lease.

4. AMENDMENT OF LEASE

The extension contemplated in this Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) The Original Lease is amended as follows:
 - (i) A new Section 17.20 Counterparts, shall be inserted as follows:

“Section 17.20 Counterparts

“The parties agree that this Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this Lease Extension and Amending Agreement.”

- (ii) In the Definitions section of the Original Lease, the definition of “Open Data” shall be inserted:

““Open Data” means data that is required to be released to the public pursuant to the Open Data Directive.”

- (iii) In the Definitions section of the Original Lease, the definition of “Open Data Directive” shall be inserted:

“**Open Data Directive**” means the Management Board of Cabinet’s Open Data Directive, updated on April 29, 2016, as amended from time to time.”

- (iv) Section 1.01 (o) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for the purposes of delivering notices in accordance with Section 17.07 of the Original Lease.

Ontario Infrastructure and Lands Corporation
343 Preston Street, 3rd Floor, Suite 320
Ottawa, Ontario K1S 1N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation
1 Dundas Street West, Suite 2000
Toronto, Ontario M5G 1Z3
Attention: Director, Legal (Leasing and Contract Management)
Fax: (416) 327-3376

And an additional copy to:

CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Global Workplace Solutions – Director, Lease Administration – OILC
Fax: (416) 775-3989

- (v) A new Section 17.19 Health and Safety, shall be inserted as follows:

**“Section 17.19
Health and Safety**

“The Tenant represents and warrants that, as of the date that this agreement is executed and at all times thereafter during the Term and renewals or extensions thereof, the Tenant shall take all reasonable precautions as a prudent Tenant to ensure the health and safety of the Tenant, and its occupants, invitees, employees, visitors, service providers, agents, and those for whom the Tenant is in law responsible. The Tenant further covenants and agrees that during any Health Emergency, it shall take all reasonable actions to mitigate or minimize the effects of the Health Emergency, and comply with any rules or regulations of the Landlord or any orders, ordinances, laws, rules, restrictions any by-laws of any public health official or governing bodies.

A “**Health Emergency**” means a situation in which the Landlord determines, based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health authority, that occupants, tenants, invitees or contractors working in the Building are or may be exposed to imminent danger from a disease, virus or other biological or physical agents that may be detrimental to human health.”

5. GENERAL

- (a) Landlord and the Tenant acknowledge that the Tenant has still has one (1) further options of five (5) years to extend the term of the Original Lease beyond the expiry of this Extension Term, as set out in Section 1.01(m) of the Original Lease.
- (b) The Landlord and the Tenant hereby mutually covenant and agree that during the Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Lease.

- (c) Both the Landlord and the Tenant acknowledge and confirm that the Cancellation right stated in Section 17.04 of the Original Lease shall continue to apply during this Extension Term.
- (d) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (e) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, as amended and extended.
- (f) The parties agree that this Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this Lease Extension and Amending Agreement.
- (g) The provisions of this Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

- (h) The Tenant acknowledges and agrees that the commercial and financial information in this Lease Extension and Amending Agreement is subject to the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31, as amended and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of the Lease or of any information or documents.

EXECUTED by each of the parties hereto under seal on the date written below.

SIGNED, SEALED AND DELIVERED

Dated this ____ day of _____, 20 ____.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTER OF GOVERNMENT
AND CONSUMER SERVICES, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____

Name:

Title:

Authorized Signing Officer

Dated this ____ day of _____, 20 ____.

**THE CORPORATION OF THE CITY
OF KAWARTHA LAKES**

Per: _____

Name:

Title:

Authorized Signing Officer

Per: _____

Name:

Title:

Authorized Signing Officer

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Courtroom and Office Space at 440 Kent Street West, Lindsay

Recitals

1. Section 5.03(3) of By-Law 2016-009, being a By-Law to Provide Authority for the Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that Lease Agreements with revenue or expense over \$10,000.00 per year with a lease term of five (5) years or under, must be approved by Council.
2. A Lease Extension and Amending Agreement for a five year term, which will expire on March 31, 2026, has been reviewed and approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Approval and Authorization

- 2.01 **Approval:** The Agreement attached to this By-Law as Schedule A is hereby approved.
- 2.02 **Authorization:** The Mayor and City Clerk are authorized to sign the agreement attached to this By-law as Schedule A, and to affix the corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A
To By-Law 2021-
Passed this 23rd day of February, 2021



Lease Extension
and Amending Agree

Council Report

Report Number:	RS2021-011
Meeting Date:	February 23, 2021
Title:	Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Basement Office Space)
Description:	Lease Agreement for Basement Office Space for use by Provincial Offences division
Author and Title:	Laura Carnochan, Law Clerk – Realty Services

Recommendations:

That Report RS2021-011, **Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Basement Office Space)**, be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services for the purpose of leasing basement office space for use by the Provincial Offences division; and

That a By-Law (attached as Schedule C) authorizing the signing of the Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes for basement office space at 440 Kent Street West, Lindsay, be forwarded to Council for adoption.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Corporation of the City of Kawartha Lakes has been leasing basement space at 440 Kent Street West, Lindsay for the purpose of office space for the Provincial Offences division.

The current Lease Agreement (attached as Appendix A) will expire on March 31, 2021.

The space leased by the City consists of 3,519 square feet of basement office space.

The proposed Lease Extension and Amending Agreement (attached as Appendix B) sets the base rent for the basement office space as \$7.00 per square foot (\$24,633.00 per annum)

A proportionate share of the building's operating costs (which may vary from one year to the next) is also allocated to the City under the Lease. The proposed Lease estimates the operating cost allocation for the City's rented space at \$8.99 per square foot (\$31,635.81 per annum), subject to annual adjustments.

Sales tax will be payable in addition to each of the above-noted rental amounts.

Rationale:

The terms and conditions of the proposed Lease are substantially the same as the current Lease Agreement in place for the basement office space at 440 Kent Street West.

The proposed Lease extension is for a period from April 1, 2021 to March 31 2026 and the City has one further allowable extension following that term.

The Manager of Realty Services and City Solicitor have reviewed the proposed Lease and have expressed agreement, in principle, subject to Council approval.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be renewed. This is not recommended in this circumstance as the City is currently utilizing the space for the Provincial Offences division and alternative space is not available at this time.

Alignment to Strategic Priorities

The recommendations set out in this Report align with the following strategic priority:

- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

The annual cost of the proposed lease is \$24,633.00, plus HST. This is an increase of \$5,776.20 from the current rate.

In addition, the City is responsible for additional rent for its proportionate share of the building's operating costs. The proposed Lease estimates the additional rent at \$31,635.81 per year. This amount is subject to annual adjustments and may increase or decrease from year to year.

The proposed increases have been reviewed by the Manager of Realty Services and City Solicitor and determined to be a reasonable increase.

Consultations:

City Solicitor

Attachments:

Appendix A – Current Lease Agreement (440 Kent Street West – Basement Office Space)



Appendix A -
Current Lease Agree

Appendix B – Proposed Lease Extension and Amending Agreement (440 Kent Street West – Basement Office Space)



Appendix B -
Proposed Lease Exte

Appendix C – By-Law to Authorize the Execution of the Lease Extension and Amending Agreement for 440 Kent Street West (Basement Office Space)



Appendix C -
By-Law to Authorize

Department Head E-mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: L17-20-RS060

CRA: M24137
Building No.: B10991
Business Entity: N00665

DATED: JUNE 14, 2017

OFFICE PREMISES NET LEASE

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE

(the “Landlord”)

– and –

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “Tenant”)

M24137

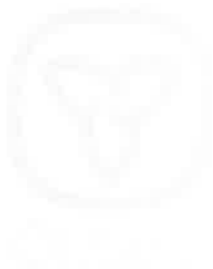


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OFFICE PREMISES NET LEASE

THIS LEASE is made in triplicate as of June 14, 2017, with effect as of April 1, 2016.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE**

(hereinafter referred to as the "Landlord")

- and -

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES**

(hereinafter referred to as the "Tenant")

ARTICLE I - LEASE SUMMARY

1.01 Lease Summary

The following is a summary of some of the basic terms of this Lease, which are elaborated upon in this Lease.

- (a) Premises: a portion of the of the basement floor (the "Basement Floor Space") of the building, as shown cross-hatched in heavy black on the floor plan attached hereto as Schedule "B".
- (b) Rentable Area of the Premises: approximately three thousand, four hundred and ninety-two (3,492) square feet of the Basement Floor Space, to be confirmed by an Architect's certificate provided in accordance with Section 4.03 hereof and measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA) Standards approved June 7, 1996.
- (c) Building: having a municipal address of 440 Kent Street West, Lindsay, Ontario, located on the Lands having the legal description set out in Schedule "A" attached hereto.
- (d) Rentable Area of the Building: has been measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996) to comprise approximately sixty-nine thousand, three hundred and twenty-six (69,326) square feet, subject to Section 4.03 hereof.
- (e) Term: five (5) years.
- (f) Commencement Date: April 1, 2016.
- (g) Expiry Date: March 31, 2021.
- (h) Rent Free Fixturing Period/Basic Rent Free Period: INTENTIONALLY DELETED.
- (i) Basic Rent: the Tenant shall pay to the Landlord, Eighteen Thousand, Eight Hundred and Fifty-Six Dollars and Eighty Cents (\$18,856.80) per annum, Sales Taxes to be added, payable in equal monthly instalments of One Thousand, Five Hundred and Seventy-One Dollars and Forty Cents (\$1,571.40) per month, calculated at a rate of Five Dollars and

Forty Cents (\$5.40) per square foot of the Basement Floor Space, the first of such monthly payments to be due and payable on April 1, 2016.

- (j) Additional Rent: Additional Rent for the year 2016 has been estimated by the Landlord to be Eleven Dollars and Fifty-Three Cents (\$11.53) per square foot of the Rentable Area of the Premises and is subject to annual adjustments in accordance with the terms and provisions of this Lease. The annual Additional Rent in the amount of Forty Thousand, Two Hundred and Sixty-Two Dollars and Seventy-Six Cents (\$40,262.76) shall be payable in advance in equal monthly instalments of Three Thousand, Three Hundred and Fifty-Five Dollars and Twenty-Three Cents (\$3,355.23), plus Sales Taxes on the first day of each month during the Term.
- (k) Use of the Premises permitted by this Lease: general office purposes for the business of the Department of Health and Social Sciences and for no other purpose whatsoever.
- (l) Parking: as further provided in Section 4.04 of this Lease.
- (m) Extension Option(s): two (2) extension terms of five (5) years each (each an "Extension Term"), each exercisable upon six (6) months' prior written notice to the Landlord, subject to Section 17.02 hereof.
- (n) Address for Service of Notice on Tenant:

The Corporation of the City of Kawartha Lakes
440 Kent Street
Lindsay, Ontario K9V 5R8
Attention: Manager
Fax: (705) 324-7991

With a copy to:

The Corporation of the City of Kawartha Lakes
26 Francis Street
Lindsay, Ontario K9V 5R8
Attention: Clerk's Office
Fax: 705-324-8110

- (o) Address for Service of Notice on Landlord:

Ontario Infrastructure and Lands Corporation
333 Preston Street, 10th Floor, Suite 1010
Ottawa, Ontario K1S 5N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation
777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8
Attention: Director, Legal Services (Real Estate and Leasing)
Fax: 416-326-2854

And an additional copy to:

CBRE Limited
Global Workplace Solutions
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Director, Lease Administration – OILC
Fax: (416) 775-3989

(p) **Payment of Rent:**

Ontario Infrastructure and Lands Corporation
c/o CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: IO PLMS Accounts Receivable
Fax: (416) 775-3989

All Cheques are payable to Ontario Infrastructure and Lands Corporation.

- (q) In addition to the Basic Rent as set out in Subsection 1.01 (i), and Additional Rent as set out in Subsection 1.01 (j) the Tenant shall pay to the Landlord as an Administration Fee, which has been estimated by the Landlord for the year 2017 to be Eighty-Two Cents (\$0.82) per square foot of the Rentable Area of the Premises for the purposes of an administration fee.

ARTICLE II - DEFINITIONS

When used in this Lease, the following words or expressions have the meaning hereinafter set forth:

- 2.01 “Additional Rent”** means any and all sums of money or charges required to be paid by the Tenant under this Lease (except Basic Rent) whether or not the same are designated “Additional Rent” or whether or not the same are payable to the Landlord or otherwise. Additional Rent is due and payable with the next monthly instalment of Basic Rent unless otherwise provided herein. Additional Rent is payable to the Landlord at the address set out in Subsection 1.01(q).
- 2.02 “Additional Services”** means all services supplied by the Landlord or by anyone authorized by the Landlord in addition to those required to be supplied by the Landlord to the Tenant as a standard service pursuant to this Lease (except for any services which the Landlord elects to supply to all of the tenants of the Building), the cost of which is included in Operating Costs at rates and charges determined by the Landlord; by way of example and without limitation, adjusting and balancing heating, ventilation and air-conditioning facilities, cleaning of carpets, moving furniture, construction, installation and alterations to or removal of Improvements, providing access and connection to fibre optics or other enhanced information technology, are each Additional Services. “Additional Service” shall have a corresponding meaning.
- 2.03 “Basic Rent”** means the annual rent payable by the Tenant pursuant to and in the manner set out in Section 5.02.
- 2.04 “Architect”** means an architect, Ontario Land Surveyor, professional engineer or other person from time to time named by the Landlord. The decision of the Architect whenever required hereunder and any certificate related thereto shall be final and binding on the parties hereto.
- 2.05 “Authority”** means any governmental authority, quasi-governmental authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Premises or the Building or the use thereof, and “Authorities” means all such authorities, agencies, bodies and departments.
- 2.06 “Building”** means buildings, structures and Improvements from time to time erected on the Lands municipally identified in subsection 1.01(c) and all alterations and additions thereto and replacements thereof, as same may be altered, expanded or reduced from time to time.
- 2.07 “Business Day”** means Mondays through Fridays, inclusive, but excluding any statutory holidays.

- 2.08 “Commencement Date”** means the date referred to in Subsection 1.01(f).
- 2.09 “Common Areas and Facilities”** means those lands, areas, facilities, utilities, improvements, equipment and installations designated from time to time by the Landlord which serve or are for the benefit of the Building, whether or not located within, adjacent to, or near the Building, including access roads, parking areas, lobbies, foyers and vestibules, sidewalks, storage and mechanical areas, Mechanical and Electrical Services, janitor rooms, mail rooms, telephone rooms, rooms for the Mechanical and Electrical Services, stairways, escalators, elevators, truck and receiving areas, driveways, loading docks and corridors.
- 2.10 “Contemplated Use”** has the meaning ascribed to it in Section 9.01.
- 2.11 “Environmental Contaminants”** means (a) any substance which, when it exists in the Project or the water supplied to or in the Project, or when it is released into the Premises, the Project or any part thereof, or into the water or the natural environment, is likely to cause, at any time, material harm or degradation to the Project or any part thereof, or to the natural environmental or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, lead paint, PCBs, fungal contaminants (including, without limitation, *stachybotrys chartarum* and other moulds), mercury and its compounds, dioxins and furans, chlordane (DDT), polychlorinated biphenyls, chlorofluorocarbons (CFCs), hydro-chlorofluorocarbons (HCFCs), volatile organic compounds (VOCs), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic or noxious substances or related materials, petroleum and petroleum products, or (b) any substance declared to be hazardous or toxic under any Environmental Laws now or hereafter enacted or promulgated by any authorities, or (c) both (a) and (b).
- 2.12 “Environmental Laws”** means any federal, provincial or local law, statute, ordinance, regulation, policy, guideline or order and all amendments thereto pertaining to health, industrial hygiene, environmental conditions or Environmental Contaminants, including, without limitation, the Environmental Protection Act, R.S.O. 1990, c.E.19 (the “EPA”), the Environmental Assessment Act, R.S.O. 1990, c. E.18, the Ontario Water Resources Act, R.S.O. 1990, c. O.40, the Occupational Health and Safety Act, R.S.O. 1990, c.O.1, Ontario Regulation 153/04 under Part XV.1 of the Environmental Protection Act (2004), as amended by Ontario Regulation 511/09 (2009), the Safe Drinking Water Act, 2002, S.O. 2002, c.32 and applicable air quality guidelines (including, without limitation, Ontario Regulation 127/01-“Airborne Contaminant Discharge-Monitoring and Reporting” under the EPA), as such statutes, regulations and guidelines may be amended from time to time.
- 2.13 “Improvements”** means without limitation, all fixtures, installations, alterations and additions from time to time made, erected or installed in or about the Premises, whether or not they are trade fixtures or easily removable and whether or not installed by or on behalf the Tenant or a prior occupant, including without limitation, all of the following: doors, partitions and hardware, mechanical, electrical and utility installations, lighting fixtures and built-in furniture and any repairs, replacements, changes, additions or alterations.
- 2.14 “Lands”** means those lands upon which the Building is located, having the legal description set out in Schedule “A” attached hereto, as same may be altered, expanded or reduced from time to time.
- 2.15 “Laws”** means any enactments, by-laws, statutes, ordinances, regulations, guidelines, codes, orders and policies and all amendments thereto and any successor legislation, of any Authority.
- 2.16 “Mechanical and Electrical Services”** include, but are not limited to, all mechanical, electrical, drainage, lighting, incinerating, ventilation, air-conditioning, elevating, heating, pumping, sprinkling, alarm, plumbing and other mechanical and electrical

systems installed in or used in the operation of the Building and the Lands.

- 2.17 “Normal Business Hours”** means the hours between 8:00 a.m. and 6:00 p.m., Monday through Friday.
- 2.18 “OILC”** means the Ontario Infrastructure and Lands Corporation.
- 2.19 “Operating Costs”** has the meaning provided in Subsection 7.04 (b) of this Lease.
- 2.20 “Parking Areas”** means the improvements constructed from time to time, in or as part of the Building and the Lands for use as parking facilities for the tenants of the Building and their employees, servants and invitees, and the areas and facilities that are appurtenant solely to those improvements, but excluding the parking areas, driveways, loading areas and other parts of the service area forming part of the Premises and available exclusively to the Tenant or other tenants in the Building. The Landlord shall designate the minimum number of the parking spaces comprising the Parking Areas prescribed by the relevant Authority for the sole and exclusive use of people with disabilities.
- 2.21 “Person”** if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.
- 2.22 “Premises”** means the premises identified in Subsection 1.01(a).
- 2.23 “Prime Rate”** means the rate of interest per annum from time to time publicly quoted by the Royal Bank of Canada as the reference rate of interest (commonly known as its “prime rate”) used by it to determine rates of interest chargeable in Canada on Canadian dollar demand loans to its commercial customers.
- 2.24 “Project”** means the Lands and Building and includes, without limitation, the Common Areas and Facilities, as same may be altered, expanded or reduced from time to time.
- 2.25 “Proportionate Share”** means the fraction which has: (i) as its numerator the Rentable Area of the Premises; and (ii) as its denominator the Rentable Area of the Building less the Rentable Area of the Building which is not leased at the time of the calculation.
- 2.26 “Rent”** means the aggregate of Basic Rent, Additional Rent and all other sums of money payable by the Tenant pursuant to this Lease.
- 2.27 “Rentable Area”** means in the case of the Premises or any other premises in the Building the area expressed in square feet, of all floors of the premises, measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996). The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area in accordance with a more recent BOMA Standard.
- 2.28 “Rentable Area of the Building”** has been measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996) to comprise sixty-nine thousand, three hundred and twenty-six (69,326) square feet. The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area of the Building in accordance with a more recent BOMA Standard.
- 2.29 “Rentable Area of the Premises”** has been estimated to comprise three thousand, four hundred and ninety-two (3,492) square feet of the Basement Floor Space, and shall be measured in accordance with the American National Standard Method for Measuring Floor Area in Office Buildings (BOMA Standards approved June 7, 1996), as confirmed by an Architect’s certificate to be provided by the Landlord pursuant to Section 4.03 of this Lease. The Landlord shall be entitled at any time, but without retroactive effect, to revise the Rentable Area of the Premises in accordance with a more recent BOMA Standard.
- 2.30 “Rental Year”** means a period of time for the first Rental Year commencing as of the

Commencement Date and ending on March 31 of the following calendar year and, thereafter, each Rental Year shall consist of consecutive periods of twelve (12) calendar months commencing on April 1 and ending on March 31 of the following calendar year, except in respect of the last Rental Year, which shall terminate on the expiration or earlier termination of this Lease, as the case may be.

- 2.31 "Sales Taxes"** means collectively and individually, all business transfer, multi-usage sales, sales, goods and services, harmonized sales, use, consumption, value-added or other similar taxes imposed by any Authority upon the Landlord, or the Tenant, or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.
- 2.32 "Service Provider"** means any Person retained by the Landlord to provide to the Landlord services in respect of the administration and operations under this Lease.
- 2.33 "Structure"** means the foundation, roof (excluding roof membrane), exterior wall assemblies, including weather walls and bearing walls, subfloor and structural columns and beams of the Building and all plumbing, drainage and equipment leading up to, from and under the Building.
- 2.34 "Taxes"** means the total of: (a) all taxes, rates, levies, duties and assessments whatsoever levied, charged, imposed or assessed against the Project or upon the Landlord in respect thereto or from time to time by a taxing Authority, and any taxes or other amounts that are imposed or paid in lieu thereof (including payments in lieu of Taxes) or in addition thereto, including, without limitation, taxes levied, charged, imposed or assessed for education, school and local improvements and all business taxes, if any, from time to time payable by the Landlord or levied against the Landlord on account of its ownership or interest in or the operation of the Project; and, (b) all costs and expenses incurred by the Landlord in good faith in contesting, resisting or appealing any such taxes, rates, duties, levies or assessments including, without limitation, legal fees on a solicitor and client basis. Taxes shall also include any professional fees and interest and penalties on deferred payments but excluding income or profits taxes upon the income of the Landlord. If any portion of the Project is assessed or taxed other than at the prevailing commercial assessment rates and mill rates due to the occupancy of any tenants or the nature of any tenant's operation, then the amount of such taxes, rates, levies, duties or assessments shall be adjusted to be an amount equal to the amount which would have been incurred had such portion of the Project been assessed and taxed at the prevailing commercial assessment rates and mill rates throughout the entire period for which the calculation is being made.
- 2.35 "Taxes for the Common Areas and Facilities"** means the portion of the Taxes, if any, allocated by the Landlord on a reasonable basis to the non-rentable parts of the Project and to the area or areas within the Project occupied by the Landlord for the management and operation of the Project.
- 2.36 "Tenant's Share of Taxes"** means the Tenant's share (calculated in accordance with Section 6.01) of Taxes, provided that the Tenant shall be solely responsible for any increase in Taxes resulting from any act or election of the Tenant or from any Improvements in or to the Premises.
- 2.37 "Term"** means the period of time referred to and described in Subsection 1.01(e).
- 2.38 "Utilities"** means all gas, electricity, water, sewer, steam, fuel oil, power, signal equipment and other utilities used in or for the Building or the Premises, as applicable.

ARTICLE III - INTENT

3.01 Net Lease

This Lease is a completely net and carefree lease to the Landlord, and except as expressly set out herein, during the Term the Landlord is not responsible for any expense or obligation of

any nature whatsoever arising from or relating to the Premises or the Project.

ARTICLE IV - GRANT AND TERM

4.01 Premises

- (a) In consideration of the rents, covenants and agreements herein contained on the part of the Tenant to be paid, observed and performed, the Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Premises for and during the Term, commencing on the Commencement Date.
- (b) The Tenant acknowledges and agrees that:
 - (i) it shall accept the Premises in an “as is” condition;
 - (ii) the Landlord shall have no obligations with respect to any Improvements, including any alterations, decorations, or with respect to any renovations or repairs of or to any portion of the Premises, all of which shall be completed by the Tenant at its sole cost and expense in accordance with the provisions of this Lease; and
 - (iii) the Landlord has made no representations and warranties relating to the Premises or the Project and the Landlord does not make any representation or warranty whatsoever to the Tenant that the permitted use of the Premises as set out in Subsection 1.01(k) herein is permitted under applicable Laws or any applicable zoning by-laws.

4.02 Use of Common Areas and Facilities

The use and occupation by the Tenant of the Premises includes the non-exclusive and non-transferable right to use the Common Areas and Facilities in common with others entitled thereto, for the purposes for which they are intended and during such hours and days as the Building is open for business, subject to provisions of this Lease. The Tenant and its employees and invitees shall not obstruct the Common Areas and Facilities or use the Common Areas and Facilities other than for their intended purposes and then only in accordance with the rules and regulations set by the Landlord from time to time.

4.03 Architect's Certificate

At any time on or after the Commencement Date, the Landlord shall deliver to the Tenant an Architect's certificate certifying the Rentable Area of the Premises. The Basic Rent and the Proportionate Share shall be adjusted accordingly, retroactive to the Commencement Date.

Notwithstanding anything in this Lease to the contrary, the Landlord may from time to time, as it deems necessary, cause the Rentable Area of the Premises, the Building or any part thereof to be recalculated or remeasured and the cost thereof shall be included in Operating Costs (except as otherwise provided in this Section 4.03). Upon any such recalculation or remeasurement, Rent shall be adjusted accordingly. If any calculation or determination by the Landlord of the Rentable Area of any premises (including the Premises) is disputed, it shall be calculated or determined by the Architect, whose certificate shall be conclusive and binding upon the parties hereto. The cost of such calculation or determination shall be included in Operating Costs; provided that if the Tenant disputes the Landlord's calculation or determination and the calculation or determination by the Architect agrees with the Landlord's calculation or determination within a two percent (2%) variance, the Tenant shall pay the full cost of such calculation or determination forthwith upon demand. If the Tenant and any one or more of the other tenants in the Building are responsible to pay such costs, the Tenant shall be jointly and severally liable with such other tenant or tenants.

If any error shall be found in the calculation of the Rentable Area of the Premises or in the calculation of the Tenant's Proportionate Share, Rent shall be adjusted for the Rentable Year in which that error is discovered and for the Rental Year preceding the Rental Year in which the error was discovered, if any, and thereafter but not for any prior period.

4.04 Parking

The Tenant, and persons utilizing the services of the Occupant, is entitled to the use of random parking spaces located in the east parking lot, in common with all others entitled thereto, at no cost to the Tenant.

ARTICLE V - RENT

5.01 Covenant to Pay

The Tenant shall pay the Rent in Canadian funds, without deduction, abatement, set-off or compensation whatsoever, as herein further provided.

5.02 Basic Rent

- (a) Subject to Section 5.03 hereof, The Tenant shall pay, from and after the Commencement Date, to the Landlord at the address set out in Subsection 1.01(p), or at such other place as designated by the Landlord, as Basic Rent, the annual amount payable in equal and consecutive monthly instalments as set out in Subsection 1.01(i), in advance on the first day of each calendar month during the Term, based upon the annual rental rate set out in Subsection 1.01(i). Following the certification of the Rentable Area of the Premises by the Architect pursuant to Section 4.03 of this Lease, the Basic Rent shall, if necessary, be adjusted accordingly.
- (b) If the Commencement Date is on a day other than the first day of a calendar month, the Tenant shall pay, upon the Commencement Date, a portion of the Basic Rent pro-rated on a per diem basis from the Commencement Date to the end of the month in which the Commencement Date occurs.

5.03 Fixturing Period/Basic Rent Free Period

INTENTIONALLY DELETED

5.04 Sales Taxes

In addition to the Rent payable hereunder, the Tenant will pay to the Landlord (acting as agent for the taxing Authority if applicable) or directly to the taxing Authority (if required by the applicable legislation) the full amount of all Sales Taxes. The Sales Taxes payable by the Tenant will be calculated and paid in accordance with the applicable legislation. Notwithstanding any other provisions contained in this Lease, Sales Taxes will not be considered Rent, but the Landlord shall have all of the same remedies for and rights of recovery with respect to such amounts as it has for non-payment of Rent under this Lease or at law.

5.05 Overdue Rent

If the Tenant defaults in the payment of Rent, the unpaid Rent shall bear interest from the due date to the date of payment at an interest rate equal to the Prime Rate in force on the due date plus five percent (5%).

5.06 Late Payment Charge

The Tenant hereby acknowledges that late payment by the Tenant to the Landlord of Basic Rent or Additional Rent due hereunder will cause the Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult or impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on the Landlord. Accordingly, if any Basic Rent or Additional Rent is not received by the Landlord or the Landlord's designee within five (5) days after such amount is due, the Tenant shall pay to the Landlord a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs the Landlord will incur by reason of late payment by the Tenant. Acceptance of such late charge by the Landlord shall in no event constitute a waiver of the Tenant's default with respect to such overdue amount, nor prevent the Landlord from

exercising any of the other rights and remedies granted hereunder. The foregoing shall be without prejudice to any other right or remedy available to the Landlord under or pursuant to this Lease by reason of a monetary default by the Tenant.

5.07 Post-dated Cheques

The Tenant shall deliver to the Landlord thirty (30) days' prior to the commencement of each Rental Year throughout the Term, a series of monthly post-dated cheques for each such year of the Term in respect of the aggregate of the monthly payments of Basic Rent and any payments of Additional Rent estimated by the Landlord in advance, and any other payments required by this Lease to be paid by the Tenant monthly in advance. If the Tenant changes its bank or financial institution upon which such post-dated cheques are drawn, the Tenant shall immediately notify the Landlord in writing and provide the Landlord with new post-dated cheques to replace those in the Landlord's possession at that time, so that there is no gap in the continuity of such cheques to the Landlord. At the Landlord's option, the Tenant shall enable the Landlord to electronically debit the Tenant's bank account and to adjust the amount being debited, from time to time.

ARTICLE VI – TAXES

6.01 Taxes Payable by the Tenant

- (a) Commencing on the Commencement Date and thereafter throughout the Term, the Tenant shall pay, as Additional Rent, when due to the taxing Authority or the Landlord at the Landlord's direction, Taxes upon or on account of the following:
 - (i) in the event that a separate tax bill is issued by a taxing Authority for the Premises, then the Taxes payable by the Tenant in respect of the Premises will be determined on the basis of such separate tax bill and shall be paid by the Tenant when due directly to the taxing Authority having jurisdiction, and the Taxes payable by the Tenant in respect of the Common Areas and Facilities shall be the Tenant's Proportionate Share of all Taxes for the Common Areas and Facilities; or,
 - (ii) if there is no such separate tax bill, then at the Landlord's option: (A) the Taxes payable by the Tenant in respect of the Premises shall be calculated on the basis of the assessed value of the Premises, and the Taxes payable by the Tenant in respect of the Common Areas and Facilities shall be the Tenant's Proportionate Share of all Taxes for the Common Areas and Facilities; or (B) if the Landlord elects or is not able to charge on the basis of assessed value, then the Tenant shall pay in lieu thereof (AA) its Proportionate Share, prior to deducting any discounts on account of vacancies in the Project, of all Taxes levied, rated, charged or assessed from time to time against the Project, including the Common Areas and Facilities; or (BB) (if applicable) such amount as is allocated to the Tenant with respect to the Premises and Common Areas and Facilities by the Landlord, acting fairly and reasonably, taking into account practices relevant to multi-use developments consistent with benefits derived by the tenants of each component of the Project.

The Tenant agrees to provide to the Landlord within three (3) days of receipt thereof, an original or duplicate copy of any separate bill for Taxes levied in respect of the Premises. The Tenant shall deliver promptly, upon request of the Landlord, receipts for all such payments and will furnish such other information as the Landlord may require.

Any amounts payable by the Tenant on account of Taxes shall be adjusted on a per diem basis in respect of any period not falling wholly within the Term.

- (b) Notwithstanding the foregoing or Section 2.34, and notwithstanding that any Taxes may be separately imposed, levied, assessed or charged by the appropriate Authority for or in respect of the Premises and other portions of the Project, the Landlord may elect that such

Taxes shall be added to Operating Costs and the Landlord may in its absolute discretion allocate such amount among tenants of the Building.

- (c) The Tenant may, at its expense, appeal or contest the Taxes as described in Section 6.01(a)(i) if there is a separate assessment and separate tax bill for the Premises, but such appeal or contest shall be limited to the assessment of the Premises alone and not to any other part of the Building or the Lands and provided that the Tenant first gives the Landlord written notice of its intention to do so, and consults with the Landlord, and provides such security as the Landlord reasonably requires and obtains the Landlord's prior written approval. The Landlord reserves the exclusive right to appeal or contest any Taxes payable by the Landlord.

6.02 Business and Other Taxes

The Tenant shall pay to the relevant taxing Authority, as and when the same are due and payable, all Taxes charged in respect of the personal property and Improvements, or if applicable, in respect of any business conducted on or any use or occupancy of the Premises.

The Tenant agrees to provide to the Landlord within three (3) days of receipt thereof, an original or duplicate copy of any separate bill for Taxes levied in respect of the Premises. The Tenant shall furnish promptly, upon request of the Landlord, such other information related to Taxes levied in respect of the Premises as the Landlord may require.

ARTICLE VII - LANDLORD'S COVENANTS AND BUILDING CONTROL AND PAYMENT

7.01 Landlord's Covenant for Quiet Enjoyment

If the Tenant performs its obligations under this Lease, it may hold and use the Premises without interference by the Landlord or any other Person claiming by, through or under the Landlord, subject to the terms of this Lease.

7.02 Control of the Project by the Landlord

The Project, the Building and the Common Areas and Facilities are at all times subject to the exclusive control and management of the Landlord. Without limiting the generality of the foregoing, the Landlord has the right, in its sole discretion, to:

- (a) obstruct or close off all or any part of the Project for the purpose of maintenance, repair, alteration or construction;
- (b) make such use of the Common Areas and Facilities and permit others to make such use of the Common Areas and Facilities as the Landlord may from time to time determine subject, in the case of use by others, to such terms and conditions and for such consideration as the Landlord may in its discretion determine, provided that such uses do not materially obstruct access to the Premises;
- (c) close all or any part or parts of the Building or the Common Areas and Facilities to such extent as may, in the opinion of the Landlord be legally sufficient to prevent a dedication thereof or the accrual of rights therein to any Person;
- (d) dictate, impose and/or control the security requirements and procedures and the emergency evacuation procedures for the Building;
- (e) regulate the delivery or shipping of supplies and fixtures to the Premises;
- (f) construct other buildings, structures or improvements in the Building and make alterations, reductions and additions to the Project, the Building and the Common Areas and Facilities; and
- (g) relocate or modify the Common Areas and Facilities.

Notwithstanding anything contained in this Lease to the contrary, the Landlord is not liable if as a result of the Landlord's exercise of its rights set out in this Section 7.02 or elsewhere in this Lease, the Common Areas and Facilities in, or improvements to, the Project are diminished or altered, nor is the Tenant entitled to any compensation or damages for loss of services or repayment or abatement of Rent, nor any diminution or alteration of the Common Areas and Facilities in, or improvements to, the Project be considered a re-entry or a breach of the Landlord's covenant for quiet enjoyment contained in this Lease or implied by law.

7.03 Right to Relocate

The Tenant agrees that, notwithstanding any other provision contained in this Lease, the Landlord has the right at any time and from time to time, during the Term or any extension or renewal thereof, as the case may be, to rearrange the Premises, or to change the location of the Premises to comparable space in the Building. If the Landlord exercises its right to rearrange the Premises or change its location, the appropriate modifications will be made to Sections 1.01(a) and 1.01(b) and Section 4.03 will apply and, if applicable, Basic Rent and Additional Rent identified in Subsection 1.01(h) will be adjusted accordingly. The Landlord's exercise of its rights under this Section does not constitute a re-entry or a breach of the Landlord's covenant for quiet enjoyment contained in this Lease or implied by law. If the Landlord exercises its right to rearrange the Premises or to change the location of the Premises after the date on which the Landlord notifies the Tenant that the Premises are ready for installation of Improvements, the Landlord will reimburse the Tenant for the Tenant's reasonable costs it reasonably incurred as a result of the rearrangement or relocation of the Premises. The Landlord also reserves the right on single tenant floors to rearrange any demising walls for purposes of providing the required fire or emergency corridors, or to comply with the Laws from time to time.

7.04 Tenant to Pay Operating Costs and Taxes

- (a) In each Rental Year, the Tenant shall pay to the Landlord, or to the supplier or relevant taxing Authority as the Landlord so directs, as Additional Rent, the Tenant's Proportionate Share of Operating Costs and the Tenant's Proportionate Share of Taxes.
- (b) "Operating Costs" includes the total of all costs, expenses and amounts, incurred or accrued for or with respect to ownership, management, operation, maintenance, repairs, upkeep, insurance, supervision, decoration, cleaning, and upgrading of the Project and the determination and allocation of such costs, expenses and amounts, whether incurred or accrued by or on behalf of the Landlord or by or on behalf of the Services Provider (or any other manager or agent of the Landlord) including, without limitation and without duplication, the aggregate of:
 - (i) the cost of all insurance taken out and maintained by the Landlord under Section 10.01 and the cost of any deductible amount paid by the Landlord in connection with a claim under its insurance and should the Landlord choose in whole or in part to self-insure, the amount of reasonable contingency reserves not exceeding the amount of premiums that would otherwise have been incurred in respect of the risks undertaken;
 - (ii) landscaping, gardening, cleaning, removal of rubbish, dirt and debris, window and sign washing, painting, snow and ice removal, sanding, salting, repaving parking areas and other paved areas (including, without limitation, line painting and curb installations), garbage and waste collection and disposal;
 - (iii) lighting (including the replacement of, from time to time, either by way of group relamping or otherwise, electrical lightbulbs, tubes and ballasts) except to the extent separately invoiced to tenants under clauses similar to Section 8.03 below), directory boards, information kiosks, any telephone answering service and the cost of all Utilities used or consumed either within the Project or the Common Areas and Facilities and the cost of all Utilities used or consumed in connection with any signs designated by the Landlord as part of the Common Areas and Facilities;

- (iv) policing, security, security systems (including, without limitation, remote control cameras and security patrols), supervision and traffic control;
- (v) salaries, wages and other amounts paid or payable for and in relation to, all personnel, including management, supervisory and administrative personnel employed to carry out the maintenance, management and operation of the Project, including the cost of purchasing, cleaning or replacing uniforms, work clothes and equipment for such personnel and all rentals or other amounts payable in respect of any offices maintained or used by such personnel, including the manager of the Project, and all contributions and premiums towards fringe benefits, unemployment and Worker's Compensation insurance, pension plan contributions and similar premiums and contributions and all costs of any independent contractors employed in the repair, care, maintenance, management, supervision, operation and cleaning of the Building or any part thereof, and the Common Areas and Facilities;
- (vi) the cost of the rental of any equipment and signs and the cost of all building and clean-up supplies, tools, materials and equipment used by the Landlord in the operation and maintenance of the Project;
- (vii) the cost of all auditing, accounting, bookkeeping, legal, architectural, surveying and other professional and consulting services and expenses incurred by or on behalf of the Landlord with respect or which relate to the Project or any part thereof, including, without limitation, any leases or agreements therein;
- (viii) the cost of all repairs (including, without limitation, major repairs and all repairs and replacements necessary to observe and comply with the requirements of any Authority in respect of the Project, the Building and the Common Areas and Facilities) and all alterations to, in or for, and the maintenance and operation of, the Building or any part thereof (including the Common Areas and Facilities), and the systems, facilities and equipment serving the Building (including, without limitation, the Mechanical and Electrical Services, all escalators, elevators and other transportation equipment and systems and any signs designated by the Landlord as part of the Common Areas and Facilities);
- (ix) all costs incurred in acquiring, installing, operating, maintaining, revising, repairing, restoring, renewing and replacing any energy conservation, fire safety, sprinkler and life safety systems and equipment for the Building, and for effecting any improvements to the Building made to comply with air pollution, air quality and environmental control standards, and for investigating, testing, monitoring, removing, enclosing, encapsulating or abating any material or substance in, on, under, above or which serves, the Building or any part thereof which, in the opinion of the Landlord, is harmful or hazardous to any Person or to the Building or any part thereof including, without limitation, any costs incurred by the Landlord in complying with Environmental Laws (including Ontario Regulation 127/01-Airborne Contaminant Discharge-Monitoring and Reporting or any similar legislation or regulations thereunder from time to time (the "Regulation"));
- (x) all expenses incurred by the Landlord in respect of the installation or removal of any Improvements;
- (xi) all municipal improvement charges and costs incurred by the Landlord and paid to any Authority in connection with the development of the Project, and the cost of providing additional parking or other Common Areas and Facilities for the benefit of the Building;
- (xii) all costs and expenses of a capital nature as determined in accordance with generally accepted accounting principles or other similar principles as are in standard use in the Ontario commercial leasing industry;

- (xiii) at the Landlord's election (such election to be evidenced by the method of calculating Operating Costs for each Rental Year), either amortization, in an amount determined by the Landlord's accountant, of the cost (whether incurred before or during the Term and whether or not incurred by the party constituting the Landlord at any time or its predecessor in title or interest) of any repair, replacement, decoration or improvement of the Project not expensed within the Rental Year in which the expenditure was incurred and of all equipment required for the operation and maintenance of the Project not included within Operating Costs for the Rental year in which the expenditure occurred, or depreciation in an amount determined by the Landlord's accountant based on the cost (whether incurred before or during the Term and whether or not incurred by the party constituting the Landlord at any time or its predecessor in title or interest) of any of those items which the Landlord in its absolute discretion has elected to treat as capital in nature together with, in each case, an amount equal to interest at the Prime Rate plus three percent (3%) per annum on the undepreciated or unamortized amount thereof;
- (xiv) contributions towards a capital reserve fund established in order to pay for any future costs incurred by or on behalf of the Landlord for repairing or replacing all or any portion of the Premises, the Common Areas and Facilities and the Project which are not charged fully in the Rental Year in which they are incurred in accordance with generally accepted accounting principles or other similar principles as are in standard use in the Ontario commercial leasing industry;
- (xv) Taxes for Common Areas and Facilities and all costs incurred by the Landlord, acting reasonably, in contesting, appealing or resisting the business taxes or Taxes or related assessments on all or any part of the Project;
- (xvi) the cost of investigating, testing, monitoring, removing, enclosing, encapsulating or abating any Environmental Contaminants which is in or about the Project or any part thereof or which has entered the environment from the Project, if the Landlord is required to do so or if, in the Landlord's opinion, it is harmful or hazardous to any Person or to the Project or any part thereof or to the environment;
- (xvii) all other expenses of every nature incurred in connection with the maintenance and operation of the Project;
- (xviii) the costs of enforcing and collecting payment of tenant charges and tenants' shares of Operating Costs and Taxes, whether actual or estimated;
- (xix) interest on a deposit paid by the Landlord to the supplier of a Utility at a rate which shall be one percent (1%) per annum in excess of the Prime Rate;
- (xx) the amount of any deposits paid to a Utility supplier lost by the Landlord as a result of any bankruptcy of any Utility supplier amortized over a period of three (3) years from the date of such bankruptcy and interest thereon at a rate of two percent (2%) in excess of the Prime Rate;
- (xxi) the fair rental value (having regard to the rentals prevailing from time to time for similar space) of space in the Project used by the Landlord, acting reasonably, in connection with the maintenance, repair, operation, administration or management of the Project;
- (xxii) Utilities for the Premises, to the extent charged as part of Operating Costs, as set out in Section 8.01(b) and (c);
- (xxiii) Utilities consumed in connection with the Common Areas and Facilities of the Building; and
- (xxiv) an administration fee in the amount of Eighty-Two Cents (\$0.82) per annum of the aggregate of the costs referred to in subparagraphs (i) to (xxiii) inclusive

hereof.

- (c) Exclusions – Operating Costs shall exclude, without duplication and without limiting the generality of the foregoing, and except to the extent expressly included above:
 - (i) debt service in respect of financing secured by or related to the Project;
 - (ii) costs determined by the Landlord from time to time to be fairly allocable to the correction of initial construction faults or initial maladjustments in operating equipment but only to the extent that such costs are recovered from the contractor or others responsible;
 - (iii) any ground rent payable by the Landlord in respect of a lease of the Lands or part thereof; and
 - (iv) tenant improvement allowances, leasing commissions and leasing costs.
- (d) Deductions – There shall be deducted from Operating Costs:
 - (i) the proceeds of insurance recovered by the Landlord applicable to damage, the cost of repair of which was included in the calculation of Operating Costs paid by the Tenant; and
 - (ii) amounts recovered as a result of direct charges to the Tenant and other tenants to the extent that the cost thereof was included in the calculation of Operating Costs.
- (e) Within sixty (60) days before the expiry of each Rental Year, the Landlord shall provide the Tenant with a budget outlining the estimated Operating Costs and Taxes for the next succeeding Rental Year, indicating therein the estimates for such Rental Year of: (i) the Tenant's Proportionate Share of Operating Costs; and (ii) the Tenant's Share of Taxes. The Landlord may, at its option, revise the estimated Operating Costs and Taxes for the next succeeding Rental Year at any time or times during the Rental Year as the Landlord deems appropriate.
- (f) The Tenant shall pay, in equal monthly instalments, for each Rental Year one twelfth (1/12th) of the aggregate of the estimates for such Rental Year of: (i) the Proportionate Share of Operating Costs; and (ii) the Tenant's Share of Taxes, each commencing on the first day of such Rental Year.
- (g) Notwithstanding anything in this Lease to the contrary, the Landlord shall always have the right:
 - (i) to revise the amount of instalments on account of Taxes payable by the Tenant to an amount that allows the Landlord to collect all Taxes payable by the Tenant by the final due date of Taxes for the calendar year; and/or,
 - (ii) to schedule and require payment by the Tenant of instalments on account of Taxes payable by the Tenant such that by the final due date of Taxes for any calendar year, the Tenant shall have paid the Landlord the full amount of Taxes payable by the Tenant for such calendar year, which arrangement may include payment of instalments by the Tenant in a calendar year on account of Taxes payable by the Tenant for the next calendar year; and/or,
 - (iii) (but not the obligation) to allocate Taxes among categories of rentable premises in the Project on the basis of such factors as the Landlord determines to be relevant, such as, by way of example, the types of business or activity carried on therein, the locations in the Project, costs of construction, relative benefits derived by rentable premises, relative assessment values, non-public school support designations and vacancies. The Landlord shall be entitled to adjust the Tenant's Share of Taxes having regard to the category in which the Tenant is placed by the Landlord.

- (h) Within a reasonable time after the expiry of each Rental Year, the Landlord shall deliver a statement to the Tenant showing: (i) the actual Operating Costs and Taxes for such Rental Year; (ii) the actual Proportionate Share of Operating Costs; and (iii) the actual Tenant's Share of Taxes, and any adjustments or reimbursements shall be paid within thirty (30) days thereafter.

7.05 Vacancy

If any part of the Building available for leasing is not occupied, the Landlord shall have the right, in respect of amounts forming part of Operating Costs which vary with occupancy, to include in Operating Costs a larger amount of costs, which larger amount shall be based on a reasonable estimate of the actual cost which would have been incurred if the unoccupied parts of the Building available for leasing were occupied, it being intended hereby that the Landlord shall obtain, to the extent reasonably possible, full reimbursement of Operating Costs attributable to or in respect of occupied premises, and not that: (a) the Tenant shall subsidize Operating Costs incurred by the Landlord attributable to or in respect of vacant premises; or (b) the Landlord shall recover more than actual Operating Costs.

In determining the share of Taxes which is payable by the Tenant pursuant to this Lease, Taxes shall include such additional amounts as would have formed part of the Taxes had the Project been fully assessed during the whole of the relevant 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 Taxes or change of assessment category or class for rentable premises within the Project which are vacant.

7.06 Rent Disputes

The Tenant may dispute an invoice or statement in respect of Operating Costs or the Tenant's Share of Taxes only by giving written notice to the Landlord specifying the basis of the dispute within six (6) months after delivery of the invoice or statement. The Tenant will, in any event, continue to pay its share of Operating Costs and Taxes in accordance with the Landlord's invoice or statement until the dispute is resolved.

ARTICLE VIII - UTILITIES AND LANDLORD'S SERVICES

8.01 Utilities

The Tenant shall be responsible and liable for costs of its Utilities consumed on the Premises and the following conditions shall also apply:

- (a) If the Premises are separately metered or if the Tenant, at its sole cost, installs a hydro electric meter, the Tenant shall pay its hydro electric bills directly to the supplier for all hydro electricity consumed and as determined from the reading of the Tenant's meter; and
- (b) If the Tenant, at its sole cost, and subject to the Landlord's prior written approval, installs sub-meters for water and gas, the Landlord or its Service Provider shall invoice the Tenant for its share of the water and gas consumed as determined from the reading of the sub-meters, either by separate invoice or as part of the Operating Costs as set out in Section 7.04. Upon receipt of a separate invoice from the Landlord or its Service Provider, the Tenant shall promptly pay for the water and gas consumed, as invoiced.
- (c) For all Utilities that are not separately metered, the Tenant shall pay the Tenant's Proportionate Share of such Utilities as part of Operating Costs as set out in Section 7.04.

In addition to the foregoing, the Tenant shall pay its Proportionate Share of Utilities consumed in connection with the Common Areas and Facilities of the Building as part of Operating Costs as set out in Section 7.04.

8.02 Interruption of Supply of Utilities

The Landlord may in its sole discretion, without any obligation or liability to the Tenant,

and without such action constituting an eviction of the Tenant, discontinue or modify any services, systems or Utilities as a result of the Landlord's exercise of the rights conferred under Section 7.02 hereof.

The Landlord is not liable for interruption or cessation of, or failure in, the supply of Utilities, services or systems in, to or serving the Building or the Premises, whether they are supplied by the Landlord or others and whether the interruption or cessation is caused by the Landlord's negligence or otherwise.

8.03 Replacement of Bulbs

As Additional Services, at the request of the Tenant or as otherwise determined by the Landlord at all times during the Term or any extension or renewal thereof, as the case may be, the Landlord shall replace all starters, fluorescent tubes and light bulbs located within the Premises at the sole cost and expense of the Tenant.

8.04 Additional Services

If the Tenant requires any Additional Services to be performed in or relating to the Premises, it shall advise the Landlord in writing of the required Additional Services and the Landlord may, at its option, perform or provide any such Additional Services. Provided however, that the Landlord shall not be required to provide such Additional Services if to do so would:

- (a) interfere with the reasonable enjoyment of the other tenants of their respective premises or the Common Areas and Facilities;
- (b) jeopardize or impede the Landlord's financing of the Building and/or Lands; or
- (c) cause the Building or its services and Common Areas and Facilities not to be of the Building standard.

The cost of any Additional Services provided by the Landlord pursuant to this Section shall be determined mutually by both the Landlord and the Tenant in advance of the provision of such service(s). The cost of providing such service(s) shall be paid by the Tenant to the Landlord forthwith upon receipt of an invoice for such Additional Services.

8.05 Caretaking

Subject to the payment by the Tenant of the Operating Costs and subject to access being granted to the person or persons employed or retained by the Landlord to perform such work, the Landlord covenants to cause the floors of the Premises to be swept, the interior surface of the exterior windows to be cleaned, the desks, tables, other furniture and venetian blinds to be dusted, wastepaper baskets to be emptied and any carpeting to be vacuumed, all in accordance with normal office cleaning standards. Any cleaning services provided by the Landlord in excess of those described herein shall be charged to the Tenant in accordance with Section 8.04 above.

The Tenant shall leave the Premises in a reasonably tidy state at the end of each Business Day to facilitate the janitorial services provided by or on behalf of the Landlord.

ARTICLE IX - USE OF THE PREMISES

9.01 Use of the Premises

The Tenant shall continuously, actively and diligently use the Premises solely for the purpose stated in Subsection 1.01(k), in a first class and reputable manner and for no other purpose whatsoever.

The Tenant acknowledges that its continued occupancy of the Premises and the continuous and active conduct of its business in the Premises are of the utmost importance to the Landlord in:

- (a) avoiding the appearance and impression generally created by vacant space;
- (b) facilitating the leasing of vacant space in the Building and the lease extensions or renewals of existing tenants;
- (c) maximizing the rents payable to the Landlord both by existing tenants and new tenants of the Building; and
- (d) maintaining the character, quality and image of the Building.

The Tenant acknowledges that the Landlord shall suffer substantial damage and serious and irreparable injury if the Premises are left vacant or are abandoned during the Term or if the Tenant does not comply with the provisions of this Section 9.01, even in the event that the Tenant pays all Rent required hereunder.

9.02 Tenant's Fixtures

The Tenant shall install and maintain in the Premises at all times during the Term first-class trade fixtures, including furnishings and equipment, adequate and appropriate for the business to be conducted on the Premises, all of which shall be kept in good order and condition. The Tenant shall not remove any trade fixtures or other contents from the Premises during the Term except in the ordinary course of business in the event such items become obsolete or for the purpose of replacing them with others at least equal in value and function to those being removed, and shall promptly repair any damage to the Premises or the Building resulting from such removal.

9.03 Premises Signage

The Landlord shall at the request of the Tenant install on or near the entrance door of the Premises in accordance with the Landlord's uniform scheme for the Project, a sign bearing the name of the Tenant and the cost to the Landlord of any such sign and installation shall be payable by the Tenant to the Landlord in accordance with Section 8.04.

The Tenant shall not erect, install or display any sign, advertisement, notice or display on the exterior of the Premises or anywhere within the Premises which is visible from the exterior of the Premises without the prior written approval of the Landlord, in its sole discretion, as to size, design, location, content, method of installation and any other specifications.

9.04 Waste Removal

- (a) The Tenant shall not allow any garbage or any objectionable material to accumulate in or about the Premises, the Common Areas and Facilities or the Building.
- (b) The Tenant shall, at its cost, comply with the Landlord's waste management program in force from time to time.

9.05 No Waste, Environmental Contamination or Overloading

- (a) The Tenant shall not: (i) cause or permit any waste or damage to the Premises or Improvements, or to the fixtures or equipment contained therein; (ii) permit any overloading of the floors thereof; (iii) use or permit to be used any part of the Premises for any dangerous, noxious or offensive activity; and (iv) do or bring anything or permit anything to be done or brought on or about the Lands which the Landlord may reasonably deem to be hazardous or a nuisance to any other tenants or any other persons permitted to be in the Building.
- (b) The Tenant shall not itself, and shall not permit any of its employees, servants, agents, or contractors, to obstruct the Common Areas and Facilities or use or permit to be used any part of the Common Areas and Facilities for other than its intended purpose.
- (c) The Tenant shall not store, bring in or permit to be placed, any Environmental Contaminants in the Common Areas and Facilities, the Building or the Project.

- (d) The Tenant shall not permit the presence of any Environmental Contaminants in the Premises, except if such is required for the Contemplated Use and then only if the Tenant is in strict compliance with all relevant Authorities, including, without limitation, Environmental Laws.
- (e) The Tenant shall diligently comply with all applicable reporting requirements under the Regulation and under the EPA and shall provide the Landlord with copies of all reports submitted to the Ministry of the Environment. The Tenant shall indemnify the Landlord from all loss, costs and liabilities, including all legal expenses, incurred by the Landlord as a result of the Tenant's failure to comply with the Regulation. The Tenant shall permit the Landlord to inspect the Premises at all reasonable times to conduct air emission testing, as required by the Regulation.

9.06 Landlord's Requirements

The Tenant shall not bring into or allow to be present in the Premises or the Project any Environmental Contaminants except such as are disclosed in Schedule "C" attached hereto. If the Tenant brings or creates upon the Project, including the Premises, any Environmental Contaminants, then such Environmental Contaminants shall be and remain the sole property of the Tenant and the Tenant shall remove same, at its sole cost and expense, at the expiration or early termination of this Lease or sooner if so directed by any Authority, or if required to effect compliance with any Environmental Laws, or if required by the Landlord.

9.07 Governmental Requirements

If, during the Term or any extension thereof, any Authority shall require the clean-up of any Environmental Contaminants:

- (a) held in, released from, abandoned in, or placed upon the Premises or the Project by the Tenant or its employees or those for whom the Tenant is in law responsible; or
- (b) released or disposed of by the Tenant or its employees or those for whom the Tenant is in law responsible;

then, the Tenant shall, at its own expense, carry out all required work including preparing all necessary studies, plans and approvals and providing all bonds and other security required and shall provide full information with respect to all such work to the Landlord provided that the Landlord may, at its sole option, perform any such work at the Tenant's sole cost and expense, which cost and expense shall be payable by the Tenant on demand as Additional Rent.

9.08 Environmental Covenants

In addition, to and without restricting any other obligations or covenants herein, the Tenant covenants that it shall:

- (a) comply in all respects with all Environmental Laws relating to the Premises or the use of the Premises;
- (b) promptly notify the Landlord in writing of any notice by any Authority alleging a possible violation of or with respect to any other matter involving any Environmental Laws relating to operations in the Premises or relating to any Person for whom the Tenant is in law responsible, or any notice from any other party concerning any release or alleged release of any Environmental Contaminants; and
- (c) permit the Landlord to:
 - (i) enter and inspect the Premises and the operations conducted therein;
 - (ii) conduct tests and environmental assessments or appraisals;
 - (iii) remove samples from the Premises;

- (iv) examine and make copies of any documents or records relating to the Premises and interview the Tenant's employees as necessary; and
- (d) promptly notify the Landlord of the existence of any Environmental Contaminants in the Project.

9.09 Environmental Indemnification

In addition to and without restricting any other obligations or covenants contained herein, the Tenant shall indemnify and hold the Landlord harmless at all times from and against any and all losses, damages, penalties, fines, costs, fees and expenses (including legal fees on a solicitor and client basis and consultants' fees and expenses) resulting from:

- (a) any breach of or non-compliance with the foregoing environmental covenants of the Tenant; and
- (b) any legal or administrative action commenced by, or claim made or notice from, any third party, including, without limitation, any Authority, to or against the Landlord and pursuant to or under any Environmental Laws or concerning a release or alleged release of Environmental Contaminants at the Premises into the environment and related to or as a result of the operations of the Tenant or those acting under its authority or control at the Premises, and any and all costs associated with air quality issues, if any.

9.10 Compliance with Laws

The Tenant shall be solely responsible for obtaining all necessary permits, licenses and approvals from all relevant Authorities to permit the Tenant to occupy the Premises and conduct its business thereon. The Tenant shall, at its sole cost and expense, comply with all applicable Laws respecting the use, access of services and facilities in the Premises, the condition and occupation of the Premises, any Environmental Contaminants, and all fixtures, equipment and Improvements located therein and thereon.

If any alterations or improvements to the Improvements or to the Premises are necessary to comply with any of the provisions of this Lease or with the requirements of insurance carriers, the Tenant shall forthwith complete such work, complying always with the applicable provisions of this Lease, to the extent that it can be done within the Premises and in any event, shall pay the entire cost of all of the alterations and improvements so required.

The Tenant agrees that if the Landlord determines in its sole discretion that the Landlord, its property, its reputation or the Premises or any one or more of the foregoing is placed in any jeopardy, as determined by the Landlord, by the requirements for any work required to ensure compliance with the provisions of this Lease, or the Tenant is unable to fulfil its obligations under this Section, the Landlord may, at its sole option, undertake such work or any part thereof at the Tenant's sole cost and expense as an Additional Service, payable on demand as Additional Rent. In the event that structural repairs or upgrading of the Building, is or are required to permit the Tenant's Contemplated Use, including but not limited to seismic upgrading, the Landlord may, at its sole discretion, terminate this Lease.

9.11 Deliveries

All deliveries to and from the Premises and loading and unloading of goods, refuse and any other items shall be made only by way of such access routes, doorways, corridors and loading docks as the Landlord may, from time to time, designate and shall be subject to all applicable rules and regulations made by the Landlord from time to time pursuant to Section 17.01.

9.12 Security Devices

The Tenant shall obtain, at its expense, additional keys, photo identification cards and other similar security devices from the Landlord or the Landlord's agent as required.

9.13 Telecommunications

- (a) Provided that the Tenant has obtained the Landlord's prior written approval, which approval the Landlord may withhold in its sole discretion, the Tenant may utilize a telecommunication service provider of its choice for the supply and installation of telephone, computer and other communication equipment and systems, and related wiring within the Premises, subject to the provisions of this Lease, including but not limited to the following:
- (i) prior to commencing any work in the Project, the telecommunication service provider shall execute and deliver to the Landlord, the Landlord's standard form of license agreement, which shall include a provision for the Landlord to receive compensation for the use of the space for the telecommunication service provider's equipment and materials;
 - (ii) the Landlord shall incur no expense or liability whatsoever with respect to any aspect of the provision of telecommunication services, including without limitation, the cost of installation, service, materials, repairs, maintenance, removal, interruption or loss of telecommunication service;
 - (iii) the Landlord must first reasonably determine that there is sufficient space in the risers of the Building for the installation of the telecommunication service provider's wiring and cross connect;
 - (iv) the Tenant shall indemnify and hold harmless the Landlord for all losses, claims, demands, expenses and judgments against the Landlord caused by or arising out of, either directly or indirectly, any acts or omissions by the telecommunication service provider, its contractors or the Tenant or those for whom they are responsible at law; and
 - (v) the Tenant shall incorporate in its agreement with its telecommunication service provider a provision granting the Tenant the right to terminate the telecommunication service provider's agreement if required to do so by the Landlord and the Landlord shall have the right at any time and from time to time during the Term to require the Tenant, at its expense, to exercise the termination right and to contract for telecommunication service with a different telecommunication service provider. The Landlord shall have no obligation to ensure continuation of service by the Tenant's telecommunication service provider.
- (b) The Tenant shall be responsible for the costs associated with the supply and installation of telephone, computer and other communication equipment and systems and related wiring within the Premises to the boundary of the Premises for hook-up or other integration with telephone and other communication equipment and systems of a telephone or other communication service provider, which equipment and systems of the telephone or other communication service provider are located or are to be located in the Building. pursuant to the Landlord's standard form of license agreement and, subject to the provisions of Article XII, for the removal of same.
- (c) The Landlord shall supply space in the risers of the Building and space on the floor(s) of the Building in which the Premises are located., the location of which shall be designated by the Landlord in its sole discretion, to telecommunication service providers who have entered into the Landlord's standard form of license agreement for the purpose, without any cost or expense to the Landlord therefore, of permitting installation in such risers and on such floor(s) of telephone and other communication services and systems (including data cable patch panels) to the Premises at a point designated by the Landlord.
- (d) The Landlord shall have the right to assume control of wiring, cables and other telecommunication equipment in the Building and may designate them as part of the Common Areas and Facilities.
- (e) The Tenant releases the Landlord from all claims for loss or damage which it might suffer as the result of any interruption of telecommunication service regardless of how it

occurs and regardless of negligence on the part of the Landlord, any contractor of the Landlord, and any person for whom they are responsible at law. The Tenant shall indemnify the Landlord against all claims by third parties related to interruption of telecommunication services with the Tenant, or any other occupant of the Premises, regardless of how caused and regardless of negligence on the part of the Landlord, its contractors and those for whom they are responsible at law.

ARTICLE X - INSURANCE AND INDEMNITY

10.01 Landlord's Insurance

- (a) Subject to its general availability and Subsection 10.01(b) herein, the Landlord shall effect and maintain during the Term:
- (i) "all risks" insurance which shall insure the Building for not less than the full replacement cost thereof against loss or damage by perils now or hereafter, from time to time embraced by or defined in a standard all risks insurance policy;
 - (ii) boiler and machinery insurance for not less than the full replacement cost thereof on objects defined in a standard comprehensive boiler and machinery policy against accidents as defined therein;
 - (iii) loss of rental income insurance in an amount sufficient to replace all Basic Rent and Additional Rent payable under this Lease for an indemnity period of a reasonable period of time (not to be less than twelve (12) months);
 - (iv) comprehensive general liability insurance covering claims for personal injury and property damage arising out of all operations in connection with the management and administration of the Project; and
 - (v) such other coverages, or increases in the amount of coverage, as the Landlord or its mortgagee may reasonably consider necessary.

For greater certainty, the Tenant acknowledges that the Landlord is not obligated to insure Improvements in the Premises. The insurance to be maintained by the Landlord shall be that which would be carried by reasonably prudent owners of properties similar to the Building.

- (b) Notwithstanding the foregoing, so long as Her Majesty the Queen in right of Ontario is the Landlord, the provisions contained in Subsection 10.01(a) of this Lease shall not apply and the Landlord shall be self-insured with respect of damage to the Building and the Premises and will maintain during the Term coverage with respect to commercial general liability risks as a 'Protected Person' under the Government of Ontario General and Road Liability Protection Program, which is funded by Her Majesty the Queen in right of Ontario. The coverage shall provide limits of at least Five Million Dollars (\$5,000,000) per occurrence.

10.02 Tenant's Insurance

- (a) The Tenant shall, at all times throughout the Term and any extension or renewal thereof, as the case may be, at its sole cost and expense, take out and keep in full force and effect the following insurance:
- (i) "all risk" insurance covering the Improvements, trade fixtures and contents on or about the Premises and all portions of the Premises, for not less than the full replacement cost thereof (with a replacement cost endorsement);
 - (ii) comprehensive general liability insurance on an occurrence basis with respect to any use and occupancy of or things on the Premises and with respect to the use and occupancy of any other part of the Building by the Tenant or any of its servants, agents, employees, invitees, licensees, subtenants, contractors or persons for whom the Tenant is in law responsible, with coverage of not less than Five

Million Dollars (\$5,000,000.00) per occurrence or such higher amount as the Landlord may reasonably require from time to time;

- (iii) INTENTIONALLY DELETED;
- (iv) boiler and machinery insurance, if applicable, including repair or replacement endorsement in an amount satisfactory to the Landlord and providing coverage with respect to all objects introduced into the Premises by or on behalf of the Tenant or otherwise constituting Improvements;
- (v) business interruption insurance on the profit from providing all risks coverage with a period of indemnity of not less than twelve (12) months and subject to a stated amount co-insurance clause; and
- (vi) any other form of insurance as the Landlord, acting reasonably, or its mortgagee requires from time to time, in the form, amounts and for insurance risks against which a prudent tenant would insure.

All such policies shall be primary, non-contributing with, and not in excess of any proceeds or other insurance available to the Landlord.

- (b) Each of the Tenant's insurance policies shall note the Landlord and any mortgagee designated by notice of the Landlord as an additional insured, as their respective interests may appear, and shall contain:
 - (i) a waiver by the insurer of any rights of subrogation to which such insurer might otherwise be entitled against the Landlord or any person for whom the Landlord is, in law, responsible;
 - (ii) an undertaking by the insurer that no material change adverse to the Landlord or the Tenant will be made and the policy will not lapse or be terminated, except after not less than thirty (30) days' prior written notice to the Landlord; and
 - (iii) a severability of interests clause, a cross-liability clause and a stated amount for a co-insurance endorsement.
- (c) The Tenant shall ensure that the Landlord shall, at all times, be in possession of certificates of the Tenant's insurance policies executed by the underwriting insurance company which are in good standing and in compliance with the Tenant's obligations hereunder. At the Landlord's request, the Tenant shall provide the Landlord with a certified copy of its insurance policy or policies, as the case may be.
- (d) If the Tenant fails to maintain in force, or pay any premiums for any insurance required to be maintained by the Tenant hereunder, or if the Tenant fails from time to time to deliver to the Landlord satisfactory proof that any such insurance is in good standing, including the payment of premiums therefore, then the Landlord, without prejudice to any of its other rights and remedies hereunder, shall have the option, at the Landlord's sole discretion, but shall not be obligated, to effect such insurance on behalf of the Tenant. In the event that the Landlord effects such insurance, the cost thereof and all other reasonable expenses incurred by the Landlord in that regard, including the Landlord's administrative fee of fifteen percent (15%) of such premium, shall be paid by the Tenant to the Landlord as Additional Rent forthwith upon demand.

10.03 Landlord's Non-Liability

The Tenant agrees that the Landlord shall not be liable or responsible in any way for any injury or death to any person or for any loss or damage to any property, at any time on or about the Premises, no matter how the same shall be caused and whether or not resulting from or contributed to by the fault of the Landlord, its servants, agents, employees, contractors or persons for whom the Landlord is in law responsible. Without limiting the generality of the foregoing, the Landlord shall not be liable or responsible for any such injury, death, loss or damage to any persons or property, caused or contributed to by fire, explosion, steam, water, rain, snow,

dampness, leakage, electricity or gas, and the Landlord shall in no event be liable for any indirect or consequential damages suffered by the Tenant.

10.04 Indemnification of the Landlord

The Tenant shall indemnify and save harmless the Landlord and its agent Ontario Infrastructure and Lands Corporation, and each of their agents, officers, directors, employees, contractors, Service Providers and those for whom the Landlord is in law responsible, from and against any and all loss, claims, actions, damages, liability and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease, or any occurrence at the Premises, or the occupancy or use by the Tenant of the Premises, or any part thereof. If the Landlord shall be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and legal fees incurred or paid by the Landlord in connection with such litigation on a solicitor and client basis.

10.05 Benefit of Exculpatory and Indemnity Provisions

For the purpose of every exculpatory clause and indemnity included in this Lease in favour of the Landlord, the word "Landlord" shall be considered to include OILC, the Service Provider, any property management company employed to manage the Building, the owner or owners from time to time of the Building and the officers, directors, employees, agents and contractors of the Landlord and the other parties listed in this Section 10.05. Each of OILC, the Service Provider, the management company and the owner or owners from time to time respectively, and the Landlord, for the purpose of enabling each of those other persons and entities to enforce the benefit of the exculpatory clause or indemnity as the case may be, acts as agent for or trustee for the benefit of each of them.

ARTICLE XI - MAINTENANCE, REPAIRS AND IMPROVEMENTS

11.01 Maintenance and Repairs by the Tenant

The Landlord and the Tenant agree that the Tenant shall, at its sole cost and expense, be responsible for the maintenance and operation of the Premises. Without limiting the generality of the foregoing, the Tenant shall, at all times during the Term, at its sole cost and expense: (i) keep and maintain the Premises, the Improvements and the Tenant's trade fixtures, exterior signs and floor coverings in a clean and first-class condition and repair as would a prudent owner (which shall include, without limitation, periodic painting and decorating); and (ii) make all needed repairs and replacements in a good and workmanlike manner with due diligence, in accordance with all applicable requirements of any relevant Authority. If the Tenant fails to perform any obligation under this Article XI, then on not less than five (5) days' prior written notice to the Tenant, the Landlord may enter the Premises and perform the Tenant's maintenance and repair obligation, at the Tenant's sole cost and expense, and without any liability to the Tenant for any loss or damage that may arise. Upon receipt of the Landlord's invoice the Tenant shall promptly reimburse the Landlord, as Additional Rent, for all costs incurred by the Landlord in performing the Tenant's obligations plus fifteen percent (15%) of the costs for overhead and supervision.

11.02 Landlord's Approval of the Tenant's Improvements

- (a) The Tenant shall not install any Improvements in or to the Premises without the Landlord's prior written consent, which consent shall not be unreasonably withheld, provided such Improvements do not affect the Structure or the Mechanical and Electrical Services.
- (b) With its request for consent, the Tenant shall submit to the Landlord details of the proposed Improvements, including plans and specifications prepared by qualified architects or engineers.
- (c) Under the provisions of the "Ministry of Infrastructure Public Work Class Environmental

Assessment (Office Consolidation)” (the “Class EA”), as approved and ordered April 28, 2004, by Order-in-Council No. 913/2004 and amended on September 11, 2009 and on October 31, 2012, as approved, amended, or renewed from time to time by the Minister of the Environment pursuant to section 14 of the Environmental Assessment Act, R.S.O. 1990, c. E.18, the Landlord is obliged to consider the potential for environmental effects and Environmental Contaminants in respect of any Improvements to the Premises. The Tenant acknowledges that any request for consent for proposed Improvements will be subject to the Landlord’s obligations to comply with any applicable requirements of the Class EA. The timing of the Landlord’s response to the Tenant’s request for consent will vary, depending on the nature of the proposed Improvements and the requirements of the Class EA.

- (d) If and when approved by the Landlord, the Improvements shall be completed at the Tenant’s sole cost and expense and shall be performed:
 - (i) by such contractor(s) or sub-contractor(s) as the Tenant may select and the Landlord may approve, provided however that the Landlord shall not be liable for any damage or other loss or deficiency arising from or through such work. Each such contractor and sub-contractor shall be the Tenant’s contractor and sub-contractor and shall not be deemed to be a contractor or sub-contractor of the Landlord. The Tenant hereby undertakes that there shall be no conflict caused with any union or other contract to which the Landlord, its contractor(s), or any sub-contractor(s) may be a party to, and in the event of any such conflict, the Tenant shall forthwith remove from the Building the Tenant’s conflicting contractor(s) or sub-contractor(s);
 - (ii) in a good and workmanlike manner and in compliance with the highest standards including those set by the Landlord and all applicable requirements of any relevant Authority;
 - (iii) in accordance with plans and specifications approved in writing by the Landlord; and
 - (iv) subject to the reasonable regulations, controls, supervision and inspection of the Landlord.
- (e) At the option of the Landlord: (i) the Tenant shall utilize the Landlord’s contractors with respect to the construction of any Improvements which affect either the Structure or the Mechanical and Electrical Services; or (ii) all Improvements affecting either the Structure or the Mechanical and Electrical Services shall be performed by the Landlord, on behalf of the Tenant, with the cost thereof, plus an administration fee equal to fifteen percent (15%) of the cost of such work, to be repaid to the Landlord as Additional Rent forthwith upon demand.
- (f) The Tenant shall obtain, at its sole cost and expense, all necessary permits and licenses from any relevant Authority, prior to commencing the Improvements.
- (g) The Tenant shall reimburse the Landlord for the cost of a technical evaluation of the Tenant’s plans and specifications and any other costs incurred by the Landlord in respect of the Improvements, plus an administration fee equal to fifteen percent (15%) of such costs. In addition, the Tenant shall pay the Landlord, as Additional Rent, a supervisory fee equal to five percent (5%) of the total cost of any Improvements for co-ordination and supervision services.
- (h) Upon the completion of any Improvements, the Tenant shall provide to the Landlord as-built drawings and/or a CAD disk of same in a format useable by the Landlord, together with evidence satisfactory to the Landlord of a final inspection of such Improvements (including inspection of mechanical and electrical systems where applicable) by the Authority which issued the permit or license for same.
- (i) If the Tenant performs any Improvements without compliance with all of the provisions

of this Section, the Landlord shall have the right to require the Tenant to remove such Improvements forthwith, at the Tenant's sole cost and expense, and to restore the Premises to its prior condition, satisfactory to the Landlord.

11.03 Repair According to the Landlord's Notice

The Landlord, or any Persons designated by it, shall have the right to enter the Premises at any reasonable time to view the state of repair and the condition thereof and the Tenant shall promptly perform any maintenance (including painting and repair or replacement or any interior finishings), repairs or replacements according to any notice issued by the Landlord and the Tenant's obligations hereunder.

11.04 Notice by Tenant

The Tenant shall give immediate notice to the Landlord of any accident, defect or damage in any part of the Premises or in the Building, which comes to the attention of the Tenant or any of its employees or contractors, notwithstanding the fact that the Landlord may not have any obligation in respect thereof.

11.05 Ownership of Improvements

All Improvements shall immediately become the property of the Landlord upon installation, but without the Landlord thereby accepting any responsibility in respect of the insurance, maintenance, repair or replacement thereof.

11.06 Construction Liens

If any construction lien or certificate of action is served or filed against the Lands or any part thereof, whether valid or not and whether preserved or perfected, by reason of work done or to be done or materials or services furnished or to be furnished for the account of the Tenant, or by reason of alteration, repair or installation made or to be made for the account of the Tenant, the Tenant shall promptly discharge the lien or have the certificate vacated, at its sole expense, immediately after notice from the Landlord, or within ten (10) calendar days after registration or service, whichever is earlier. The Tenant shall indemnify and save harmless the Landlord and OILC from and against any liabilities, claims, liens, damages, costs and expenses, including legal expenses, arising in connection with any work, services or material supplied to the Tenant or the Lands. If the lien is vacated but not discharged, the Tenant shall, if requested by the Landlord, undertake OILC's and the Landlord's defence of any subsequent lawsuit commenced in respect of the lien, at the Tenant's sole expense.

In the event that the Tenant fails or refuses to vacate or discharge a construction lien within the time prescribed above, in addition to any other rights of the Landlord, the Landlord and OILC shall, at its option, be entitled to take all steps necessary to vacate and/or discharge the lien, and all costs and expenses incurred by the Landlord and OILC in so doing (including without limitation, all legal fees and disbursements, the amount and costs of any security posted to vacate the lien and any payment which may ultimately be made out of or pursuant to security posted to vacate the lien) shall be for the account of the Tenant. In the event that the Tenant fails to comply with the terms of this Section 11.06, the Landlord may, but shall not be obliged to pay into court the amount necessary to discharge the lien and charge the Tenant with the amounts so paid and all costs incurred by the Landlord, including legal fees and disbursements plus an administrative fee of fifteen percent (15%) of such amounts and costs, which shall be paid by the Tenant to the Landlord, forthwith upon demand, as Additional Rent.

11.07 Maintenance and Repairs by the Landlord

The Landlord will maintain and repair the Building as would a prudent owner of a similar Building, having regard to size, age and location of the Building, with the cost of such maintenance and repair to be included in Operating Costs. The obligations of the Landlord under this Section are subject to the following exceptions:

- (a) damage or destruction as set out in Article XIII, in the circumstances where this Lease will terminate;

- (b) damage or injury caused by or resulting from any negligence, fault, omission, want of skill, act or misconduct of the Tenant, its officers, agents, servants, employees, contractors, invitees, licensees or persons for whom the Tenant is responsible in law or over whom the Tenant may reasonably be expected to exercise control; and
- (c) the Tenant's obligations set out in Section 11.01.

11.08 Repair Where the Tenant is at Fault

If the Building or any part of the Building requires repair, replacement or alteration:

- (a) because of the negligence, fault, omission, want of skill, act or misconduct of the Tenant its officers, agents, servants, employees, contractors, invitees, licensees or persons for whom the Tenant is responsible at law;
- (b) due to the requirements of any Authority relating to the Tenant's conduct of business; or
- (c) as a result of the Tenant stopping up or damaging the heating apparatus, water pipes, drainage pipes or any other equipment or facilities or parts of the Building;
- (d) the cost of the repairs, replacements or alterations, plus a sum equal to fifteen percent (15%) thereof, will be paid by the Tenant to the Landlord forthwith on demand as Additional Rent.

ARTICLE XII - END OF TERM

12.01 Vacating of Possession

Forthwith upon the expiry or earlier termination of the Term, the Tenant shall deliver to the Landlord vacant possession of the Premises in such condition in which the Tenant is required to keep the Premises during the Term, leave the Premises in a neat and clean condition and deliver to the Landlord all keys, and security access cards, if any, for the Premises.

12.02 Removal of Trade Fixtures

Provided the Tenant has paid all Rent and is not otherwise in default hereunder, at the expiry or earlier termination of the Term, the Tenant shall remove its trade fixtures (including any signs erected pursuant to Section 9.03) and repair all damage resulting from the installation or removal of such trade fixtures. If at the expiry or earlier termination of the Term, the Tenant does not remove its trade fixtures or any of its other property on the Premises, the Landlord shall have no obligation in respect thereof and may sell or destroy the same or have them removed or stored at the expense of the Tenant or at the option of the Landlord, such trade fixtures or property shall become the absolute property of the Landlord without any compensation to the Tenant.

12.03 Removal of Improvements

Notwithstanding that the Improvements may become the property of the Landlord upon installation, at the expiry or earlier termination of the Term, the Tenant will, if required by the Landlord, remove any or all such Improvements as required by the Landlord, and in so doing shall restore the Premises to their condition prior to the installation and removal of such Improvements. The Tenant shall repair and make good any damage to the Premises or to the Building caused either by the installation or the removal of the Improvements.

12.04 Overholding by Tenant

If the Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of the Landlord but without any further written agreement, then this Lease shall not be deemed to have been renewed thereby and the Tenant shall be deemed to be occupying the Premises as a monthly tenant on the same terms and conditions as set forth in this Lease insofar as they are applicable to a monthly tenancy, except for the length of the Term, and that the monthly Basic Rent shall be twice the monthly Basic Rent payable during the last twelve

(12) months of the Term or Extension Term, as the case may be.

ARTICLE XIII - DAMAGE AND DESTRUCTION

13.01 Damage to Premises

If, during the Term, the Premises, or any part thereof, are, in the opinion of the Architect, destroyed or damaged by any cause whatsoever so as to render the Premises substantially or wholly unfit for occupancy by the Tenant, then and so often as the same shall happen, the following provisions shall have effect:

(a) Significant Destruction to Premises

If the Premises are, in the opinion of the Architect, incapable of being repaired and restored with reasonable diligence within ninety (90) days of the date of such destruction or damage (the "Date of Damage"), then the Landlord may terminate this Lease by written notice given to the Tenant within thirty (30) days of the Date of Damage. In the event of such notice being so given:

- (i) this Lease shall cease and become null and void from the Date of Damage, except that the Tenant shall remain liable for all Rent accrued up to the Date of Damage;
- (ii) the Tenant shall immediately surrender the Premises and all of its interest therein to the Landlord;
- (iii) all Rent shall be apportioned and shall be payable by the Tenant only to the Date of Damage; and
- (iv) the Landlord may re-enter and re-possess the Premises.

Provided that if, within the said period of thirty (30) days, notice terminating this Lease has not been given, then, upon the expiration of the said period or if the Landlord does not elect to terminate this Lease, the Landlord shall, with reasonable promptitude, proceed to repair and restore the damaged portions of the Structure (but not the Improvements) and the Mechanical and Electrical Services to their condition prior to the Date of Damage and the Tenant shall, with reasonable promptitude, proceed to repair and restore the Improvements and the balance of the Premises to their condition prior to the Date of Damage. In the event that the Landlord does not elect to terminate this Lease in accordance with this Subsection 13.01(a), Basic Rent shall abate in proportion to the portion of the Premises rendered untenable by such damage or destruction as determined by the Architect, from the Date of Damage to the date next following the date that the Landlord has substantially restored the Premises to the extent of its obligations hereunder. In the event that this Lease is terminated in accordance with this Subsection 13.01(a), the Landlord hereby reserves any and all rights to indemnification by the Tenant which it may have as a result of any breach of covenant by the Tenant arising prior to the Date of Damage.

(b) Rebuilding/Repairing Premises

If, in the opinion of the Architect, the Premises are capable with reasonable diligence of being rebuilt and/or repaired and restored within ninety (90) days of the Date of Damage, then the Landlord shall rebuild and/or repair and restore the Premises to the extent of its obligations under Section 13.01(a) and the Tenant shall rebuild and/or repair and restore the Improvements and the balance of the Premises with all reasonable speed. Basic Rent shall abate in proportion to the portion of the Premises rendered untenable by such damage or destruction as determined by the Architect, from the Date of Damage to the date next following the date that the Landlord has substantially restored the Premises to the extent of its obligations hereunder.

13.02 Restoration of Premises

If there is damage or destruction to the Premises and if this Lease is not terminated

pursuant to the provisions of this Article XIII, the Landlord, in performing its repairs as required hereby, shall not be obliged to repair or rebuild in accordance with the plans or specifications for the Premises as they existed as of the Date of Damage but, rather, may repair or rebuild in accordance with any plans and specifications chosen by the Landlord in its sole discretion.

13.03 Damage to Building

If twenty-five percent (25%) or more of the Rentable Area of the Building is damaged or destroyed by any cause whatsoever, whether or not there is any damage to the Premises, the Landlord may, at its sole option, by notice to be given to the Tenant within ninety (90) days after the Date of Damage, terminate this Lease as of the date specified in such notice, which date shall, in any event, be not less than thirty (30) days and not more than one hundred and eighty (180) days after the date of the giving of such notice. In the event of such termination, the Tenant shall surrender vacant possession of the Premises by not later than the said date of termination and Rent hereunder shall be apportioned to the effective date of termination. If the Landlord does not elect to terminate this Lease, the Landlord shall diligently proceed to repair and rebuild the Premises and the Building (but not the Improvements) to the extent of its obligations hereunder, but the repaired or rebuilt Building may be different in configuration and design from that existing prior to the Date of Damage.

13.04 Decision of Architect Binding

The decision of the Architect as to the time within which the damage or destruction to the Premises, the Improvements or the Building can or cannot be repaired, the extent of the damage, or the state of tenantability of the Premises, as the case may be, shall be final and binding upon the parties.

ARTICLE XIV - ASSIGNMENT AND SUBLETTING

14.01 Tenant not to Transfer

- (a) The Tenant shall not, whether by conveyance, written agreement or otherwise, and whether or not by operation of law, assign this Lease in whole or in part (or any interest in this Lease), nor sublet all or any part of the Premises, nor mortgage or encumber this Lease or the Premises or any part thereof, nor suffer or permit the occupation of, or part with or share possession of all or any part of the Premises (whether by way of concessions, franchises, licenses or otherwise) by any Person, nor suffer or permit a change in a partnership if the change results in a change in the effective control of the Tenant (all of the foregoing being collectively referred to in this Article XIV as a "Transfer", and the person to whom the Premises is transferred is referred to as the "Transferee"), without the prior written consent of the Landlord, which consent may not be arbitrarily or unreasonably withheld. The Landlord shall be deemed to be acting reasonably in withholding its consent if:
 - (i) the Transfer would violate any covenant or restriction granted to any other tenant of the Building;
 - (ii) in the Landlord's opinion: (A) either the financial background or the business history and capability of the proposed Transferee is not satisfactory; or (B) the nature or character of the proposed business of the proposed Transferee is such that it might harm the Landlord's business or reputation or reflect unfavourably on the Project, the Landlord, or other tenants of the Building, or the image of any of them, or is unethical, immoral or illegal;
 - (iii) the proposed Transferee or any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with Laws;
 - (iv) the proposed Transferee has agreed to pay to the Tenant some form of consideration that is reasonably attributable to the value of the Premises or to the Improvements;

- (v) the amount of rent to be paid by the proposed Transferee is less than that provided for in this Lease or the terms of the proposed Transfer are otherwise in any respect more favourable to the proposed Transferee than those of this Lease are to the Tenant;
- (vi) the proposed Transfer is a mortgage, charge or other encumbrance of the Tenant's rights or interest under this Lease;
- (vii) an event of default on the part of the Tenant has occurred and is continuing or any notice of default was given by the Landlord to the Tenant in the preceding twelve (12) month period;
- (viii) the proposed Transfer is a sublease by an existing sublessee of the Premises or any part thereof;
- (ix) there is any other reasonable ground not stated above for withholding consent; or
- (x) the Landlord does not receive sufficient information (including financial information) to enable it to make a determination concerning the matters set out above or consent for the Landlord to do a credit search in respect of the Transferee.

Notwithstanding any such Transfer permitted or consented to by the Landlord, the Tenant shall be jointly and severally liable with the Transferee and shall not be released from performing any of the terms, covenants and conditions of this Lease.

- (b) In addition, the following terms and conditions apply in respect of a consent given by the Landlord to a Transfer:
 - (i) the consent by the Landlord, if granted, is not a waiver of the requirement for consent to subsequent Transfers, and no Transfer shall relieve the Tenant of its obligations under this Lease, unless specifically so provided in writing;
 - (ii) no acceptance by the Landlord of Rent or other payments by a Transferee is: (A) a waiver of the requirement for the Landlord to consent to the Transfer, (B) the acceptance of the Transferee as tenant, or (C) a release of the Tenant from its obligations under this Lease or any indemnity agreement;
 - (iii) the Landlord may apply amounts collected from the Transferee to any unpaid Rent;
 - (iv) the Transferor (unless the Transferee is a subtenant of the Tenant), shall retain no rights under this Lease in respect of obligations to be performed by the Landlord or in respect of the use or occupation of the Premises after the Transfer and the Transferor shall execute an indemnity agreement on the Landlord's standard form in respect of obligations to be performed after the Transfer by the Transferee;
 - (v) the Transferee shall, when required by the Landlord, jointly and severally with the Tenant, enter into an agreement directly with the Landlord agreeing to be bound by this Lease as if the Transferee had originally executed this Lease as the Tenant;
 - (vi) in the event that this Lease is disaffirmed, disclaimed or terminated by any trustee in bankruptcy of a Transferee, upon notice by the Landlord given within thirty (30) days of such disaffirmation, disclaimer or termination, the original Tenant named in this Lease shall be deemed, to have entered into a lease with the Landlord containing the same terms and conditions as in this Lease, with the exception of the Term of such Lease which shall expire on the date on which this Lease would have ended save for such disaffirmation, disclaimer or termination; and
 - (vii) any documents relating to a Transfer or the Landlord's consent will be prepared by the Landlord or its solicitors and a reasonable administration charge of at least

Two Hundred and Fifty Dollars (\$250.00) and the greater of: (i) a reasonable document preparation fee of at least Four Hundred and Fifty Dollars (\$450.00); or (ii) those legal fees on a solicitor and client basis incurred by the Landlord will be paid to the Landlord by the Tenant as Additional Rent forthwith upon demand.

14.02 Landlord's Option

Notwithstanding the other provisions contained in this Article XIV, after the Landlord receives a request for consent to a Transfer with the information herein required, it shall have the option, in its sole discretion, to be exercised by notice to the Tenant within fifteen (15) days after the receipt of such request and the required information to terminate this Lease as it relates to the portion of the Premises which is the subject of the proposed Transfer, effective as of the date on which the proposed Transfer by the Tenant was proposed to occur. If the Landlord elects to terminate this Lease as aforesaid, Tenant shall have the right, to be exercised by written notice to the Landlord within ten (10) days after receipt of such notice of termination, to withdraw the request for consent to the Transfer, in which case, the Tenant shall not proceed with such Transfer, the notice of termination shall be null and void and this Lease shall continue in full force and effect.

14.03 No Advertising of Premises

The Tenant shall not advertise for sale this Lease or all or any part of the Premises or the business or fixtures therein, without the Landlord's prior written consent.

14.04 Assignment by the Landlord

In the event of the sale, lease or disposition by the Landlord of the Building or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that the purchaser or assignee thereof assumes the covenants and obligations of the Landlord hereunder, the Landlord shall, thereupon and without further agreement, be freed and relieved of all liability with respect of such covenants and obligations.

14.05 Corporate Ownership

If the Tenant is a corporation or if the Landlord has consented to a Transfer of this Lease to a corporation, any transfer or issue by sale, assignment, bequest, inheritance, consolidation, subscription, operation of law or other disposition, or liquidation, from time to time of all or any part of the corporate shares of the Tenant or of any holding or subsidiary corporation of the Tenant or any corporation which is an associate or affiliate of the Tenant (as those terms are defined in the Business Corporations Act, R.S.O. 1990, c.B.16, as amended) or any amalgamation or merger which results in any change in the present effective voting control of the Tenant by the Person holding such voting control at the date of execution of this Lease (or at the date a Transfer of this Lease to a corporation is permitted) and which does not receive the prior written consent of the Landlord in each instance, which consent may not be unreasonably withheld, shall constitute a default under this Lease which will entitle the Landlord to exercise the remedies contained in Section 16.01 of this Lease. This Section 14.05 shall not apply to the Tenant if and during the period of time the Tenant is a public corporation whose shares are listed and traded on any recognized stock exchange in Canada or the United States. Notwithstanding the foregoing, the Tenant shall not be required to obtain the Landlord's prior written consent, but shall give the Landlord at least thirty (30) days' prior written notice, in the case of any Transfer of this Lease to either: (i) any corporation which is wholly owned by the Tenant so long as the corporation remains wholly owned by the Tenant, and the Tenant and such wholly owned corporation are jointly and severally liable under this Lease to the Landlord; or (ii) a corporation formed as a result of a merger or amalgamation of the Tenant with one or more other corporations, provided that the Premises continue to be used for the Contemplated Use.

The Tenant shall make available to the Landlord or its lawful representatives all corporate books and records for inspection, copying or both, at all reasonable times, to ascertain whether there has been in fact a change in the effective voting control of the Tenant. The Landlord may terminate this Lease upon thirty (30) days' notice if such books and records are not made available as requested by the Landlord.

ARTICLE XV - REGISTRATION, STATUS STATEMENT, ATTORNMENT AND SUBORDINATION

15.01 Registration

The Tenant shall not register this Lease on the title to the Lands or any short form or notice hereof except in such form as has been approved by the Landlord in writing, the Tenant agreeing to pay the Landlord's reasonable expenses, including legal fees, for such approval. The Tenant shall forthwith provide to the Landlord a duplicate registered copy of any short form or notice of this Lease or other document registered on title.

15.02 Status Statement

The Tenant shall, at any time and from time to time, execute and deliver to the Landlord or as the Landlord may direct, within five (5) Business Days after request, a statement in writing, in the form supplied by the Landlord, certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modification and stating that this Lease is in full force and effect as modified), the Commencement Date, the amount of the Basic Rent and other Rent then being paid hereunder, the amount of any security deposit or rent deposits, if any, the dates to which such Rent hereunder has been paid, whether or not there is any existing default on the part of the Landlord or the Tenant, whether the Tenant has any claims for any right of set-off or any claim for a deduction or abatement of Rent, confirmation that the Tenant has accepted possession of the Premises and any other particulars that the Landlord may reasonably request.

15.03 Subordination and Attornment

This Lease and the rights of the Tenant hereunder shall be subject and subordinate to all existing or future mortgages, charges or other security instruments or encumbrances and to all renewals, modifications, consolidations, replacements and extensions thereof. Whenever requested by the Landlord or a mortgagee, the Tenant shall enter into an agreement with the mortgagee whereby the Tenant postpones or subordinates this Lease to the interest of such mortgagee and agrees that if such mortgagee becomes a mortgagee in possession or realizes on its security, it shall attorn to such mortgagee as a tenant upon all the terms of this Lease. On written request of the Tenant, the Landlord shall submit the Tenant's form of non-disturbance agreement to any mortgagee with an interest in the Lands for its consideration and the Tenant will be responsible for all costs and charges in connection therewith.

15.04 Attorney

At the request of the Landlord the Tenant shall execute promptly such statements and instruments as required under Sections 15.02 and 15.03. The Tenant hereby irrevocably appoints the Landlord as the Tenant's attorney with full power and authority to execute and deliver in the name of the Tenant any such instruments or certificates. Where the Tenant has not executed such instruments or certificates within fifteen (15) days after the date of a written request by the Landlord, the Landlord shall have the right to terminate this Lease without incurring any liability on account thereof.

ARTICLE XVI - DEFAULT

16.01 Right to Re-Enter

If and whenever:

- (a) the Tenant fails to pay any Rent when due; or
- (b) the Tenant fails to observe or perform any obligation of the Tenant, other than payment of Rent after ten (10) days' notice by the Landlord (or if the failure would reasonably require more than ten (10) days to rectify, unless the Tenant commences rectification within the ten (10) day notice period and thereafter diligently proceeds to rectify the failure); or
- (c) the Tenant or any person occupying the Premises or any part thereof becomes bankrupt or

insolvent or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or

- (d) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property; or
- (e) any steps are taken or any action or proceeding are instituted for the dissolution, winding-up or liquidation of the Tenant or its assets; or
- (f) the Tenant makes a sale in bulk of any of its assets, wherever situated (other than a bulk sale made to an assignee or sublessee pursuant to a permitted Transfer hereunder and pursuant to the Bulk Sales Act, R.S.O. 1990, c.B.14, as amended); or
- (g) the Tenant fails to move into or take possession of the Premises, abandons or attempts to abandon the Premises, or sells or disposes of the goods and chattels of the Tenant or removes them from the Premises so that there would not be sufficient goods of the Tenant on the Premises subject to distress to satisfy all Rent due or accruing hereunder for a period of at least six (6) months; or
- (h) the Premises become and remain vacant for a period of five (5) consecutive days or are used by any Persons other than such as are entitled to use them hereunder; or
- (i) the Tenant effects a Transfer of all or any part of the Premises except in a manner permitted by this Lease; or
- (j) this Lease or any of the Tenant's assets are taken under any writ of execution; or
- (k) termination or re-entry is permitted under any other provisions of this Lease;

the then current Rent and the next three (3) months' Rent shall be forthwith due and payable and the Landlord, in addition to any other rights or remedies it has pursuant to this Lease or by law, has the immediate right to terminate this Lease or to re-enter the Premises and it may repossess the Premises and may expel all persons and remove all property from the Premises and such property may be removed and sold or disposed of by the Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant.

16.02 Right to Relet

- (a) In the event of the Tenant's default, the Landlord as agent of the Tenant, may relet the Premises and take possession of any furniture, fixtures, equipment or other property thereon and, upon giving notice to the Tenant, store the same at the expense and risk of the Tenant or sell or otherwise dispose of same at a public or private sale without further notice, and to make alterations to the Premises to facilitate their reletting and to apply the net proceeds of the sale of any furniture, fixtures, equipment, or other property or from the reletting of the Premises, less all expenses incurred by the Landlord in making the Premises ready for reletting and in reletting the Premises, on account of the Rent due and to become due under this Lease, and the Tenant shall be liable to the Landlord for any deficiency and for all such expenses incurred by the Landlord as aforesaid; nothing done by the Landlord shall be construed as an election to terminate this Lease unless written notice of such termination is given by the Landlord to the Tenant.
- (b) Upon each such reletting, all Rent received by the Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by the Landlord and applied in payment of future Rent as the same becomes due and payable hereunder. If such Rent received from such reletting during any month is less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency which shall be calculated and paid monthly in advance on or before the first day of each and every month.

16.03 Right to Terminate

If the Landlord at any time terminates this Lease for any breach by the Tenant, it may recover from the Tenant all damages it incurs by reason of such breach, including the cost of recovering the Premises, solicitor's fees (on a solicitor and his client basis) and including the worth at the time of such termination of the excess, if any, of the amount of Rent and charges equivalent to Rent required to be paid pursuant to this Lease for the remainder of the Term over the then reasonable rental value of the Premises for the remainder of the Term, all of which amounts shall be immediately become due and payable by the Tenant to the Landlord.

16.04 Landlord may Cure the Tenant's Default or Perform the Tenant's Covenants

The Landlord may pay any amounts or charges required to be paid by the Tenant pursuant to this Lease, if the Tenant has not paid such amounts after five (5) days' notice by the Landlord of any such amount. If the Tenant is in default in the performance of any obligations hereunder (other than the payment of Rent), the Landlord may from time to time after giving such notice as it considers sufficient (or without notice in the case of an emergency), perform or cause to be performed any or part of such obligations, and for such purpose may do such things as may be required including, without limitation, entering upon the Premises and doing such things upon or in respect of the Premises or any part thereof as the Landlord reasonably considers necessary. All expenses incurred and expenditures made pursuant to this Section shall be paid by the Tenant as Additional Rent, forthwith upon demand and shall include an administration fee equal to fifteen percent (15%) of the Landlord's expenses. The Landlord shall have no liability to the Tenant for any loss or damage resulting from any such action or entry by the Landlord upon the Premises and the same is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

16.05 Costs

The Tenant shall pay to the Landlord, forthwith upon demand, all costs incurred by Landlord including, without limitation, legal expenses (on a substantial indemnity basis) and reasonable compensation for all time expended by the Landlord's own personnel arising as a result of any default in the Tenant's obligations under this Lease.

16.06 Charges Collectible as Rent

If the Tenant is in default in the payment of any amounts or charges required to be paid pursuant to this Lease, such amounts or charges shall, if not paid when due, be collectible as Rent with the next monthly instalment of Basic Rent thereafter falling due hereunder, but nothing herein contained is deemed to suspend or delay the exercise of any other remedy of the Landlord. The Tenant agrees that the Landlord may, at its sole option, apply or allocate any sums received from or due to the Tenant against any amounts due and payable hereunder in such manner as the Landlord sees fit.

ARTICLE XVII - MISCELLANEOUS

17.01 Rules and Regulations

The Landlord may, from time to time, make and amend reasonable rules and regulations for the management and operation of the Building and the Tenant and all persons under its control shall comply with all of such rules and regulations of which notice is given to the Tenant from time to time, all of which shall be deemed to be incorporated into and form part of this Lease.

17.02 Option(s) to Extend

Provided that the Tenant has not been in default of any of its obligations under this Lease at any time during the Term, the Tenant shall have the right to extend this Lease for two (2) further term(s) of five (5) years each (each an "Extension Term"), upon the following terms and conditions:

- (a) The Tenant shall provide the Landlord with six (6) months' prior written notice, of the

Tenant's intention to extend this Lease prior to the expiry of the Term or the then current Extension Term, as the case may be.

- (b) Each Extension Term shall be upon the same terms and conditions of this Lease, except: (i) for any Landlord's work, rent free period, Fixturing Period, tenant allowance or other tenant inducements; (ii) that, in the case of the last Extension Term, there shall be no further extension term; and (iii) for the Basic Rent, which will be based on the then current fair market rental for the Premises as of the date which is six (6) months prior to the expiry of the Term or the then current Extension Term, as the case may be, as negotiated between the parties, by no later than the date which is three (3) months prior to the expiry of the Term or the then current Extension Term, as the case may be, taking into consideration the age, size and location of the Building and the use, and condition of the Premises, which shall not, in any event, be less than the Basic Rent payable by the Tenant during the last year of the Term or the then current Extension Term, as the case may be.
- (c) The Landlord may, at its option, require that the Tenant: (i) enter into an agreement prepared by the Landlord to give effect to the extension terms provided for in this Lease; or (ii) execute a new net lease for the Extension Term on the Landlord's standard net lease form for the Building in use at such time.
- (d) If the parties are unable to agree upon the rental rate to be charged during the Extension Term provided for in this Lease on or before the date which is three (3) months prior to the expiry of the Term or the then current Extension Term, as the case may be, then they shall submit the dispute to arbitration by a single arbitrator in accordance with the provisions of the Arbitration Act, S.O. 1991, c.17, as amended, or any successor act. Pending the completion of any arbitration process, the Tenant shall continue to pay Basic Rent at the rate payable during the last year of the Term or the then current Extension Term, as the case may be. Within thirty (30) days of completion of the arbitration process, the Tenant shall pay to the Landlord the amount, if any, by which the new Basic Rent exceeds the Basic Rent rate for the last year of the Term, for the period during the Extension Term that the Tenant continued to pay Basic Rent at the rate payable during the last year of the Term. The decision of the arbitrator shall be final and binding on the parties and shall not be subject to any appeal or review process.

17.03 Access to Premises

- (a) Without limiting any other rights the Landlord may have pursuant to this Lease or at law, the Landlord shall have the right to enter the Premises at any time for any of the following purposes: (i) to examine the Premises and to perform any maintenance, repairs or alterations to any part of the Premises or to any equipment and services serving the Premises or any other part of the Building; (ii) in cases of emergency; (iii) to read any Utility or other meters; (iv) to show the Premises to prospective purchasers and to permit prospective purchasers to make inspections, measurements and plans; and (v) during the last twelve (12) months of the Term or Extension Term, as the case may be, to show the Premises to prospective tenants and to permit prospective tenants to make inspections, measurements and plans.
- (b) The Landlord shall have the right to run, conduits, wires, pipes, ducts and other elements of any systems through the Premises for Utilities, heating, ventilating, air-conditioning and humidity control, telephone and other communications systems and any other such systems that serve the Premises, the Common Areas and Facilities or the Building.
- (c) The Landlord shall exercise its rights pursuant to this Section in such manner and at such times as the Landlord, acting reasonably but in its sole discretion, shall determine. At any time that entry by the Landlord is desired in the case of an emergency, and if no personnel of the Tenant are known by the Landlord to be present on the Premises, or if such personnel fail for any reason to provide the Landlord with immediate access at the time such entry is desired, the Landlord may forcibly enter the Premises without liability for any damage caused thereby.

17.04 Cancellation

The Landlord shall have the right to terminate this Lease, upon providing the Tenant with twenty-four (24) months' prior written notice, without penalty, compensation, damages or bonus to the Tenant. Upon the expiry date of such notice, the Tenant shall deliver up vacant possession of the Premises, pursuant to the terms of this Lease, and this Lease shall then be terminated.

17.05 Remedies to Subsid

No waiver of any of the Tenant's obligations under this Lease or of any of the Landlord's rights in respect of any default by the Tenant hereunder shall be deemed to have occurred as a result of any condoning, overlooking or delay by the Landlord in respect of any default by the Tenant or by any other act or omission of the Landlord including, without limitation, the acceptance of any Rent less than the full amount thereof or the acceptance of any Rent after the occurrence of any default by the Tenant. The waiver by the Landlord of any default of the Tenant or of any rights of the Landlord, which shall be effected only by an express written waiver executed by the Landlord, shall not be deemed to be a waiver of any other term, covenant or condition under this Lease or at law and shall not be deemed to be a waiver of any subsequent default of the Tenant or right of the Landlord. All rights and remedies of the Landlord under this Lease and at law shall be cumulative and not alternative, and the exercise by the Landlord of any of its rights pursuant to this Lease, at law or in equity shall at all times be without prejudice to any other rights of the Landlord, whether or not they are expressly reserved.

17.06 Impossibility of Performance

If and to the extent that either the Landlord or the Tenant shall be bona fide delayed in the fulfilment of any obligation under this Lease, other than the payment of Rent by the Tenant, by reason of the unavailability of materials, equipment, utilities, services or by reason of any Laws, including Orders-in-Council, or by reason of any other similar cause beyond its control and not avoidable by the exercise of reasonable foresight (excluding the inability to pay for their performance of such obligation), then the party being delayed shall be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay and the other party shall not be entitled to any compensation for any loss or inconvenience occasioned thereby. The party delayed shall use its best efforts to fulfil the obligation in question as soon as reasonably practicable by arranging an alternate method of providing the work, services or materials.

17.07 Notices

All notices, statements, demands, requests or other instruments which may be or are required to be given under this Lease shall be in writing and shall be delivered in person or sent by facsimile or mailed by either prepaid registered or signature Canadian mail enclosed in a sealed envelope, addressed to the Tenant, the Landlord and the Service Provider as set out in Subsections 1.01(n) and 1.01(o) respectively, or such other addresses as the Landlord, the Tenant or Service Provider may from time to time designate. The time of giving of notice by either registered or signature mail shall be conclusively deemed to be the fifth (5th) Business Day after the day of such mailing. Such notice, if personally delivered or if delivered by facsimile (with confirmation of transmission) shall be conclusively deemed to have been given and received at the time of such delivery. The parties hereto acknowledge and agree that notwithstanding anything to the contrary in the Electronic Commerce Act, 2000, S.O. 2000, c.17, as amended from time to time, any notice, statement, demand, request or other instrument which may be or is required to be given under this Lease or at law may not be validly delivered by way of electronic communication, save as specifically provided in this Section 17.07. Any party may at any time during the Term and any extension or renewal thereof, by giving notice to the other party/ies (in the manner provided above) change the address of the party/ies by giving such notice, and thereafter the address as set out in the relevant Articles shall be deemed to be the address so changed. If two or more persons are named as tenant, any notice given hereunder shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.

17.08 Complete Agreement

There are no covenants, representatives, agreements, warranties or conditions in any way relating to the subject matter of this Lease or the tenancy created hereby, expressed or implied, collateral or otherwise, except as expressly set forth herein, and this Lease constitutes the entire agreement between the parties and may not be modified except by subsequent written agreement duly executed by the Landlord and Tenant. Schedules "A", "B" and "C" attached hereto form part of this Lease.

17.09 Collateral Rights

The Tenant acknowledges that any right of first refusal, option to lease, right of first offer, or other right to lease and any exclusive restriction or similar restriction granted to it under this Lease is collateral in nature and not fundamental to this Lease. The remedies of the Tenant in connection with any breach of such rights are limited to an action in damages and shall not entitle the Tenant to treat any breach of such rights as a repudiation or fundamental breach of this Lease by the Landlord.

17.10 Time of the Essence

Time is of the essence of all terms of this Lease.

17.11 Applicable Law

This Lease shall be governed by and interpreted in accordance with the Laws of the Province of Ontario. The parties agree that the Courts of Ontario shall have jurisdiction to determine any matters arising hereunder.

17.12 Severability

If any provision of this Lease is illegal, unenforceable or invalid, it shall be considered separate and severable and the remainder of this Lease shall remain in full force and effect as though such provision had not been included in this Lease but such provision shall nonetheless continue to be enforceable to the extent permitted by law.

17.13 No Partnership or Agency

The Landlord does not in any way or for any purpose become a partner of the Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with the Tenant, nor is the relationship of principal and agent created.

17.14 Section Numbers and Headings

The section numbers and headings of this Lease are inserted for convenience only and shall in no way limit or affect the interpretation of this Lease. References in this Lease to section numbers refer to the applicable section of this Lease, unless a statute or other document is specifically referred to.

17.15 Interpretation

Whenever a word importing the singular or plural is used in this Lease, such word shall include the plural and singular respectively. Where any party is comprised of more than one entity, the obligations of each such entities shall be joint and several. Words importing persons of either gender and firms or corporations shall include persons of the other gender and firms or corporations as applicable. Subject to the express provisions contained in this Lease, words such as "hereof", "herein", "hereby", "hereafter" and "hereunder" and all similar words or expressions shall refer to this Lease as a whole and not to any particular section or portion hereof.

17.16 Successors

This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and other legal representatives except only that this Lease shall not enure to the benefit of any of such parties unless and only to the extent expressly permitted pursuant to the provisions of this Lease.

17.17 Not Binding on the Landlord

This Lease shall not be binding on the Landlord until it has been duly executed by or on behalf of the Landlord.

17.18 Freedom of Information

The Tenant acknowledges and agrees that the commercial and financial information in this Lease may be required to be released pursuant to the provisions of the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31, as amended, or any successor act.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

17.19 Conflict of Interest

The Tenant and any of its successors, administrators, permitted assigns, directors, officers, employees, agents, servants, and representatives shall not engage in any activity where such activity creates a conflict of interest, actual or potential, in the sole opinion of the Landlord, with the Lease or the exercise of any of the rights or obligations of the Tenant hereunder. The Tenant shall disclose to the Landlord in writing and without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

For clarification, a "conflict of interest" means, in relation to the performance of its contractual obligations pursuant to this Lease, the Tenant's other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations pursuant to this Lease.

IN WITNESS WHEREOF the parties hereto have executed this Lease on the dates written below.

SIGNED, SEALED AND DELIVERED

Dated the 2nd day of October, 2017.

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF INFRASTRUCTURE, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

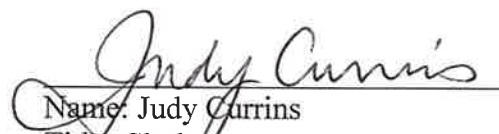
Per:


Name: _____
Title: _____
James Harvey
Vice President, Leasing & Valuation Services
Infrastructure Ontario
Authorized Signing Officer

Dated the 15th day of August, 2017

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES**

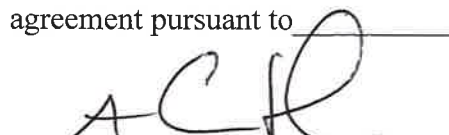
Per:


Name: Judy Currins
Title: Clerk

Authorized Signing Officer

I have the authority to execute this
agreement pursuant to _____.

Per:


Name: Andy Letham
Title: Mayor

Authorized Signing Officer

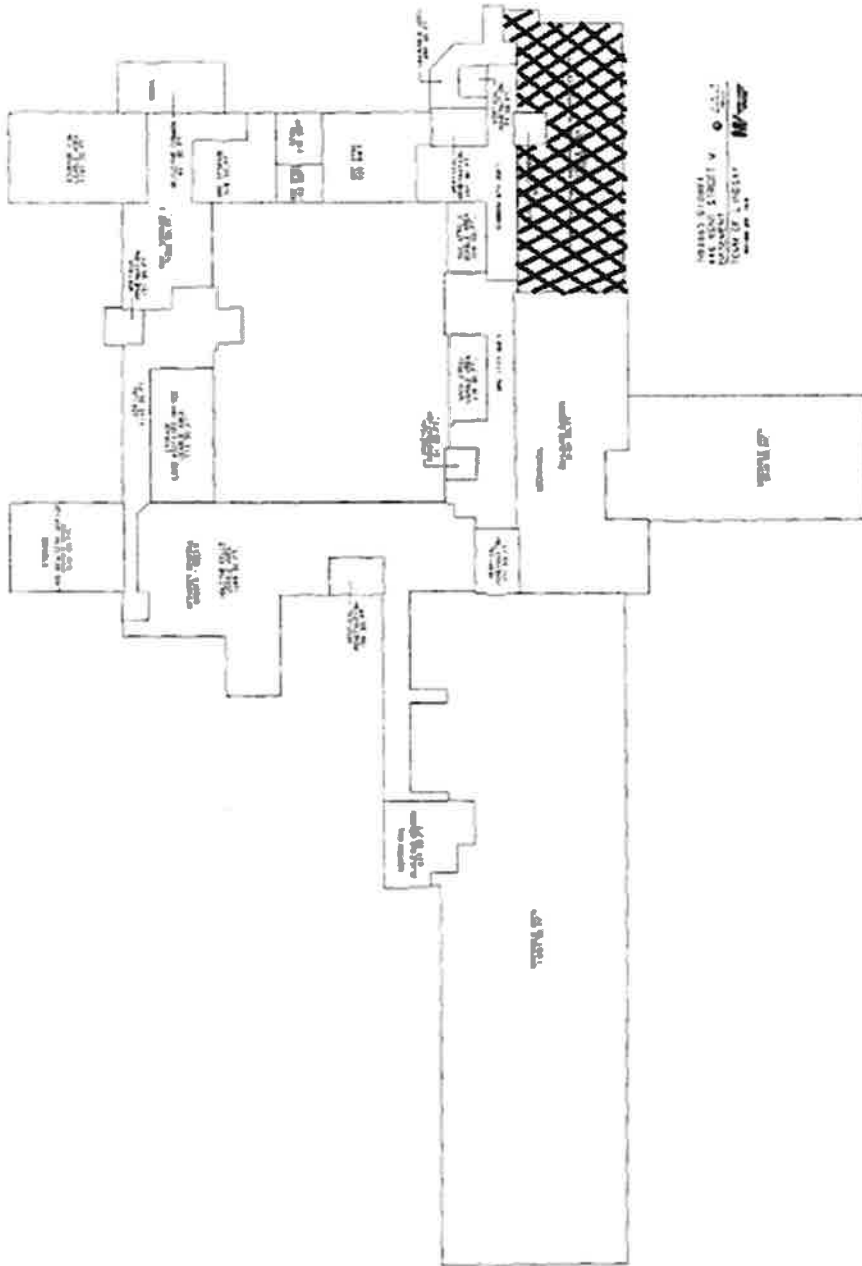
I have the authority to execute this
agreement pursuant to _____.

SCHEDULE "A"
LEGAL DESCRIPTION

Part of the South half of Lot 21, Concession 4, OPS, being Part 1 on Plan 57R-8709, formerly of the Township of Ott, now in the Town of Lindsay, in the County of Victoria.

SCHEDULE "B"

FLOOR PLAN



SCHEDULE "C"
ENVIRONMENTAL CONTAMINANTS

NONE

FIRST LEASE EXTENSION AND AMENDING AGREEMENT

THIS AGREEMENT made in duplicate as of April 1, 2021.

B E T W E E N:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND CONSUMER SERVICES

(the “Landlord”)

- and -

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “Tenant”)

WHEREAS:

- A. By a lease dated June 14, 2017 (the “Original Lease”), the Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure (“MOI”) leased to the Tenant the premises more particularly described as a portion of the basement floor space, comprising a rentable area of approximately three thousand, four hundred ninety-two (3,492) square feet (the “Basement Floor Space”), in the building municipally known as 440 Ken Street West, in the Town of Lindsey, in the Province of Ontario, as outlined on the plan attached to the Original Lease as Schedule “A” thereto (the “Premises”) for a term of five (5) years, commencing on April 1, 2016 and expiring on March 31, 2021 (the “Original Term”), in addition to other terms and conditions as set out therein.
- B. By Order in Council No. 1342/2016, approved and ordered September 14, 2016, all of the powers and duties previously assigned and transferred to the MEDEI under Order in Council No. 219/2015 in respect of infrastructure and other matters are assigned and transferred to the MOI.
- C. By Order in Council No. 1152/2018, approved and ordered October 22, 2018, certain responsibilities in respect of government property under the *Ministry of Infrastructure Act*, 2011, S.O. 2011, c. 9, Sched. 27 and other responsibilities were assigned and transferred from the MOI to the Minister of Government and Consumer Services.
- D. Pursuant to the terms of the Original Lease, the Tenant was entitled to extend the Original Term for two (2) additional terms of five (5) years each.
- E. The Tenant exercised its first right to extend the Original Term (the “First Lease Extension and Amending Agreement”) with an extension term commencing on April 1, 2021 and expiring on March 31, 2026 (the “First Extension Term”), in addition to other terms and conditions as set out therein.
- F. The Landlord and the Tenant have agreed to amend the Original Lease as hereinafter provided.
- G. The Original Lease, and as amended and extended by this First Lease Extension and Amending Agreement, is hereinafter collectively referred to as the “Lease”, except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) Any reference made, throughout the Lease, to "square feet" shall be "deemed square feet".
- (b) The Lease is hereby extended for the First Extension Term.
- (c) The First Extension Term shall commence on April 1, 2021 and expire on March 31, 2026.
- (d) As of the April 1, 2021, the Basement Floor Space shall be deemed to be three thousand, five hundred nineteen (3,519) square feet.

3. RENT FOR THE FIRST EXTENSION TERM.

- (a) The Basic Rent payable for the First Extension Term shall be Twenty-Four Thousand, Six Hundred Thirty-Three Dollars (\$24,633.00) per annum (based on a rate of Seven Dollars (\$7.00) per square foot of the Basement Floor Space per annum), payable in equal monthly instalments of Two Thousand, Fifty-Two Dollars and Seventy-Five Cents (\$2,052.75), plus Sales Taxes, each on the first day of each month during the First Extension Term, the first of such monthly instalments to be due and payable on April 1, 2021.
- (b) Additional Rent for the year 2020 has been estimated by the Landlord to be Eight Dollars and Ninety-Nine Cents (\$8.99) per square foot of the Basement Floor Space and is subject to annual adjustments in accordance with the terms and provisions of the Lease. The annual Additional Rent shall be in the amount of Thirty-One Thousand, Six Hundred Thirty-Five Dollars and Eight-One Cents (\$31,635.81), shall be payable in equal monthly installment of Two Thousand, Six Hundred Thirty-Six Dollars and Thirty-Two Cents (\$2,636.32), Sales Taxes to be added, the first of such monthly payment to be due and payable on April 1, 2021.

4. AMENDMENT OF LEASE

The extension contemplated in this First Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) The Original Lease is amended as follows:
 - (i) In the Definitions section of the Original Lease, the definition of "Open Data" shall be inserted:

““Open Data” means data that is required to be released to the public pursuant to the Open Data Directive.”
 - (ii) In the Definitions section of the Original Lease, the definition of "Open Data Directive" shall be inserted:

““Open Data Directive” means the Management Board of Cabinet’s Open Data Directive, updated on April 29, 2016, as amended from time to time.”
 - (iii) Section 1.01 (p) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for purposes of payment of rent:

Ontario Infrastructure and Lands Corporation
c/o CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: OILC PLMS Accounts Receivable
 - (iv) Section 1.01 (o) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for the purposes of delivering notices in accordance with Section 17.07 of the Original Lease.

Ontario Infrastructure and Lands Corporation

343 Preston Street, 3rd Floor, Suite 320
Ottawa, Ontario K1S 1N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation
1 Dundas Street West, Suite 2000
Toronto, Ontario M5G 1Z3
Attention: Director, Legal (Leasing and Contract Management)
Fax: (416) 327-3376
And an additional copy to:

CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Global Workplace Solutions – Director, Lease Administration – OILC
Fax: (416) 775-3989

- (v) A new Section 17.20, Health and Safety, shall be inserted as follows:

**“Section 17.20
Health and Safety**

“The Tenant represents and warrants that, as of the date that this agreement is executed and at all times thereafter during the Term and renewals or extensions thereof, the Tenant shall take all reasonable precautions as a prudent Tenant to ensure the health and safety of the Tenant, and its occupants, invitees, employees, visitors, service providers, agents, and those for whom the Tenant is in law responsible. The Tenant further covenants and agrees that during any Health Emergency, it shall take all reasonable actions to mitigate or minimize the effects of the Health Emergency, and comply with any rules or regulations of the Landlord or any orders, ordinances, laws, rules, restrictions any by-laws of any public health official or governing bodies.

A “**Health Emergency**” means a situation in which the Landlord determines, based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health authority, that occupants, tenants, invitees or contractors working in the Building are or may be exposed to imminent danger from a disease, virus or other biological or physical agents that may be detrimental to human health.”

- (vi) A new Section 17.21, Counterparts, shall be inserted as follows:

**“Section 17.21
Counterparts**

“The parties agree that this First Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this First Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this First Lease Extension and Amending Agreement.”

5. GENERAL

- (a) Both the Landlord and the Tenant acknowledge and confirm that the Cancellation right stated in Section 17.04 of the Original Lease shall continue to apply during this First Extension Term.
- (b) The Landlord and the Tenant acknowledge that the Tenant has one (1) further option to extend the term of the Original Lease beyond the expiry of this First Extension Term, as set out in Section 17.02 of the Original Lease.
- (c) The Landlord and the Tenant hereby mutually covenant and agree that during the First Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Lease.
- (d) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (e) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, as amended and extended.
- (f) The parties agree that this First Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this First Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this First Lease Extension and Amending Agreement.
- (g) The provisions of this First Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

- (h) The Tenant acknowledges and agrees that the commercial and financial information in this First Lease Extension and Amending Agreement is subject to the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31, as amended and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of the Lease or of any information or documents.

EXECUTED by each of the parties hereto under seal on the date written below.

SIGNED, SEALED AND DELIVERED

Dated this ____ day of _____, 20 ____.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTER OF GOVERNMENT
AND CONSUMER SERVICES, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____
Name:
Title:

Authorized Signing Officer

Dated this ____ day of _____, 20 ____.

**THE CORPORATION OF THE CITY
OF KAWARTHA LAKES**

Per: _____
Name:
Title:

Authorized Signing Officer

Per: _____
Name:
Title:

Authorized Signing Officer

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Basement Storage Space at 440 Kent Street West, Lindsay

Recitals

1. Section 5.03(3) of By-Law 2016-009, being a By-Law to Provide Authority for the Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that Lease Agreements with revenue or expense over \$10,000.00 per year with a lease term of five (5) years or under, must be approved by Council.
2. A Lease Extension and Amending Agreement for a five-year term, which will expire on March 31, 2026, has been reviewed and approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Approval and Authorization

- 2.01 **Approval:** The Agreement attached to this By-Law as Schedule A is hereby approved.
- 2.02 **Authorization:** The Mayor and City Clerk are authorized to sign the agreement attached to this By-law as Schedule A, and to affix the corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A
To By-Law 2021-
Passed this 23rd day of February, 2021



Lease Extension
and Amending Agre

Council Report

Report Number:	RS2021-013
Meeting Date:	February 23, 2021
Title:	Proposed License Agreement between the City of Kawartha Lakes and Xplornet Communications Inc. at 50 Tower Road, Kirkfield
Description:	The License Agreement is for a Replacement Telecommunication Tower on the City of Kawartha Lakes Property municipally known as 50 Tower Road, Kirkfield
Author and Title:	Christine Oliver, Law Clerk – Realty Services

Recommendations:

That Report RS2021-013, **Proposed License Agreement between the City of Kawartha Lakes and Xplornet Communications Inc. at 50 Tower Road, Kirkfield**, be received; and

That the Mayor and Clerk be authorized to execute the proposed License Agreement attached as Appendix D on behalf of the Corporation of the City of Kawartha Lakes for the purpose of constructing a new telecommunications tower for a five-year term, which will replace an existing tower.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Corporation of the City of Kawartha Lakes has been in an agreement (attached as Appendix B) with Xplornet Communications Inc. since May 1, 2008 for licensing a portion of 50 Tower Road, Kirkfield to allow for a 30m tower and support equipment.

Appendix A is a general location map.

The property municipally known as 50 Tower Road, Kirkfield is currently vacant with the exception of two towers. One tower is owned by Xplornet Communications Inc. and the other tower is owned by Netcom Ontario Inc. The City of Kawartha Lakes currently has infrastructure collocated on the Netcom Ontario Inc. tower.

Xplornet Communications Inc. proposes to demolish the existing 30m tower and replace it with a 36m tower, identified in a photo diagram attached as Appendix C. This proposal does not result in an increase in tower size in excess of 25%, which in turn would trigger additional review by the Planning Department per the City's Telecommunication and Antenna System Siting Policy, CP2018-014.

The new license agreement between The City of Kawartha Lakes and Xplornet Communications Inc., attached as Appendix D, will impose a \$13,000.00 annual fee for a term of five (5) years in accordance with the City Lands Encroachment By-Law 2018-017, section 3.01(b). As this amount exceeds \$10,000.00, in accordance with the City's signing by-law being By-Law 2016-009, section 5.05(2), the Mayor and City Clerk are authorized to sign the agreement upon Council approval.

The purpose of this report is to provide Council with an opportunity to consider the terms of the proposed license agreement and for Council to provide direction to execute this agreement as outlined in the draft by-law attached as Appendix E.

Rationale:

Xplornet Communications Inc.'s current agreement was executed and has been in effect since May 1, 2008. To proceed with Xplornet Communication Inc.'s investment in their infrastructure to improve their service to clients in the City of Kawartha Lakes, they require support of The City of Kawartha Lakes to allow the license agreement for the space required. Xplornet Communications Inc. confirmed the proposed infrastructure will not interfere with the existing tower on site.

Other Alternatives Considered:

Council could direct that the License Agreement not be renewed. This is not recommended in this circumstance as Xplornet Communications Inc. would lack the ability to make the upgrades required for the connectivity between their infrastructure.

Alignment to Strategic Priorities

The applicable strategic priority within the 2020-2023 Kawartha Lakes Strategic Plan is Good Government. The Good Government enabler is to partner and advocate to maintain and encourage expansion of demanded community infrastructure and institutions. This enabler supports this report for a request that the City of Kawartha Lakes enter into a License Agreement with Xplornet Communications Inc. to support their investment in improving existing infrastructure.

Financial/Operation Impacts:

The current agreement between The City of Kawartha Lakes and Xplornet Communication Inc. has compensation in the amount of \$10,000.00 annually. The City of Kawartha Lakes is proposing the new annual fee be \$13,000.00 as per the fees set out in By-Law 2018-017.

Consultations:

Land Management Committee

Attachments:

Appendix A – Map



Appendix A -
Map.pdf

Appendix B – Current Agreement



Appendix B -
Current Agreement.

Appendix C – Photo of Towers



Appendix C - Photo
of Towers.pdf

Appendix D – Proposed License Agreement



Appendix D -
Proposed License Ag

Appendix E – Draft By-Law



Appendix%20E%20-
%20Bylaw.pdf

Department Head E-mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: L17-20-RS047



Legend

- ☐ Upper Municipalities
- ☐ Lower Tier Municipalities
- ☒ Populated Places
- Water Labels

Notes

Notes

3.67

Kilometers

WGS_1984_Web_Mercator_Auxiliary_Sphere
© City Of Kawartha Lakes



This map is a user generated static map output and is for reference only. All data, layers and text that appear on this map may or may not be accurate, current, or otherwise reliable.



Appendix B
to
Report RS2021-013
File No. L17-20-RS047

November 23rd, 2015

The Corporation of the City of Kawartha Lakes

26 Francis Street, PO Box 9000

Lindsay, ON

K9V 5R8

RE: Lease Agreement with Xplornet Communications Inc.
Exercise Second Option to Extend

To whom it may concern,

Please be informed that, per the Lease Agreement between the Corporation of the City of Kawartha Lakes ("the Landlord") and Xplornet Communications Inc. ("the Tenant") (formerly known as Barrett Xplore Inc.) dated March 03, 2008, it is our express intention to Exercise Second Option to Extend the terms of the agreement as noted below. This pertains to the broadcast towers located on city properties at the Dalrymple Community Centre, the Burnt River Works Yard, the Kirkfield Tower Road Property and the Coboconk Fire Department. The Xplornet site names listed below.

Dalrymple
Burnt River
Kirkfield
Coboconk PoP

Per Clause 4. "Option to Extend" and "Exhibit "C"- Rental Payment Schedule" of the agreement, section (c) Second Option to Extend, we request the terms of the agreement be extended from May 1st, 2016 to April 30th, 2020. The Annual Rent shall increase to Nine Thousand Dollars (\$9000), payable monthly in advance.

Please issue the required approval documentation/confirmation necessary for this renewal request. If you have any questions or concerns, please feel free to contact me. The preferred return contact method is e-mail correspondence. A copy of the Original Agreement enclosed.

Best Regards

Site Acquisition Technician

Phone: (506)-328-1209

jud.delong@corp.xplornet.com

LEASE AGREEMENT

THIS AGREEMENT made effective as of the 3rd day of March, 2008

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

**THE CORPORATION OF THE CITY OF KAWARTHA LAKES
26 Francis Street P.O. Box 9000 LINDSAY, ONTARIO K9V
5R8**

(the "Landlord") OF THE
FIRST PART

- and -

**BARRETT XPLORE INC.
300 Lockhart Mill Road
PO Box 9060
Woodstock, NB, E7M5C3**

(the "Tenant") OF THE
SECOND PART

WITNESSETH WHEREAS the Landlord is the registered owner of the properties commonly known as the Dalrymple Community Centre, the Burnt River Works Yard, the Kirkfield Tower Road Property and the Coboconk Fire Department, which are more particularly described in Exhibit "A" (collectively the "Properties") attached hereto and forming a part hereof;

AND WHEREAS the Tenant is desirous of using a portion of each of the Properties which are more particularly shown on the plans attached hereto and forming a part hereof as Exhibit "B" (each a "Leased Premises") to construct several communication towers and to locate the related equipment inside or attached to the towers or in separate equipment enclosure on the Leased Premises for the non-exclusive use of the Tenant, its agents, employees, contractors, assignees and/or subleases to attach, adjust, operate, maintain and replace initial and additional cabling, antennas, antenna mounts and any other related

BARRETT XPLORE INC.



equipment attachments required for wireless telecommunications, together with utility easement and, if as required, an access road to each of the Leased Premises;

AND WHEREAS the Landlord is agreeable to allow the Tenant to use a portion of the Properties identified as the Leased Premises as herein described subject to the terms and conditions hereinafter contained;

NOW THEREFORE in consideration of the rents, covenants and agreements herein contained and hereby assumed, the parties for themselves and their respective successors and assigns do hereby covenant and agree with one another as follows:

1. USE OF LEASED PREMISES

The Landlord hereby grants to the Tenant exclusive use of the Leased Premises shown on Exhibit "B" for the purpose of erecting a communications tower, to install and maintain associated electronic equipment on the Leased Premises and all necessary cabling, antennas, antenna mounts and any other related equipment attachments (the "Equipment"); and permission to install, reconfigure, attach, operate, maintain and replace all of the initial and additional Equipment on the Leased Premises for wireless telecommunications. The Tenant is granted a right of access to the Leased Premises at such times as in the sole judgment of the Tenant are necessary to maintain, repair and replace the Equipment from time to time, and to the extent reasonably necessary for purposes of the Lease herein granted. The Tenant shall be permitted, during the construction phase, to occupy an area outside the Leased Premises for the purpose of installing all necessary equipment, such area to be repaired at the Tenant's expense and to the reasonable satisfaction of the Landlord. The Landlord, through the granting of the Lease, represents to the Tenant that the Tenant is the sole fixed broadband communications entity permitted by the Landlord to access the Leased Premises. No other fixed broadband communications entity may co-locate on the Leased Premises without first obtaining prior written consent from the Tenant that shall not be unreasonably withheld.

2. TERM

The term of this Lease shall be four (4) years commencing on May 1st, 2008 being the first day of construction and ending on April 30th, 2012 or when equipment installation commences (the "Term").

3. RENT

The Tenant shall pay to the Landlord, its successors and assigns, rent as set forth in Exhibit "C" (the "Rent"), attached hereto and forming a part hereof, for the use of and access to the Leased Premises as granted by the Landlord herein. In addition, the Tenant shall pay to the Landlord any goods and services tax which it is required to pay by law provided that the Landlord shall inform the Tenant of the applicable registration number.

4. OPTION TO EXTEND

Provided the Tenant is not in breach of the Lease up to and including at the expiry of the Term, the Tenant may apply to the Landlord for an extension of the lease (the "Option to Extend") for three (3) further terms of four (4) year periods. The same terms and conditions as contained in the Lease save only for the Rent shown on Exhibit "C" attached hereto. To exercise an Option to Extend, the Tenant shall give notice in writing to the Landlord no later than ninety (90) days

BARRETT XPLORE INC.

prior to the date of expiry of the then current Term. The Landlord will respond within thirty (30) days of receipt of the request.

5. ASSIGNMENT

The Tenant shall not be permitted to assign, sublet or license the whole or any part of the Tower, Equipment or Leased Premises and rights of access without the consent of the Landlord to any assignee, sub lessee or licensee (the "Assignee") provided that the Tenant shall not be relieved from any of its obligations under this Lease and further provided that the Assignee(s) agrees to be bound by the terms and conditions of this Lease.

6. TENANT'S WORK

(a) The Tenant shall, at its own expense, install, attach, repair, operate and maintain its Equipment in a good and workmanlike manner. All installation, reconfiguration, attachment, maintenance, repair and operation to be carried out under this Lease by the Tenant shall be done at the Tenant's expense and risk. Upon the expiration or earlier termination of this Lease, the Tenant agrees to repair at the Tenant's cost and expense to the reasonable satisfaction of the Landlord, all damages, structural or otherwise, save and except for reasonable wear and tear, that may be caused to the Landlord's property, including all buildings on the Properties by reason of the installation, reconfiguration, attachment, maintenance, operation or removal of the Tenant's Equipment.

(b) The Tenant and any Assignee may not make any alterations and/or improvements during the Term and any extension thereof without requiring the consent of the Landlord. Such alterations and/or improvements may include, but are not limited to the expansion of existing, or the addition of new towers, equipment shelter(s), antennas, antenna mounts, apparatus, fixtures, cabling, attachments or any other equipment required by the Tenant or any Assignee.

(c) The Landlord agrees that the Equipment shall not become fixtures of the Lease but shall be and remain the property of the Tenant and may be removed from the Leased Premises at any time from time to time by the Tenant during the Term or within a reasonable time after expiration or early termination of this Lease, so long as the Tenant makes good any damage caused by such removal, reasonable wear and tear excepted, this will encompass a complete removal up to and including three feet below grade. Failure by the Tenant to remove the Equipment after receipt of at least ninety (90) days prior written notice by the Landlord to remove same upon the expiration or early termination of this Lease will enable the Landlord to remove the Equipment at the reasonable expense of the Tenant.

7. ACCESS

(a) The Landlord grants to the Tenant, its agents, employees, contractors, or to an Assignee, all rights of direct access, twenty-four (24) hours a day, seven (7) days a week, to each and every Property, and such other rights as are reasonably necessary to enable the Tenant, its agents, employees, contractors or any Assignee to install, reconfigure, attach, operate, maintain and replace the Tower and Equipment, including but not limited to connecting its Tower and Equipment to the public telephone and utility networks, pursuant to the public telephone and utility's requirements or recommendations and any required right-of-ways as may be detailed in Exhibit "B", provided that such access is made upon notice to the Landlord of not less than six (6) hours and undertaken at the Tenant's sole risk. Access keys shall be provided by the Landlord to the Tenant if and when keys are

BARRETT XPLORE INC.

requested by the Tenant.

(b) Where available, the Tenant, its agents, employees, contractors and any Assignee, shall have the non-exclusive use of and access to any existing access driveway and a twenty-four (24) hour parking space located on the Property. If required, the Landlord shall provide the Tenant with parking access cards and provide notice to any security personnel and contracted towing/tagging services. Unless previously approved in writing by the Landlord, the Tenant shall not hinder the use of or access to any existing access driveway or parking space by any other party at any time.

8. ADDITIONAL TAXES

The Tenant shall reimburse the Landlord for any new taxes, rates, fees or assessments of every description which may be charged or imposed, during the Term hereof, by a governmental authority (collectively, the "Taxes") upon or in respect of the privileges hereby granted provided that:

(a) it can be demonstrated that such Taxes have been assessed as a direct result of the Tenant's use of the Leased Premises; and

(b) the Landlord delivers to the Tenant prompt written notice of the imposition of such Taxes (together with copies of all bills, invoices or statements relating to such Taxes) (the "Taxes Notice"), which Taxes Notice shall be delivered no later than eighteen (18) months following the due date for the Taxes set out in such Taxes Notice (the "Taxes Due Date"). If the Landlord fails to deliver the Taxes Notice on or before the date which is eighteen (18) months following the Taxes Due Date, then, notwithstanding anything to the contrary herein, the Tenant shall have no obligation or liability to pay any of the Taxes set out in such Taxes Notice and the Landlord shall be solely responsible for the payment of all such Taxes.

9. ELECTRICITY

The Tenant shall have the right at any time and at its own cost and expense, to connect to and draw power from the Landlord's electrical power supply. The Tenant shall be responsible for its electrical connection costs and for the electrical consumption used on each and every of the Leased Premises. Where permitted by the local hydro utility, the Tenant shall at its expense install a separately metered hydro sub service; such electrical consumption shall be billed separately by the local hydro utility to the Tenant.

10. FAILURE TO PAY RENT

If the Tenant defaults at any time in any rental payment required under this Lease during the Term or any extension thereof, or fails, or neglects at any time to fully perform, observe and keep all the covenants, terms and conditions herein contained, the Landlord shall give the Tenant written notice of such default and the Tenant shall correct such default within fifteen (15) days after receipt thereof and if the default remains outstanding on the sixteenth (16th) day the Landlord may terminate this Lease forthwith, except in the event that such default reasonably requires more than fifteen (15) days to correct in which case the Tenant shall have a reasonable time to cure such default.

11. OVERHOLDING

If the Tenant overholds any of the Leased Premises beyond the Term of this Lease or any
BARRETT XPLORE INC.

extension provided herein, the Tenant may continue such holding over as a tenancy from month to month, upon the same terms and conditions as contained in the Lease. Such over holding period shall not extend beyond 60 days of expiration of this Lease.

12. TERMINATION

It is agreed and understood that the Tenant or Landlord may terminate this Lease at any time, for any reason whatsoever, by twelve (12) months prior written notice to the Landlord or Tenant and the Tenant shall be entitled to remove the Tower and all other Equipment from the Leased Premises within a reasonable time thereafter. In the event of such termination, the Landlord shall refund *pro-rata* the portion of rent, if any, accruing due after the date of the said termination and the parties shall be released from any further obligations with respect to any matter under this Lease.

13. INTERFERENCE

The Tenant agrees to undertake such works as may be necessary to prevent any interference with other installations on the Leased Premises and remedy the interference.

14. QUIET ENJOYMENT

The Landlord covenants with the Tenant for non-exclusive quiet enjoyment of the Leased Premises without any interruption or disturbance from the Landlord provided the Tenant performs all its covenants under this Lease.

15. INSURANCE

The Tenant shall, during the Term hereof, keep in full force and effect, with respect to each of the Leased Premises and the Properties:

(a) A policy of insurance, in which the limit of Comprehensive General Liability insurance shall not be less than Five Million Dollars (\$5,000,000.00) per occurrence or accident and shall include the Landlord as an Additional insured with respect to the Tenant's operations, acts and omissions relating to its obligations under this Lease, such policy to include, but not be limited to, bodily injury, including death; non-owned automobile liability; liquor liability; personal injury; broad form property damage; blanket contractual liability; owners and contractors protective liability; products and completed operations liability; contingent employers' liability; and, shall include cross liability and severability of interest clauses. This policy shall not be invalidated as respects the interests of the Landlord by reason of any breach or violation on any warranties, representations, declarations or conditions;

(b) Tenant's Legal Liability insurance equal to the replacement cost of each of the Leased Premises, including any loss of use thereof;

(c) Property Insurance on All Risk basis for property of every description owned by the Tenant, or for which the Tenant is legally liable or installed by or on behalf of the Tenant and which is located within the Premises, for the full replacement cost thereof, as well as Business Interruption insurance in such amount as will reimburse the Tenant for direct or indirect loss of revenue attributable to an insured peril. This insurance shall contain a waiver of any subrogation rights, which the Tenant's insurers may have against the Landlord or those for whom the Landlord is in law responsible;

BARRETT XPLORE INC.

(d) Any other form of insurance as the Landlord, acting reasonably, may require from time to time in form, in amounts and for insurance risks against which a prudent Tenant would insure;

(e) The Tenant shall provide annually and prior to the inception of this lease, Certificates of Insurance, or copies of the insurance policies if required by the Landlord, with provision for thirty (30) days' prior notice by registered mail to the Landlord in the event of cancellation or material change, which reduces or restricts the insurance as required under (a), (b), (c), or (d) under Section 15 Insurance;

(f) The Tenant agrees that if it fails to take out or keep in force any such insurance referred to in this Paragraph, or should any such insurance not be approved by the Landlord, and should the Tenant not commence and proceed to diligently rectify the situation within forty-eight (48) hours after written notice by the Landlord, the Landlord has the right without assuming any obligation in connection therewith, to effect such insurance at the sole cost of the Tenant. The Landlord shall be reimbursed as set out under the terms of this Lease.

16. INDEMNITY

(a) The Landlord and the Tenant covenant and agree that the Landlord shall not be liable or responsible in any way for personal or consequential injury of any kind whatsoever that may be suffered or sustained by the Tenant, or any employee, agent or invitee of the Tenant, or any other person(s) who may be upon the Leased Premises or for any loss, theft, damage or injury to any property upon the Leased Premises however caused.

(b) The Tenant waives, releases, discharges and indemnifies the Landlord from and against all rights, claims, demands or actions of whatsoever kind or nature, direct or indirect, of any person whether in respect of damage to person or property arising out of or occasioned by the construction, maintenance, use or occupancy of the Properties from any cause whatsoever. The Tenant agrees to look solely to its insurers in the event of loss whether the insurance coverage is sufficient to fully reimburse the Tenant for the loss or not.

(c) With the exception of claims arising as a result of the Landlord's negligence or arising as a result of the Landlord's failure to fulfill its obligations set out in this Lease, the Tenant covenants to indemnify the Landlord against all claims including construction lien claims by any person arising from any want of maintenance thereof or anything done or admitted on or in the vicinity of the Leased Premises or any other thing whatsoever, whether arising from any breach or default or from any negligence by the Tenant, its agents, contractors, employees, invitees or licensees, or from any accident, injury or damage or any other cause whatsoever, and such indemnity shall extend to all costs, counsel fees, expenses and liabilities which the Landlord may incur with respect to any such claim.

(d) The Tenant further covenants to indemnify and save harmless the Landlord with respect to any encumbrance on or damage to the Properties or the Corporation of the City of Kawartha Lakes occasioned by or arising from the act, omission, default, or negligence of the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or Tenants.

(e) The foregoing indemnities shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.

17. ENVIRONMENTAL

BARRETT XPLORE INC.



The Landlord makes no representation, warranties or guarantees as to the suitability of the Properties for the purposes of the Tenant. The Leased Premises are provided on an "as is" basis. All works necessary to make the Leased Premises suitable for the Tenants purposes shall be the responsibility of the Tenant and it shall bear the cost of doing so.

18. MODIFICATION

No change or modification to this Lease shall be valid unless it is in writing and is duly executed by both parties hereto.

19. NOTICE

Any notice required by this Lease shall be made in writing and shall be considered given or made on the day of delivery if delivered before 5:00 p.m. by facsimile or by personal delivery upon any officer of the Tenant, or three (3) business days after the day of delivery if sent by prepaid registered mail upon the Landlord addressed as follows:

**THE CORPORATION OF THE CITY OF KAWARTHA LAKES 26
FRANCIS STREET P.O. BOX 9000 LINDSAY, ONTARIO K9V
5R8**

**Attention: Clerk's Office
Facsimile: (705) 324-8110**

and in the case of the Tenant to:

**BARRETT XPLORE INC.
300 Lockhart Mill Road
PO Box 9060
Woodstock, NB, E7M5C3**

**Attention: Annette Cannam
Phone: 506-328-1348**

Facsimile 506-328-1243

Either party hereto may change its aforesaid address for notices in accordance with the provisions of this notice.

20. BINDING AGREEMENT

The Landlord covenants that it has good right, full power, and absolute authority to grant this Lease to the Tenant and this Lease shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and subsequent purchasers.

21. EXECUTION

BARRETT XPLORE INC.



This Lease shall not be in force or bind either of the parties hereto until executed by all the parties named herein.

22. CONDITIONAL PERIOD

This Lease referred to herein shall be conditional until December 31, 2008, upon the Tenant obtaining at its expense all municipal, provincial, federal or other governmental approvals required for the construction and installation of the Tower and Equipment on the Leased Premises and upon the Tenant satisfying itself in its sole discretion, which discretion may be exercised arbitrarily, that the Properties are both technologically and economically viable for the Tenant. If any of the above conditions are not satisfied by the date noted above, then the Tenant may terminate this Lease and the Rent and any other payments made hereunder shall be refunded *pro rata*, to the date of such termination, and both parties shall be released from all further obligations or liabilities under this Lease. These conditions are for the sole benefit of the Tenant and may be waived or extended only by the Tenant at its sole option.

23. CONFIDENTIALITY

The terms of this Lease and all information issued, disclosed or developed in connection with this agreement are to be held in strict confidence between the parties hereto subject to the requirements of the *Municipal Freedom of Information and Protection of Privacy Act* and such disclosure as may be required in furtherance of Ontario Ministry of Agriculture, Food and Rural Affairs Rural Connections..The Ontario Municipal Rural Broadband Partnership Program. The Landlord, its agents and employees agree not to use, reproduce or divulge the same to third parties unless it is with the prior written consent of the Tenant and to take all reasonable precautions for protection of such information from disclosure.

24. ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties hereto with respect to the Leased Premises and there are no prior representations, either oral or written, between them other than those set forth in this Lease. This Lease supersedes and revokes all previous negotiations, arrangements, options to lease, representations and information conveyed, whether oral or written, between the parties hereto. The Landlord acknowledges and agrees that it has not relied upon any statement, representation, agreement or warranty except such as are expressly set out in this Lease.

[SIGNATURE PAGE TO FOLLOW]

Handwritten signatures of two individuals, likely representing the parties to the lease.

IN WITNESS WHEREOF the said parties hereto have duly executed this Lease on the dates noted below.

DATED at Woodstock, NB, this ____ day of _____, 20 ____.

BARRETT XPLORE INC


Per: 
Sam Roozendaal, V.P. Operations & Build

I have authority to bind the Corporation

Seal

DATED at Lindsay, Ontario this 8th day of January, 20 10.

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES.**

Per: 
Mayor: Ric McGee

Per: 
Clerk: Judy Cumins

Seal

I/We have the authority to bind the Corporation

BARRETT XPLORE INC.

EXHIBIT "A"

The Leased Premises are located on the following four Properties owned by the Landlord:

1. Carden Recreation Centre: 258 Lake Dalrymple Rd., Sebright, ON
2. Burnt River Works Yard: 90 County Road 44, Burnt River, ON
3. Kirkfield Tower Road Property: 50 Tower Road, Kirkfield, ON
4. Coboconk Fire Department: 47 Grandy Rd., Coboconk, ON

Handwritten signatures and initials in black ink, including a large 'M' and several cursive signatures.

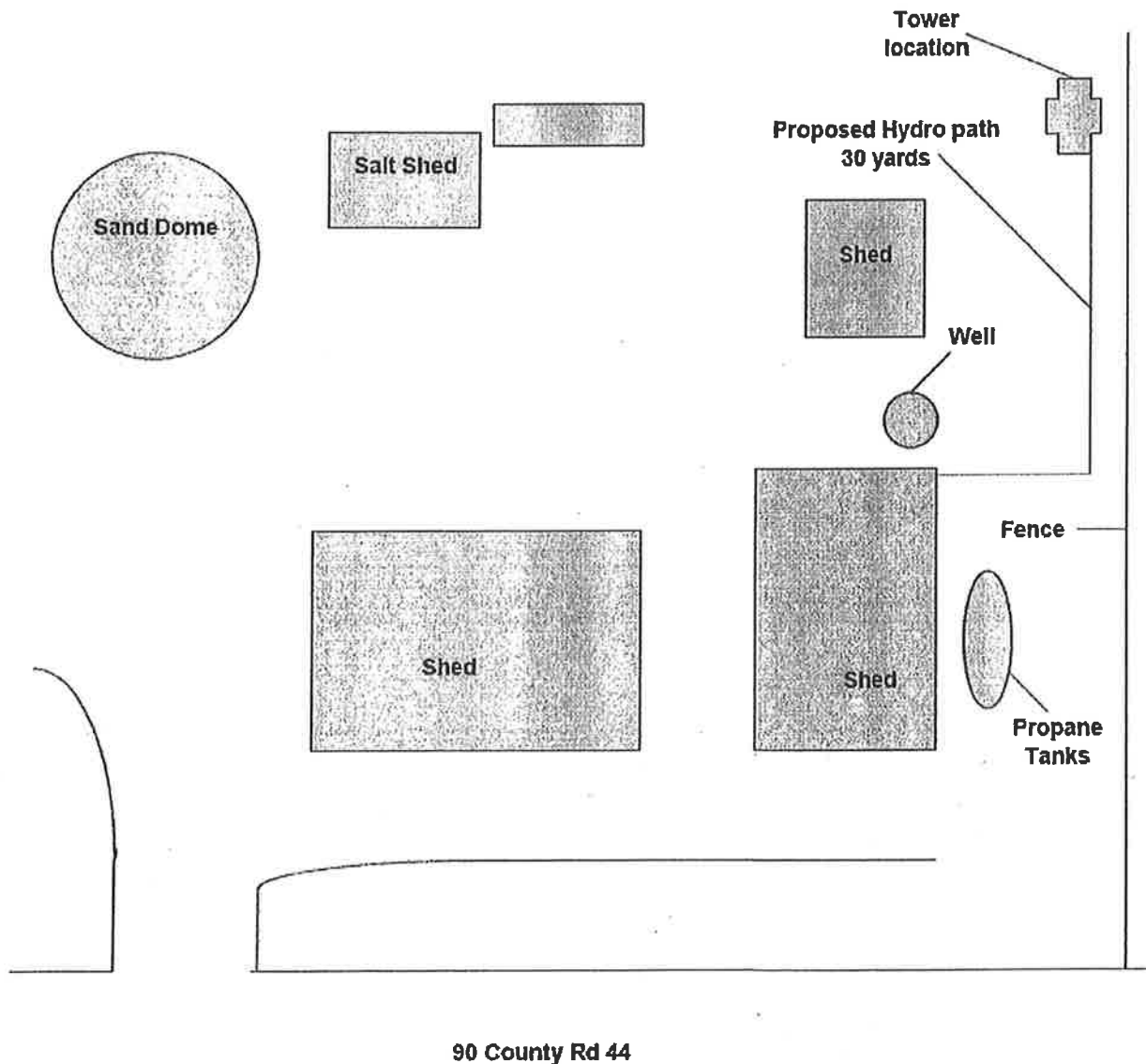
EXHIBIT "B"

PLAN OF LEASED PREMISIS

Burnt River Works Yard
90 County Road 44, Burnt River, ON

To be provided after initial pre-construction site surveys are completed.

Tower to be located at the rear of the property as detailed below.



Per
X *MC*

EXHIBIT "B"

PLAN OF LEASED PREMISIS

Coboconk Fire Department
47 Grandy Rd., Coboconk, ON

To be provided after initial pre-construction site surveys are completed.

Tower to be located next to existing building as per below.

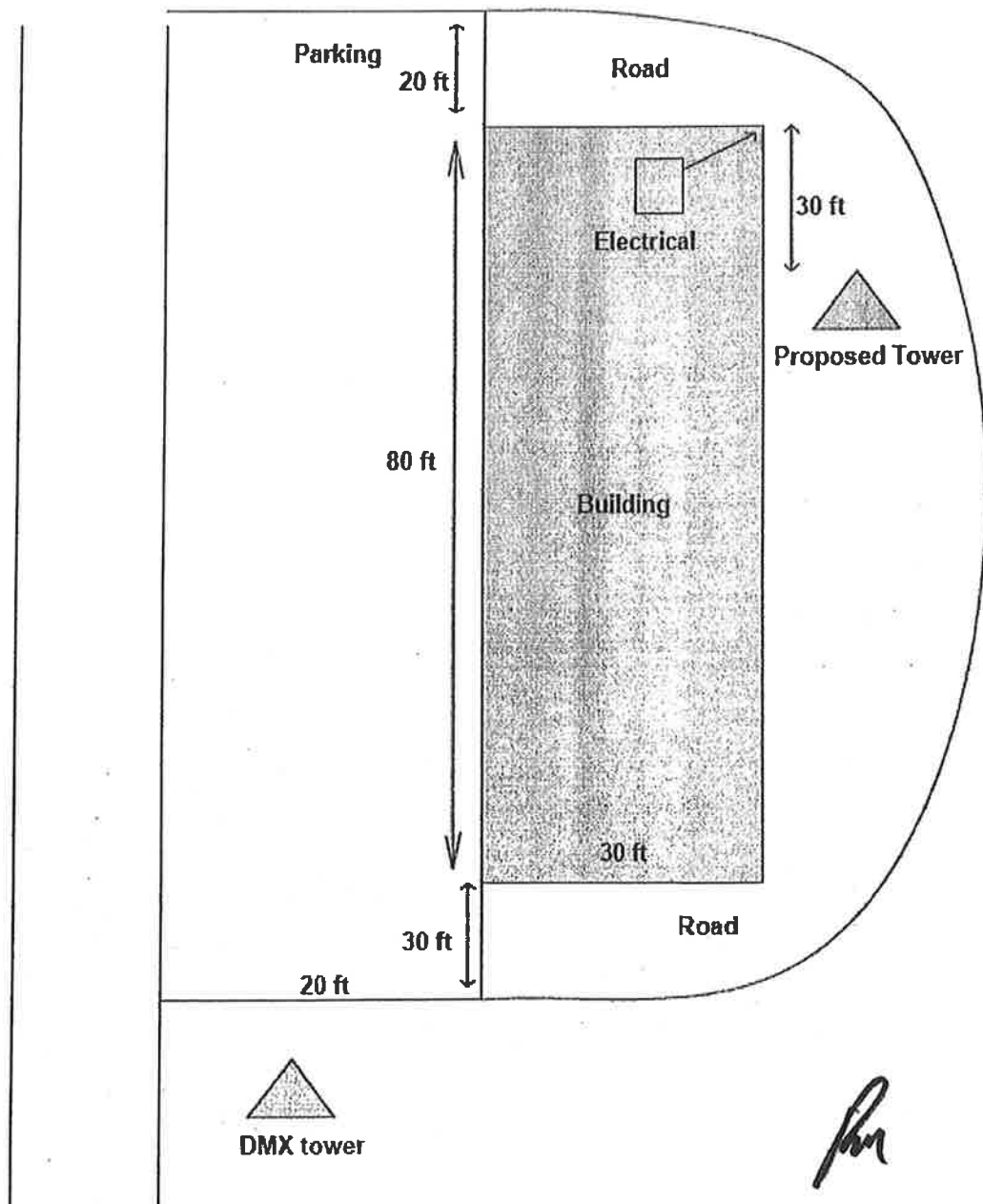


EXHIBIT "C"

RENTAL PAYMENT SCHEDULE

The Tenant shall pay Rent to the Landlord as follows:

- (a) During the period commencing on **the later of May 1st, 2008 or the first day of construction** and ending **April 30, 2012** the Tenant shall pay to the Landlord **annual** rent in the amount of Seven Thousand Dollars (\$7,000.00), payable **monthly** in advance.
- (b) Provided that the Tenant shall have exercised its first (1st) Option to Extend, during the period commencing **May 1, 2012** and ending **April 30th, 2016** the Tenant shall pay to the Landlord **annual** rent in the amount of Eight Thousand Dollars (\$8000.00), payable **monthly** in advance.
- (c) Provided that the Tenant shall have exercised its second (2nd) Option to Extend, during the period commencing **May 1st, 2016** and ending **April 30th, 2020**, the Tenant shall pay to the Landlord **annual** rent in the amount of Nine Thousand Dollars (\$9000.00), payable **monthly** in advance.
- (d) Provided that the Tenant shall have exercised its third (3rd) Option to Extend, during the period commencing **May 1st, 2020** and ending **April 30th, 2024**, the Tenant shall pay to the Landlord **annual** rent in the amount of Ten Thousand Dollars (\$10,000.00), payable **monthly** in advance.

Handwritten signatures in black ink, including a large stylized 'M' and two smaller signatures below it.

LEASE AGREEMENT

THIS AGREEMENT made effective as of the 3rd day of March, 2008

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

**THE CORPORATION OF THE CITY OF KAWARTHA LAKES
26 Francis Street P.O. Box 9000 LINDSAY, ONTARIO K9V
5R8**

(the "Landlord") OF THE
FIRST PART

- and -

**BARRETT XPLORE INC.
300 Lockhart Mill Road
PO Box 9060
Woodstock, NB, E7M5C3**

(the "Tenant") OF THE
SECOND PART

WITNESSETH WHEREAS the Landlord is the registered owner of the properties commonly known as the Dalrymple Community Centre, the Burnt River Works Yard, the Kirkfield Tower Road Property and the Coboconk Fire Department, which are more particularly described in Exhibit "A" (collectively the "Properties") attached hereto and forming a part hereof;

AND WHEREAS the Tenant is desirous of using a portion of each of the Properties which are more particularly shown on the plans attached hereto and forming a part hereof as Exhibit "B" (each a "Leased Premises") to construct several communication towers and to locate the related equipment inside or attached to the towers or in separate equipment enclosure on the Leased Premises for the non-exclusive use of the Tenant, its agents, employees, contractors, assignees and/or subleases to attach, adjust, operate, maintain and replace initial and additional cabling, antennas, antenna mounts and any other related

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equipment attachments required for wireless telecommunications, together with utility easement and, if as required, an access road to each of the Leased Premises;

AND WHEREAS the Landlord is agreeable to allow the Tenant to use a portion of the Properties identified as the Leased Premises as herein described subject to the terms and conditions hereinafter contained;

NOW THEREFORE in consideration of the rents, covenants and agreements herein contained and hereby assumed, the parties for themselves and their respective successors and assigns do hereby covenant and agree with one another as follows:

1. USE OF LEASED PREMISES

The Landlord hereby grants to the Tenant exclusive use of the Leased Premises shown on Exhibit "B" for the purpose of erecting a communications tower, to install and maintain associated electronic equipment on the Leased Premises and all necessary cabling, antennas, antenna mounts and any other related equipment attachments (the "Equipment"); and permission to install, reconfigure, attach, operate, maintain and replace all of the initial and additional Equipment on the Leased Premises for wireless telecommunications. The Tenant is granted a right of access to the Leased Premises at such times as in the sole judgment of the Tenant are necessary to maintain, repair and replace the Equipment from time to time, and to the extent reasonably necessary for purposes of the Lease herein granted. The Tenant shall be permitted, during the construction phase, to occupy an area outside the Leased Premises for the purpose of installing all necessary equipment, such area to be repaired at the Tenant's expense and to the reasonable satisfaction of the Landlord. The Landlord, through the granting of the Lease, represents to the Tenant that the Tenant is the sole fixed broadband communications entity permitted by the Landlord to access the Leased Premises. No other fixed broadband communications entity may co-locate on the Leased Premises without first obtaining prior written consent from the Tenant that shall not be unreasonably withheld.

2. TERM

The term of this Lease shall be four (4) years commencing on May 1st, 2008 being the first day of construction and ending on April 30th, 2012 or when equipment installation commences (the "Term").

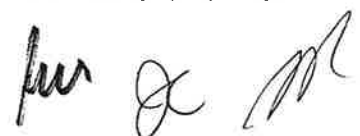
3. RENT

The Tenant shall pay to the Landlord, its successors and assigns, rent as set forth in Exhibit "C" (the "Rent"), attached hereto and forming a part hereof, for the use of and access to the Leased Premises as granted by the Landlord herein. In addition, the Tenant shall pay to the Landlord any goods and services tax which it is required to pay by law provided that the Landlord shall inform the Tenant of the applicable registration number.

4. OPTION TO EXTEND

Provided the Tenant is not in breach of the Lease up to and including at the expiry of the Term, the Tenant may apply to the Landlord for an extension of the lease (the "Option to Extend") for three (3) further terms of four (4) year periods. The same terms and conditions as contained in the Lease save only for the Rent shown on Exhibit "C" attached hereto. To exercise an Option to Extend, the Tenant shall give notice in writing to the Landlord no later than ninety (90) days

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prior to the date of expiry of the then current Term. The Landlord will respond within thirty (30) days of receipt of the request.

5. ASSIGNMENT

The Tenant shall not be permitted to assign, sublet or license the whole or any part of the Tower, Equipment or Leased Premises and rights of access without the consent of the Landlord to any assignee, sub lessee or licensee (the "Assignee") provided that the Tenant shall not be relieved from any of its obligations under this Lease and further provided that the Assignee(s) agrees to be bound by the terms and conditions of this Lease.

6. TENANT'S WORK

(a) The Tenant shall, at its own expense, install, attach, repair, operate and maintain its Equipment in a good and workmanlike manner. All installation, reconfiguration, attachment, maintenance, repair and operation to be carried out under this Lease by the Tenant shall be done at the Tenant's expense and risk. Upon the expiration or earlier termination of this Lease, the Tenant agrees to repair at the Tenant's cost and expense to the reasonable satisfaction of the Landlord, all damages, structural or otherwise, save and except for reasonable wear and tear, that may be caused to the Landlord's property, including all buildings on the Properties by reason of the installation, reconfiguration, attachment, maintenance, operation or removal of the Tenant's Equipment.

(b) The Tenant and any Assignee may not make any alterations and/or improvements during the Term and any extension thereof without requiring the consent of the Landlord. Such alterations and/or improvements may include, but are not limited to the expansion of existing, or the addition of new towers, equipment shelter(s), antennas, antenna mounts, apparatus, fixtures, cabling, attachments or any other equipment required by the Tenant or any Assignee.

(c) The Landlord agrees that the Equipment shall not become fixtures of the Lease but shall be and remain the property of the Tenant and may be removed from the Leased Premises at any time from time to time by the Tenant during the Term or within a reasonable time after expiration or early termination of this Lease, so long as the Tenant makes good any damage caused by such removal, reasonable wear and tear excepted, this will encompass a complete removal up to and including three feet below grade. Failure by the Tenant to remove the Equipment after receipt of at least ninety (90) days prior written notice by the Landlord to remove same upon the expiration or early termination of this Lease will enable the Landlord to remove the Equipment at the reasonable expense of the Tenant.

7. ACCESS

(a) The Landlord grants to the Tenant, its agents, employees, contractors, or to an Assignee, all rights of direct access, twenty-four (24) hours a day, seven (7) days a week, to each and every Property, and such other rights as are reasonably necessary to enable the Tenant, its agents, employees, contractors or any Assignee to install, reconfigure, attach, operate, maintain and replace the Tower and Equipment, including but not limited to connecting its Tower and Equipment to the public telephone and utility networks, pursuant to the public telephone and utility's requirements or recommendations and any required right-of-ways as may be detailed in Exhibit "B", provided that such access is made upon notice to the Landlord of not less than six (6) hours and undertaken at the Tenant's sole risk. Access keys shall be provided by the Landlord to the Tenant if and when keys are

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requested by the Tenant.

(b) Where available, the Tenant, its agents, employees, contractors and any Assignee, shall have the non-exclusive use of and access to any existing access driveway and a twenty-four (24) hour parking space located on the Property. If required, the Landlord shall provide the Tenant with parking access cards and provide notice to any security personnel and contracted towing/tagging services. Unless previously approved in writing by the Landlord, the Tenant shall not hinder the use of or access to any existing access driveway or parking space by any other party at any time.

8. ADDITIONAL TAXES

The Tenant shall reimburse the Landlord for any new taxes, rates, fees or assessments of every description which may be charged or imposed, during the Term hereof, by a governmental authority (collectively, the "Taxes") upon or in respect of the privileges hereby granted provided that:

(a) it can be demonstrated that such Taxes have been assessed as a direct result of the Tenant's use of the Leased Premises; and

(b) the Landlord delivers to the Tenant prompt written notice of the imposition of such Taxes (together with copies of all bills, invoices or statements relating to such Taxes) (the "Taxes Notice"), which Taxes Notice shall be delivered no later than eighteen (18) months following the due date for the Taxes set out in such Taxes Notice (the "Taxes Due Date"). If the Landlord fails to deliver the Taxes Notice on or before the date which is eighteen (18) months following the Taxes Due Date, then, notwithstanding anything to the contrary herein, the Tenant shall have no obligation or liability to pay any of the Taxes set out in such Taxes Notice and the Landlord shall be solely responsible for the payment of all such Taxes.

9. ELECTRICITY

The Tenant shall have the right at any time and at its own cost and expense, to connect to and draw power from the Landlord's electrical power supply. The Tenant shall be responsible for its electrical connection costs and for the electrical consumption used on each and every of the Leased Premises. Where permitted by the local hydro utility, the Tenant shall at its expense install a separately metered hydro sub service; such electrical consumption shall be billed separately by the local hydro utility to the Tenant.

10. FAILURE TO PAY RENT

If the Tenant defaults at any time in any rental payment required under this Lease during the Term or any extension thereof, or fails, or neglects at any time to fully perform, observe and keep all the covenants, terms and conditions herein contained, the Landlord shall give the Tenant written notice of such default and the Tenant shall correct such default within fifteen (15) days after receipt thereof and if the default remains outstanding on the sixteenth (16th) day the Landlord may terminate this Lease forthwith, except in the event that such default reasonably requires more than fifteen (15) days to correct in which case the Tenant shall have a reasonable time to cure such default.

11. OVERHOLDING

If the Tenant overholds any of the Leased Premises beyond the Term of this Lease or any
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extension provided herein, the Tenant may continue such holding over as a tenancy from month to month, upon the same terms and conditions as contained in the Lease. Such over holding period shall not extend beyond 60 days of expiration of this Lease.

12. TERMINATION

It is agreed and understood that the Tenant or Landlord may terminate this Lease at any time, for any reason whatsoever, by twelve (12) months prior written notice to the Landlord or Tenant and the Tenant shall be entitled to remove the Tower and all other Equipment from the Leased Premises within a reasonable time thereafter. In the event of such termination, the Landlord shall refund *pro-rata* the portion of rent, if any, accruing due after the date of the said termination and the parties shall be released from any further obligations with respect to any matter under this Lease.

13. INTERFERENCE

The Tenant agrees to undertake such works as may be necessary to prevent any interference with other installations on the Leased Premises and remedy the interference.

14. QUIET ENJOYMENT

The Landlord covenants with the Tenant for non-exclusive quiet enjoyment of the Leased Premises without any interruption or disturbance from the Landlord provided the Tenant performs all its covenants under this Lease.

15. INSURANCE

The Tenant shall, during the Term hereof, keep in full force and effect, with respect to each of the Leased Premises and the Properties:

(a) A policy of insurance, in which the limit of Comprehensive General Liability insurance shall not be less than Five Million Dollars (\$5,000,000.00) per occurrence or accident and shall include the Landlord as an Additional insured with respect to the Tenant's operations, acts and omissions relating to its obligations under this Lease, such policy to include, but not be limited to, bodily injury, including death; non-owned automobile liability; liquor liability; personal injury; broad form property damage; blanket contractual liability; owners and contractors protective liability; products and completed operations liability; contingent employers' liability; and, shall include cross liability and severability of interest clauses. This policy shall not be invalidated as respects the interests of the Landlord by reason of any breach or violation on any warranties, representations, declarations or conditions;

(b) Tenant's Legal Liability insurance equal to the replacement cost of each of the Leased Premises, including any loss of use thereof;

(c) Property Insurance on All Risk basis for property of every description owned by the Tenant, or for which the Tenant is legally liable or installed by or on behalf of the Tenant and which is located within the Premises, for the full replacement cost thereof, as well as Business Interruption insurance in such amount as will reimburse the Tenant for direct or indirect loss of revenue attributable to an insured peril. This insurance shall contain a waiver of any subrogation rights, which the Tenant's insurers may have against the Landlord or those for whom the Landlord is in law responsible;

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(d) Any other form of insurance as the Landlord, acting reasonably, may require from time to time in form, in amounts and for insurance risks against which a prudent Tenant would insure;

(e) The Tenant shall provide annually and prior to the inception of this lease, Certificates of Insurance, or copies of the insurance policies if required by the Landlord, with provision for thirty (30) days' prior notice by registered mail to the Landlord in the event of cancellation or material change, which reduces or restricts the insurance as required under (a), (b), (c), or (d) under Section 15 Insurance;

(f) The Tenant agrees that if it fails to take out or keep in force any such insurance referred to in this Paragraph, or should any such insurance not be approved by the Landlord, and should the Tenant not commence and proceed to diligently rectify the situation within forty-eight (48) hours after written notice by the Landlord, the Landlord has the right without assuming any obligation in connection therewith, to effect such insurance at the sole cost of the Tenant. The Landlord shall be reimbursed as set out under the terms of this Lease.

16. INDEMNITY

(a) The Landlord and the Tenant covenant and agree that the Landlord shall not be liable or responsible in any way for personal or consequential injury of any kind whatsoever that may be suffered or sustained by the Tenant, or any employee, agent or invitee of the Tenant, or any other person(s) who may be upon the Leased Premises or for any loss, theft, damage or injury to any property upon the Leased Premises however caused.

(b) The Tenant waives, releases, discharges and indemnifies the Landlord from and against all rights, claims, demands or actions of whatsoever kind or nature, direct or indirect, of any person whether in respect of damage to person or property arising out of or occasioned by the construction, maintenance, use or occupancy of the Properties from any cause whatsoever. The Tenant agrees to look solely to its insurers in the event of loss whether the insurance coverage is sufficient to fully reimburse the Tenant for the loss or not.

(c) With the exception of claims arising as a result of the Landlord's negligence or arising as a result of the Landlord's failure to fulfill its obligations set out in this Lease, the Tenant covenants to indemnify the Landlord against all claims including construction lien claims by any person arising from any want of maintenance thereof or anything done or admitted on or in the vicinity of the Leased Premises or any other thing whatsoever, whether arising from any breach or default or from any negligence by the Tenant, its agents, contractors, employees, invitees or licensees, or from any accident, injury or damage or any other cause whatsoever, and such indemnity shall extend to all costs, counsel fees, expenses and liabilities which the Landlord may incur with respect to any such claim.

(d) The Tenant further covenants to indemnify and save harmless the Landlord with respect to any encumbrance on or damage to the Properties or the Corporation of the City of Kawartha Lakes occasioned by or arising from the act, omission, default, or negligence of the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or Tenants.

(e) The foregoing indemnities shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.

17. ENVIRONMENTAL

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The Landlord makes no representation, warranties or guarantees as to the suitability of the Properties for the purposes of the Tenant. The Leased Premises are provided on an "as is" basis. All works necessary to make the Leased Premises suitable for the Tenants purposes shall be the responsibility of the Tenant and it shall bear the cost of doing so.

18. MODIFICATION

No change or modification to this Lease shall be valid unless it is in writing and is duly executed by both parties hereto.

19. NOTICE

Any notice required by this Lease shall be made in writing and shall be considered given or made on the day of delivery if delivered before 5:00 p.m. by facsimile or by personal delivery upon any officer of the Tenant, or three (3) business days after the day of delivery if sent by prepaid registered mail upon the Landlord addressed as follows:

**THE CORPORATION OF THE CITY OF KAWARTHA LAKES 26
FRANCIS STREET P.O. BOX 9000 LINDSAY, ONTARIO K9V
5R8**

**Attention: Clerk's Office
Facsimile: (705) 324-8110**

and in the case of the Tenant to:

**BARRETT XPLORE INC.
300 Lockhart Mill Road
PO Box 9060
Woodstock, NB, E7M5C3**

**Attention: Annette Cannam
Phone: 506-328-1348**

Facsimile 506-328-1243

Either party hereto may change its aforesaid address for notices in accordance with the provisions of this notice.

20. BINDING AGREEMENT

The Landlord covenants that it has good right, full power, and absolute authority to grant this Lease to the Tenant and this Lease shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and subsequent purchasers.

21. EXECUTION

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This Lease shall not be in force or bind either of the parties hereto until executed by all the parties named herein.

22. CONDITIONAL PERIOD

This Lease referred to herein shall be conditional until December 31, 2008, upon the Tenant obtaining at its expense all municipal, provincial, federal or other governmental approvals required for the construction and installation of the Tower and Equipment on the Leased Premises and upon the Tenant satisfying itself in its sole discretion, which discretion may be exercised arbitrarily, that the Properties are both technologically and economically viable for the Tenant. If any of the above conditions are not satisfied by the date noted above, then the Tenant may terminate this Lease and the Rent and any other payments made hereunder shall be refunded *pro rata*, to the date of such termination, and both parties shall be released from all further obligations or liabilities under this Lease. These conditions are for the sole benefit of the Tenant and may be waived or extended only by the Tenant at its sole option.

23. CONFIDENTIALITY

The terms of this Lease and all information issued, disclosed or developed in connection with this agreement are to be held in strict confidence between the parties hereto subject to the requirements of the *Municipal Freedom of Information and Protection of Privacy Act* and such disclosure as may be required in furtherance of Ontario Ministry of Agriculture, Food and Rural Affairs Rural Connections..The Ontario Municipal Rural Broadband Partnership Program. The Landlord, its agents and employees agree not to use, reproduce or divulge the same to third parties unless it is with the prior written consent of the Tenant and to take all reasonable precautions for protection of such information from disclosure.

24. ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties hereto with respect to the Leased Premises and there are no prior representations, either oral or written, between them other than those set forth in this Lease. This Lease supersedes and revokes all previous negotiations, arrangements, options to lease, representations and information conveyed, whether oral or written, between the parties hereto. The Landlord acknowledges and agrees that it has not relied upon any statement, representation, agreement or warranty except such as are expressly set out in this Lease.

[SIGNATURE PAGE TO FOLLOW]



IN WITNESS WHEREOF the said parties hereto have duly executed this Lease on the dates noted below.

DATED at Woodstock, NB, this ____ day of _____, 20 ____.

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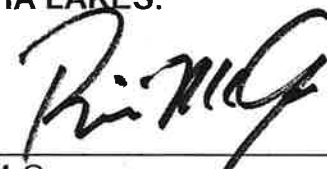
Per. 
Sam Roozendaal, V.P. Operations & Build

I have authority to bind the Corporation

Seal

DATED at Lindsay, Ontario this 8th day of January, 20 10.

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES.**

Per. 
Mayor: Ric McGee

Per. 
Clerk: Judy Curran

Seal

I/We have the authority to bind the Corporation

EXHIBIT "A"

The Leased Premises are located on the following four Properties owned by the Landlord:

1. Carden Recreation Centre: 258 Lake Dalrymple Rd., Sebright, ON
2. Burnt River Works Yard: 90 County Road 44, Burnt River, ON
3. Kirkfield Tower Road Property: 50 Tower Road, Kirkfield, ON
4. Coboconk Fire Department: 47 Grandy Rd., Coboconk, ON



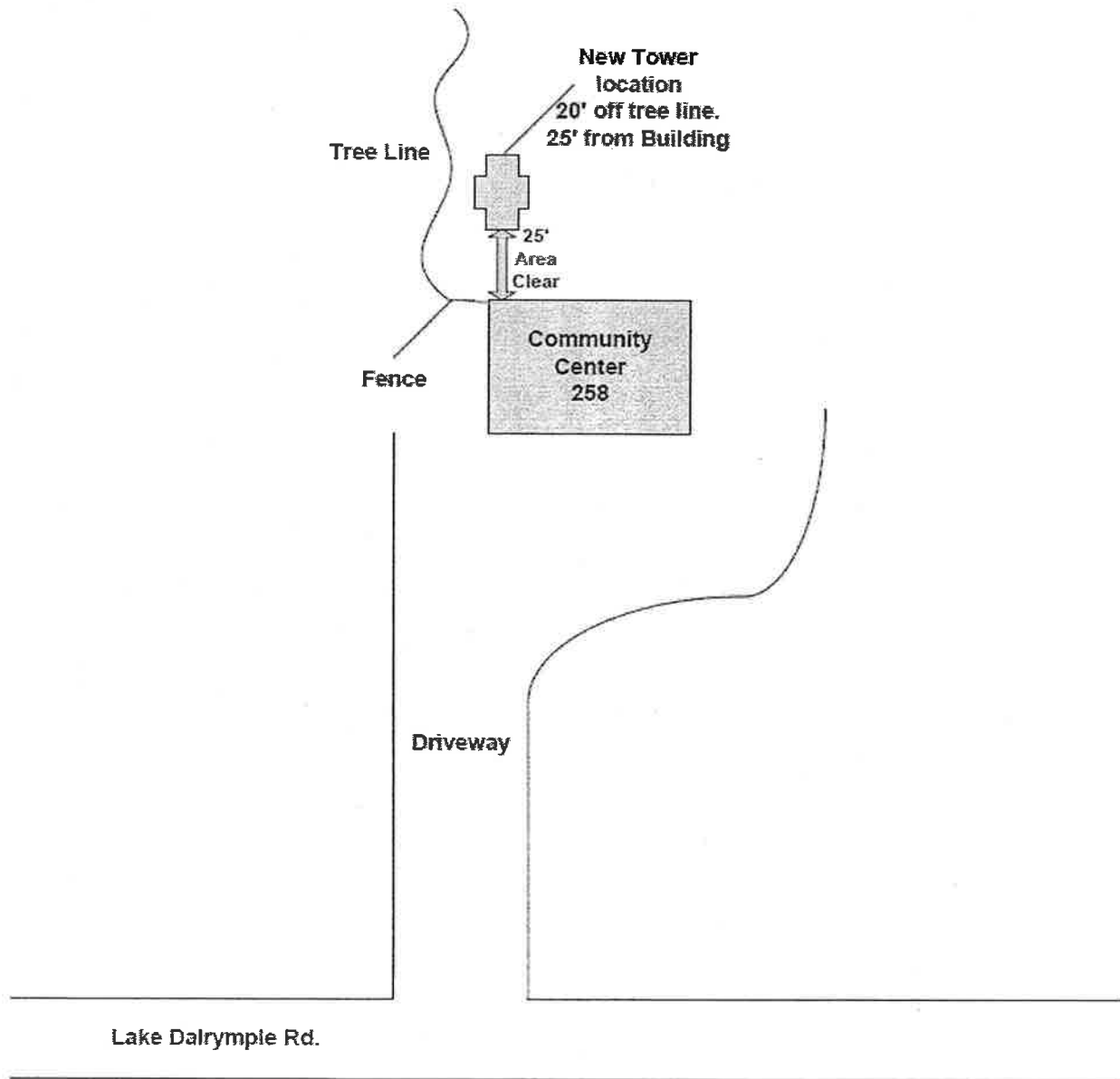
EXHIBIT "B"

PLAN OF LEASED PREMISIS

258 Lake Dalrymple Rd. Sebright, ON

To be provided after initial pre-construction site surveys are completed.

Tower to be located close to the 25 feet from the rear of the community center as per below.



hu
JR

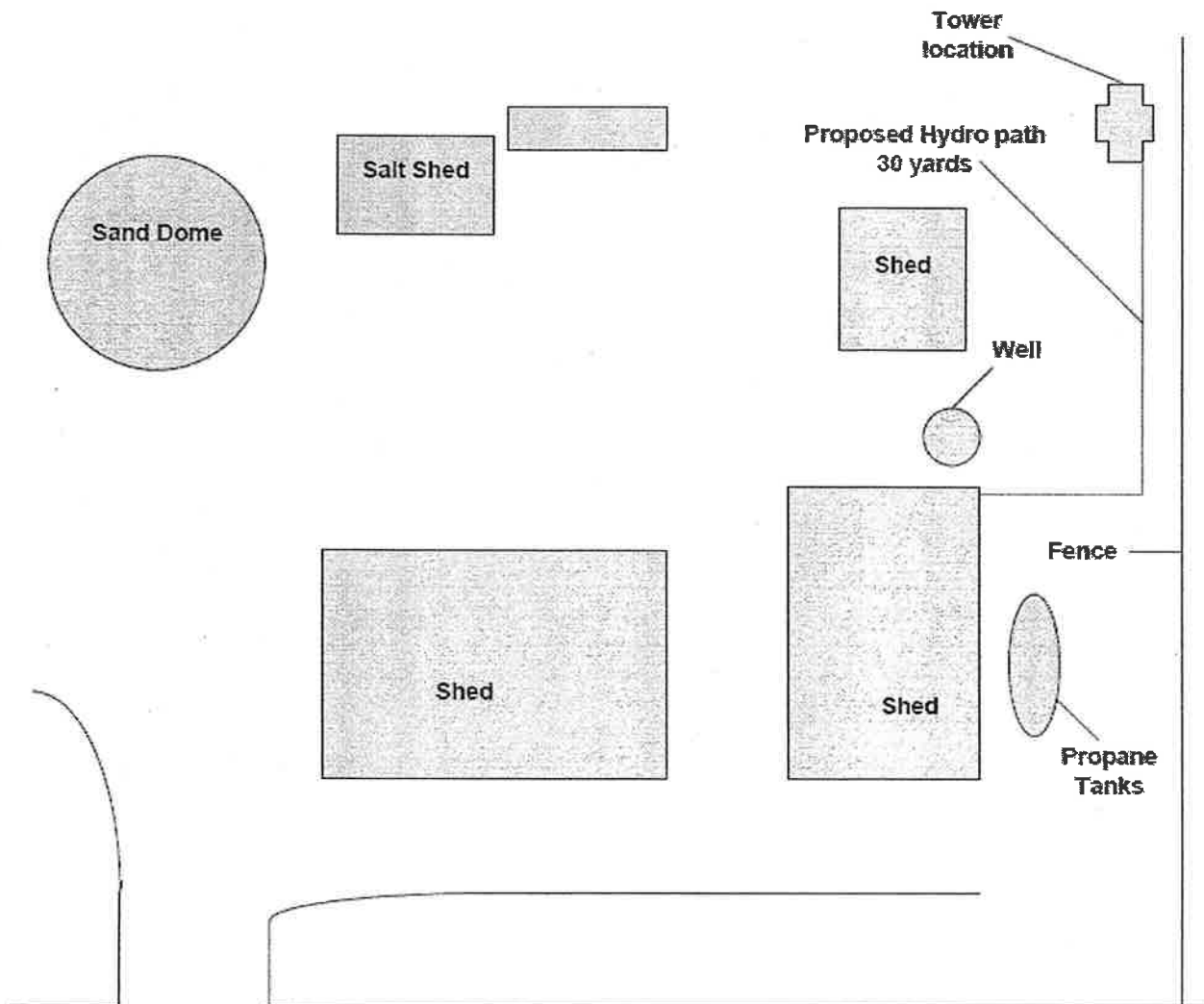
EXHIBIT "B"

PLAN OF LEASED PREMISIS

Burnt River Works Yard
90 County Road 44, Burnt River, ON

To be provided after initial pre-construction site surveys are completed.

Tower to be located at the rear of the property as detailed below.



90 County Rd 44

[Handwritten signatures]

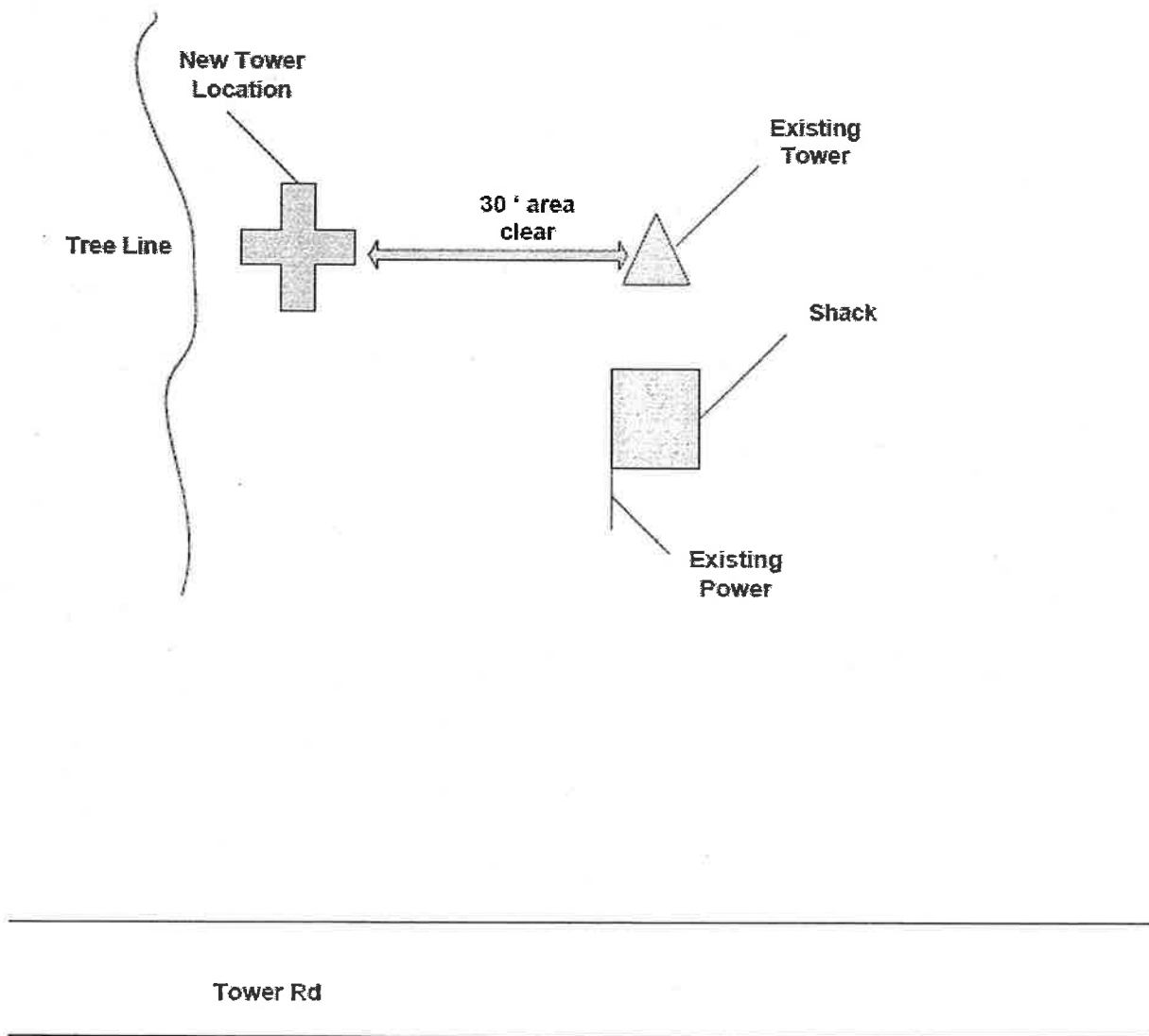
EXHIBIT "B"

PLAN OF LEASED PREMISIS

50 Tower Road, Kirkfield, ON

To be provided after initial pre-construction site surveys are completed.

Tower to be located close to the Existing Fire Communications tower. To be determined during facilities locates.



[Handwritten signatures]

EXHIBIT "B"

PLAN OF LEASED PREMISIS

Coboconk Fire Department
47 Grandy Rd., Coboconk, ON

To be provided after initial pre-construction site surveys are completed.

Tower to be located next to existing building as per below.

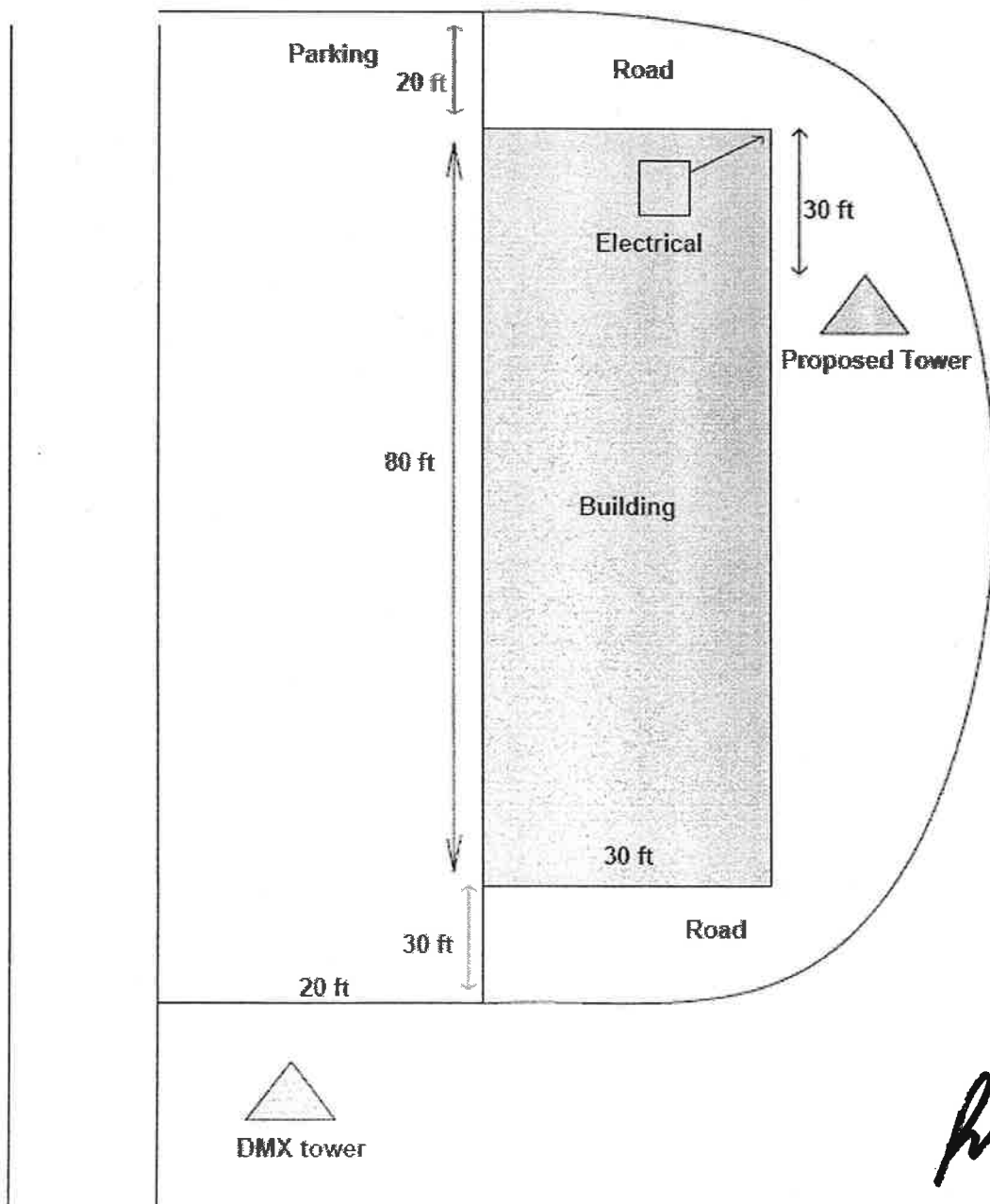


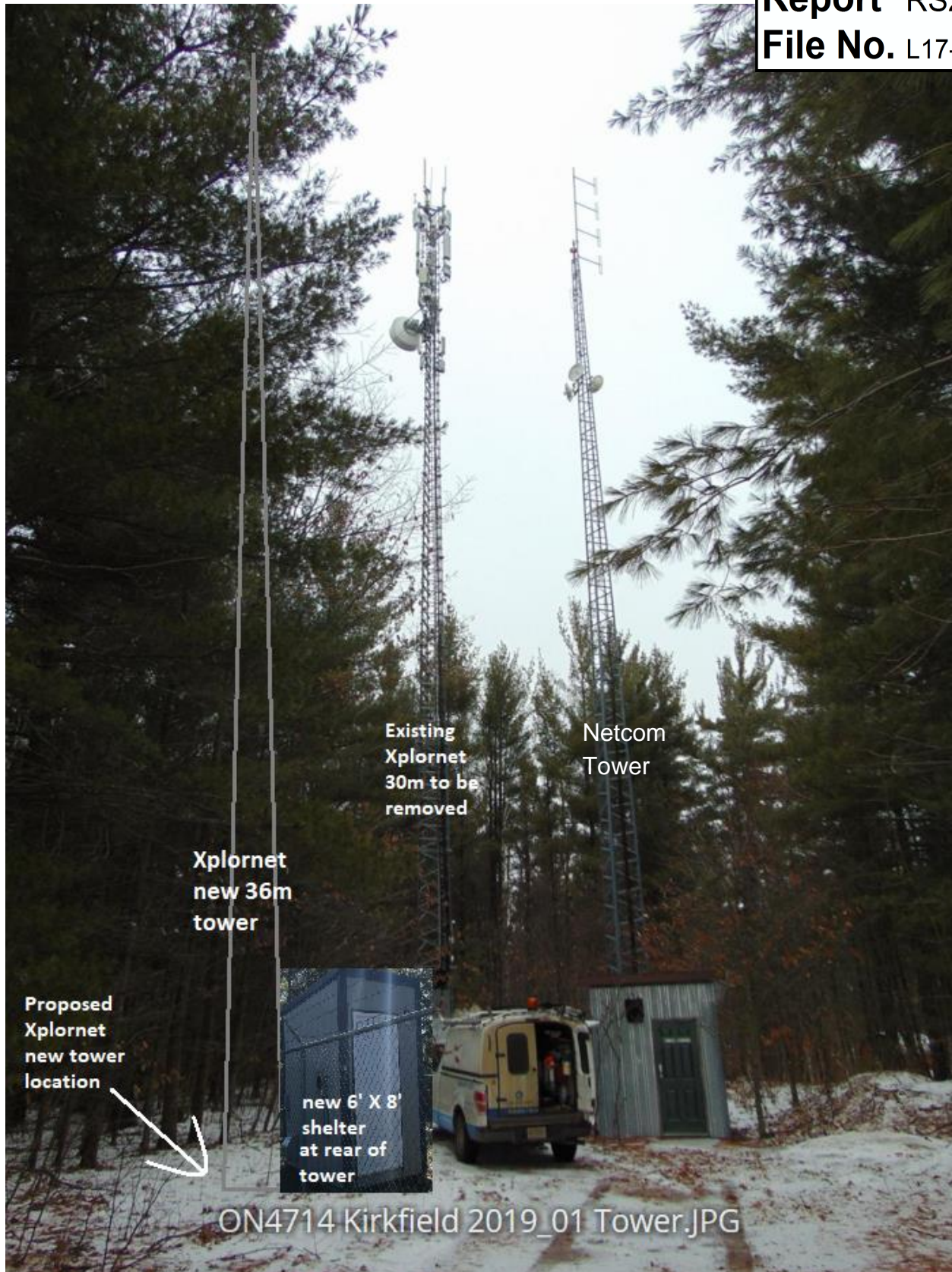
EXHIBIT "C"

RENTAL PAYMENT SCHEDULE

The Tenant shall pay Rent to the Landlord as follows:

- (a) During the period commencing on **the later of May 1st, 2008 or the first day of construction** and ending **April 30, 2012** the Tenant shall pay to the Landlord **annual** rent in the amount of Seven Thousand Dollars (\$7,000.00), payable **monthly** in advance.
- (b) Provided that the Tenant shall have exercised its first (1st) Option to Extend, during the period commencing **May 1, 2012** and ending April 30th, **2016** the Tenant shall pay to the Landlord **annual** rent in the amount of Eight Thousand Dollars (\$8000.00), payable **monthly** in advance.
- (c) Provided that the Tenant shall have exercised its second (2nd) Option to Extend, during the period commencing **May 1st, 2016** and ending **April 30th, 2020**, the Tenant shall pay to the Landlord **annual** rent in the amount of Nine Thousand Dollars (\$9000.00), payable **monthly** in advance.
- (d) Provided that the Tenant shall have exercised its third (3rd) Option to Extend, during the period commencing **May 1st, 2020** and ending April 30th, **2024**, the Tenant shall pay to the Landlord **annual** rent in the amount of Ten Thousand Dollars (\$10,000.00), payable **monthly** in advance.

Handwritten signatures in black ink, including a large signature at the top and two smaller ones below it.



TELECOMMUNICATIONS LICENSE AGREEMENT

Appendix D to Report RS2021-013 File No. L17-20-RS047
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THIS AGREEMENT made effective as of the 1st day of November, 2020

BETWEEN:

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the "Licensor")

- and -

XPLORNET COMMUNICATIONS INC.

(the "Licensee")

WITNESSETH WHEREAS the Licensor is the registered owner of the Property municipally identified as 50 Tower Road, Kirkfield, which is legally described as Part of Lot 43, Concession 3, Parts 1 and 4 to 7 on 57R-8184, in the Geographic Township of Eldon, City of Kawartha Lakes, being PIN: 63166-0087 (LT) (the "Property");

NOW THEREFORE in consideration of the rents, covenants and agreements herein contained and hereby assumed the parties for themselves and their respective successors and assigns do hereby covenant and agree with one another as follows:

1. USE OF LICENSED PREMISES

The Licensor hereby grants to the Licensee non-exclusive use of the Property to install and maintain a tower and associated electronic equipment on the Licensed Premises and all necessary cabling, antennas, antenna mounts and any other related equipment attachments (the "Equipment"), as shown in Schedule "A"; and permission to install, reconfigure, attach, operate, maintain and replace all of the initial and additional Equipment on the Property for wireless telecommunications in accordance with Schedule "A". The Licensee is granted a right of access to the Property at such times as in the sole judgment of the Licensee are necessary to maintain, repair and replace the Equipment from time to time, and to the extent reasonably necessary for purposes of the License herein granted. The Licensee shall repair the Property following both the installation and the removal of the equipment. The repair will be at the Licensee's expense and to the reasonable satisfaction of the Licensor.

2. TERM

The term of this License shall be five (5) years commencing on November 1, 2020 and ending on October 31, 2025 (the "Term").

3. LICENSE FEE

- a) The Licensee shall pay to the Licensor, its successors and assigns, a License Fee for the use of and access to the Property as granted by the Licensor herein. The License Fee shall be the sum of Thirteen Thousand Dollars (\$13,000.00), plus HST, per annum, indexed annually by the Consumer Price Index – All Items (the "License Fee").
- b) The first payment shall be payable upon execution of this License Agreement, and subsequent payments are due on or before the 1st day of August in each calendar year of the Term. The responsibility for providing timely payment prior to August 1st in each year of the terms is wholly that of the Licensee.

4. ASSIGNMENT

Neither party may assign any of its rights or obligations under this License without the prior written consent of the other party. Notwithstanding the foregoing, the Licensee may, without the consent of the Licensors:

- a) assign its rights or obligations under this Agreement to an affiliate or an entity acquiring all or substantially all of the assets of the Licensee;
- b) license all or any portion of the Equipment to an affiliate; and
- c) license all or any portion of the Equipment to a third party for use as a telecommunications site.

Whenever the Licensors' consent is required by virtue of this section, such consent is deemed granted if the Licensors do not respond within fifteen (15) days to the written request of the Licensee for such consent.

5. LICENSEE'S WORK

- a) The Licensee shall, at its own expense, install, attach, repair, operate and maintain its Equipment in accordance with Scheduled "A" and in a good and workmanlike manner. All installation, reconfiguration, attachment, maintenance, repair and operation to be carried out under this License by the Licensee shall be done at the Licensee's expense and risk. Upon the expiration or earlier termination of this License, the Licensee agrees to repair at the Licensee's sole cost and expense to the reasonable satisfaction of the Licensors, all damages, structural or otherwise, save and except for reasonable wear and tear, that may be caused to the Licensors' property, including all buildings on the Property, by reason of the installation, reconfiguration, attachment, maintenance, operation or removal of the Licensee's Equipment.
- b) The Licensee shall remove the existing tower, as set out in Schedule "B", within six (6) months of the start of the term (by March 1, 2021) or by a later date as mutually agreed upon by both parties. Failure to do so will result in the Licensee being responsible for an additional Thirteen Thousand Dollars (\$13,000.00) per year, payable up front and in advance for the 1st year of the term and payable annually thereafter on the anniversary of the License.
- c) The Licensee and any Assignee may not make any alterations and/or improvements during the Term without requiring the consent of the Licensors. Such alterations and/or improvements may include, but are not limited to the expansion of existing, or the addition of new towers, equipment shelter(s), antennas, antenna mounts, apparatus, fixtures, cabling, attachments or any other equipment required by the Licensee or any Assignee.
- d) The Licensors agree that the Equipment shall not become fixtures of the License but shall be and remain the property of the Licensee and may be removed from the Licensed Premises at any time from time to time by the Licensee during the Term or within a reasonable time after expiration or early termination of this License, so long as the Licensee makes good any damage caused by such removal, reasonable wear and tear excepted. This will encompass a complete removal up to and including three feet below grade. Failure by the Licensee to remove the Equipment after receipt of at least ninety (90) days prior written notice by the Licensors to remove same upon the expiration or early termination of this License will enable the Licensors to remove the Equipment at the expense of the Licensee.
- e) The Licensee is required to comply with the Licensors' installation and location restrictions for the Equipment on site, as set out in Schedule "A". Further restrictions may include, but are not limited to fastening equipment to the middle

of the bowl and wires being bundled with the existing bundle of wires extending down the column of the tower.

- f) The Licensee agrees and undertakes to provide the City with "as built" drawings within thirty (30) days of completion of construction of the Tower, or a later date as agreed to by both parties.
- g) The Licensee acknowledges that it is a member of Ontario One Call pursuant to section 5(1) of the *Ontario Underground Infrastructure Notification System Act*, 2012, S.O. 2012, C. 4, as amended (the "Act"), and is required to provide information to Ontario One Call as set out in section 5(2) of the Act. It is a requirement of the City that the Licensee provide Ontario One Call with as built engineering drawings of its infrastructure, as well as the location of its infrastructure with respect to distance from nearest intersection, in advance of execution of this License. The Licensee is required to provide written confirmation to the City that this has been done, as a precondition to the execution of this agreement.
 - a. The Licensee acknowledges its responsibilities pursuant to section 6 of the Act, specifically: if it receives a notification from Ontario One Call about a proposed excavation or dig that may affect underground infrastructure owned by it, it shall
 - i. mark on the ground the location of its underground infrastructure and provide a written document containing information respecting the location of the underground infrastructure; or
 - ii. state in writing that none of its underground infrastructure will be affected by the excavation or dig.
 - b. The Licensee shall make all reasonable attempts to do the things required above within five business days of the day it receives notification about the proposed excavation or dig, unless there is a reasonable expectation that the excavation or dig will not start within 30 business days of the day it receives the notification, The Licensee and the excavator agree to a different time limit; or the regulations under the Act set out a different time limit applicable to the circumstances.

6. ACCESS

- a) The Licenser grants to the Licensee, its agents, employees, contractors, or to an Assignee, all rights of direct access, between the hours of 8:30 am to 4:30 pm, Monday to Friday, to the Property, and such other rights as are reasonably necessary to enable the Licensee, its agents, employees, contractors or any Assignee to install, reconfigure, attach, operate, maintain and replace the Equipment, including but not limited to connecting its Equipment to the public telephone and utility networks, pursuant to the public telephone and utility's requirements or recommendations and any required right-of-ways, provided that such access is made upon notice to the Licenser of not less than five (5) business days and undertaken at the Licensee's sole risk. Access keys shall be provided by the Licenser to the Licensee if and when keys are requested by the Licensee.
- b) Where available, the Licensee, its agents, employees, contractors and any Assignee, shall have the non-exclusive use of and access to any existing access driveway and parking space located on the Property, during the times set out above. If required, the Licenser shall provide the Licensee with parking access cards and provide notice to any security personnel and contracted towing/tagging services. Unless previously approved in writing by the Licenser, the Licensee shall not hinder the use of or access to any existing access driveway or parking space by any other party at any time.

7. ADDITIONAL TAXES

The Licensee shall reimburse the Licensors for any new taxes, rates, fees or assessments of every description which may be charged or imposed, during the Term hereof, by a governmental authority (collectively, the "Taxes") upon or in respect of the privileges hereby granted provided that:

- a) it can be demonstrated that such Taxes have been assessed as a direct result of the Licensee's use of the Licensed Premises; and
- b) the Licensors deliver to the Licensee prompt written notice of the imposition of such Taxes (together with copies of all bills, invoices or statements relating to such Taxes) (the "Tax Notice"), which Tax Notice shall be delivered no later than eighteen (18) months following the due date for the Taxes set out in such Tax Notice (the "Taxes Due Date"). If the Licensors fail to deliver the Tax Notice on or before the date which is eighteen (18) months following the Taxes Due Date, then, notwithstanding anything to the contrary herein, the Licensee shall have no obligation or liability to pay any of the Taxes set out in such Taxes Notice and the Licensors shall be solely responsible for the payment of all such Taxes.

8. FAILURE TO PAY RENT

If the Licensee defaults at any time in any rental payment required under this License during the Term or any extension thereof, or fails, or neglects at any time to fully perform, observe and keep all the covenants, terms and conditions herein contained, the Licensors shall give the Licensee written notice of such default and the Licensee shall correct such default within fifteen (15) days after receipt thereof and if the default remains outstanding on the sixteenth (16th) day the Licensors may terminate this License forthwith, except in the event that such default reasonably requires more than fifteen (15) days to correct in which case the Licensee shall have a reasonable time to cure such default.

9. TERMINATION

It is agreed and understood that the Licensee or Licensors may terminate this License at any time, for any reason whatsoever, by twelve (12) months prior written notice to the Licensors or Licensee and the Licensee shall be entitled to remove the Equipment from the Licensed Premises within a reasonable time thereafter. At the end of the term of this License or any extension thereof, the Licensee will restore the land to the same condition that existed prior to the work and activities of the Licensee.

10. OPTION TO PURCHASE

It is agreed and understood that prior to the end of the term if the Licensee would like to continue to have their infrastructure remain, the Licensee is obligated to purchase at fair market value with all costs payable by the Licensee, or remove all equipment prior to the end of the term.

11. INTERFERENCE

The Licensee agrees to undertake such works as may be necessary to prevent any interference with other installations on the Licensed Premises and remedy the interference.

12. QUIET ENJOYMENT

The Licensors covenant with the Licensee for non-exclusive quiet enjoyment of the Licensed Premises without any interruption or disturbance from the Licensors provided the Licensee performs all of its covenants under this License Agreement; with the exception of any works, which may need to be completed by the Licensors. The

Licensee would be provided with as much notice as reasonably possible by the Licensor. The Licensee would be responsible, at their expense, to remove/relocate the equipment within a reasonable period of time.

13. INSURANCE

The Licensee shall, during the Term hereof, keep in full force and effect, with respect to each of the Licensed Premises and the Property:

- a) A policy of insurance, in which the limit of Commercial General Liability insurance shall not be less than Five Million Dollars (\$5,000,000.00) per occurrence and shall include the Licensor as an Additional insured with respect to the Licensee's operations, acts and omissions relating to its obligations under this License, such policy to include, but not be limited to, bodily injury, including death; non-owned automobile liability; personal injury; broad form property damage; blanket contractual liability; owners and contractors protective liability; products and completed operations liability; contingent employers' liability; and, shall include cross liability and severability of interest clauses. This policy shall not be invalidated with respect to the interests of the Licensor by reason of any breach or violation on any warranties, representations, declarations or conditions;
- b) Licensee's Legal Liability insurance equal to the actual cash value of each of the Licensed Premises, including any loss of use thereof;
- c) Property Insurance on All Risk basis for property of every description owned by the Licensee, or for which the Licensee is legally liable or any of the Equipment installed by or on behalf of the Licensee and which is located within or on the Premises, for the full replacement cost thereof, as well as Business Interruption insurance in such amount as will reimburse the Licensee for direct or indirect loss of revenue attributable to an insured peril. Coverage shall also extend to any machinery, equipment and tools that used by the Licensee for the installation of maintenance of the Equipment. This insurance shall contain a waiver of any subrogation rights, which the Licensee's insurers may have against the Licensor or those for whom the Licensor is in law responsible;
- d) Any other form of insurance as the Licensor, acting reasonably, may require from time to time in form, in amounts and for insurance risks against which a prudent Licensee would insure;
- e) Automobile Liability insurance (Standard OAP 1 Automobile Policy) with a limit not less than Two Million Dollars (\$2,000,000) per occurrence for all licensed motor vehicles owned or leased by the Lessee;
- f) The Licensee shall provide annually and prior to the inception of this License, Certificates of Insurance, or copies of the insurance policies if required by the Licensor, with provision for thirty (30) days' prior notice by registered mail to the Licensor in the event of cancellation or material change, which reduces or restricts the insurance as required under (a), (b), (c), (d) or (e) within this License, under Section 12, Insurance;
- g) The Licensee agrees that if it fails to take out or keep in force any such insurance referred to in this Paragraph, or should any such insurance not be approved by the Licensor, and should the Licensee not commence and proceed to diligently rectify the situation within forty-eight (48) hours after written notice by the Licensor, the Licensor has the right without assuming any obligation in connection therewith, to effect such insurance at the sole cost of the Licensee. The Licensor shall be reimbursed as set out under the terms of this License.

14. HEALTH AND SAFETY

The Licensee shall provide the Licensor with a WSIB Clearance Certificate issued by the WSIB with the WSIB number and proof of satisfactory standing before commencing

installation. An updated WSIB Clearance Certificate shall be provided to the City at any time upon request and on the anniversary of this Agreement thereafter. The Licensee shall provide the Licensors with health and safety related information in relation to the microwaves to identify the radius within which persons cannot be.

15. LIABILITY AND INDEMNITY OF LICENSOR

- a) The Licensors and the Licensee covenant and agree that the Licensors shall not be liable or responsible in any way for personal or consequential injury of any kind whatsoever that may be suffered or sustained by the Licensee, or any employee, agent or invitee of the Licensee, or any other person(s) who may be upon the Licensed Premises or for any loss, theft, damage or injury to any property upon the Licensed Premises however caused.
- b) The Licensee waives, releases, discharges and indemnifies the Licensors from and against all rights, claims, demands or actions of whatsoever kind or nature, direct or indirect, of any person whether in respect of damage to person or property arising out of or occasioned by the construction, maintenance, use or occupancy of the Property from any cause whatsoever. The Licensee agrees to look solely to its insurers in the event of loss whether the insurance coverage is sufficient to fully reimburse the Licensee for the loss or not.
- c) With the exception of claims arising as a result of the Licensors' negligence or arising as a result of the Licensors' failure to fulfill its obligations set out in this License, the Licensee covenants to indemnify the Licensors against all claims including construction lien claims by any person arising from any want of maintenance thereof or anything done or admitted on or in the vicinity of the Licensed Premises or any other thing whatsoever, whether arising from any breach or default or from any negligence by the Licensee, its agents, contractors, employees, invitees or licensees, or from any accident, injury or damage or any other cause whatsoever, and such indemnity shall extend to all costs, counsel fees, expenses and liabilities which the Licensors may incur with respect to any such claim.
- d) The Licensee further covenants to indemnify and save harmless the Licensors with respect to any encumbrance on or damage to the Property or the Corporation of the City of Kawartha Lakes occasioned by or arising from the act, omission, default, or negligence of the Licensee, its officers, agents, servants, employees, contractors, customers, invitees or Licensees.
- e) The foregoing indemnities shall be in addition to and not in lieu of any insurance to be provided by the Licensee and shall survive the termination of this License notwithstanding any provisions of this License to the contrary.

16. ENVIRONMENTAL

The Licensors make no representation, warranties or guarantees as to the suitability of the Property for the purposes of the Licensee. The Licensed Premises are provided on an "as is" basis. All works necessary to make the Licensed Premises suitable for the Licensees purposes shall be the responsibility of the Licensee and it shall bear the cost of doing so.

17. MODIFICATION

No change or modification to this License shall be valid unless it is in writing and is duly executed by both parties hereto.

18. NOTICE

Any notice required by this License shall be made in writing and shall be considered given or made on the day of delivery if delivered before 4:30 p.m. by facsimile, email or by personal delivery upon any officer of the party for whom it is intended, or three (3)

business days after the day of delivery if sent by prepaid registered mail. The addresses for notice are as follows:

To the Licensor: The Corporation of the City of Kawartha Lakes
 Attention: Clerk
 26 Francis Street
 P.O. Box 9000
 Lindsay, Ontario, K9V 5R8
 Fax: 705-324-8110
 Email: clerks@kawarthalakes.ca

To the Licensee: Xplornet Communications Inc.
 Attention: Site Acquisition and Management
 300 Lockhart Mill Road
 Woodstock, New Brunswick, E7M 5C3
 Fax: 506-324-6676
 E-mail: VRE@corp.xplornet.com

Either party hereto may change its aforesaid address for notices in accordance with the provisions of this notice.

19. PLANNING ACT

It is an express condition of this License that the provisions of Section 50 of the Planning Act, R.S.O. 1990, as amended, be complied with.

20. GOVERNING LAW

This License shall be governed by the laws of the Province of Ontario. Should any provisions of this License and/or its conditions be illegal or not enforceable under the laws of such Province it or they shall be considered severable and the License and its conditions shall remain in full force and effect and be binding upon the parties as though the said provision or provisions had never been included.

21. BINDING AGREEMENT

The Licensor covenants that it has good right, full power, and absolute authority to grant this License to the Licensee and this License shall be binding on and enforceable by the parties and their respective successors, personal representatives and permitted assigns and no assignee or successor of the Licensor shall challenge the validity or enforceability of any provision of this License and every assignee or successor of the Licensor shall be bound by the obligations of the Licensor hereunder.

22. FORCE MAJEURE

Notwithstanding anything to the contrary in this License contained, if either party hereto shall be bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes; labour troubles; an inability to procure materials or services; failure of power; restrictive governmental laws or regulations; riots; sabotage; rebellion; war; or act of God; which are not the fault of the party delayed in performing the work or doing the act required under the terms of this License, then the performance of such term, covenant or act shall be excused for the period of the delay and the period for the performance of any such term, covenant or act shall be extended for a period equivalent to the period of such delay.

23. EXECUTION

This License shall not be in force or bind either of the parties hereto until executed by all the parties named herein.

24. CONFIDENTIALITY

The terms of this License and all information issued, disclosed or developed in connection with this agreement are to be held in strict confidence between the parties hereto subject to the requirements of the *Municipal Freedom of Information and Protection of Privacy Act*.

25. ENTIRE AGREEMENT

This License contains the entire agreement between the parties hereto with respect to the Licensed Premises and there are no prior representations, either oral or written, between them other than those set forth in this License. This License supersedes and revokes all previous negotiations, arrangements, options to License, representations and information conveyed, whether oral or written, between the parties hereto. The Licensors acknowledge and agree that it has not relied upon any statement, representation, agreement or warranty except such as are expressly set out in this License.

26. INDEPENDENT LEGAL ADVICE

The Licensee acknowledges that it has either received or waived the benefit of its own legal advice with respect to the execution of this License.

27. ELECTRONIC SIGNATURES

This License may be executed and delivered by facsimile or other electronic means, which electronic copies shall be deemed to be original.

IN WITNESS WHEREOF the said parties hereto have duly executed this License on the dates noted below.

DATED at Lindsay, this _____ day of _____, 2020

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

PER: _____

Name: Andy Letham

Title: Mayor

PER: _____

Name: Cathie Ritchie

Title: City Clerk

We have authority to bind the Corporation.

We hereby accept the above License on the terms and conditions contained therein

DATED at _____, this _____ day of _____, 2020.

XPLORNET COMMUNICATIONS INC.

PER: _____

Name: C.J. Prudham

Title: Executive VP - General Counsel

I have authority to bind the Corporation.

Schedule “A”

Schedule “B”

The Corporation of the City of Kawartha Lakes

By-Law 2020-____

A By-law to Authorize the Execution of a Telecommunications License Agreement between the Corporation of the City of Kawartha Lakes and Xplornet Communications Inc.

For the purpose of replacing an existing telecommunications tower with a taller telecommunications tower at the location municipally described as 50 Tower Rd., Kirkfield

Recitals

1. The City of Kawartha Lakes and Xplornet Communications Inc. enter into a License Agreement to allow Xplornet Communications Inc. to rebuild a telecommunications tower located at the location municipally described as 50 Tower Rd., Kirkfield.
2. Section 5.05 (2) of By-Law 2016-009, being a by-law to Provide Authority for Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that License Agreements with a revenue over \$10,000 per year and a term of five years or under must be approved by Council.
3. Section 3.01 (b), (v) of By-Law 2018-017, being a by-law to provide direction for annual fees for encroachments describes the amount for a tower as \$13,000.
4. A License Agreement for a five (5) year term, which will expire on October 31, 2025 has been approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2020-__.

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

1.02 Interpretation Rules:

- (a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Authorization

- 2.01 **Authorization:** The Mayor and Clerk are hereby authorized and directed to sign the License Agreement referenced in Council on February 23, 2021 through the consideration of Report RS2021-013, and affix the City’s corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The City Clerk is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this ____ day of _____, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Council Report

Report Number:	RS2021-014
Meeting Date:	February 23, 2021
Title:	Dock License Application For 114 Front Street East Bobcaygeon
Description:	Information Pertaining to a Deputation by Sandra and Dave Robinson
Author and Title:	Christine Oliver, Law Clerk

Recommendation:

That Report RS2021-014, **Dock License Application for 114 Front Street East, Bobcaygeon**, be received.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

At the Council Meeting of January 28, 2021, Council adopted the following resolution:

CW2021-002

That the deputation and correspondence of Sandra Robinson, regarding the Dock License Application for 114 Front Street East, Bobcaygeon, be received; and

That the request for a Dock License for 114 Front Street East, Bobcaygeon, be referred to Staff for review and report back by the end of Q1, 2021.

This report addresses that direction.

Municipal Law Enforcement received a complaint for a dock being present across from the property municipally addressed as 114 Front Street East, Bobcaygeon. Municipal Law Enforcement completed a site inspection of the complaint in July 2020 (photo attached as Appendix C). Municipal Law Enforcement requested an encroachment letter be sent to the owners of 114 Front Street East, Bobcaygeon. Realty Services sent out a letter dated July 28, 2020, requesting the owners remove the encroaching dock from City of Kawartha Lakes' travelled road allowance. Realty Services received a call from Ms. Robinson on August 4, 2020, requesting a dock application to permit the structure to remain. On the same day, Realty Services provided the dock application to the resident. Ms. Robinson submitted the dock application to Realty Services on August 11, 2020. The application was reviewed at the next Land Management Committee meeting on September 14, 2020.

Rationale:

The decision of the Land Management Committee was to deny the request on the following grounds:

1. Navigable water space is limited in this area.
 - Staff assume no permit for this dock has been issued by the Trent Severn Waterways (TSW).
2. The dock is within the urban area of Bobcaygeon.
 - The urban areas within Kawartha Lakes (Bobcaygeon, Fenelon Falls, Omemee and Lindsay) are located where the TSW - or Pigeon River (in the case of Omemee) - is narrow and thus navigable water space is limited. The TSW acts as a "gateway" for persons entering the

community by water, and the aesthetics are incredibly important to drawing boaters into the community for economic development purposes. Smaller urban lots are not appropriate for the accommodation of docking, especially if persons with properties not directly adjacent to the waterfront ("backlot owners") are entitled to docks on the waterfront.

3. The dock is in close proximity to existing infrastructure (a bridge).
 - Proximity indicates future interference with bridge repair and maintenance activities. For this reason, the City maintains "construction lay down areas" adjacent to its bridges, to ensure that materials can be stored in proximity to the site of repair/ maintenance, and that access will not be impeded.

A map and aerial map are attached as Appendix A and B, respectively.

Other Alternatives Considered:

An alternative option for council would be to allow the dock to remain pursuant to a 5-year license agreement, provided the applicant obtains a permit from the Trent Severn Waterway. Staff does not recommend this option for the reasons listed above.

Alignment to Strategic Priorities

The applicable strategic priority referenced within the 2020-2023 Kawartha Lakes Strategic Plan is Good Government and the strategic enabler is Asset Management by ensuring municipal assets are well maintained and well managed.

Financial/Operation Impacts:

If council was to allow the dock to remain, the structure could contribute to erosion concerns as this location has a steep drop.

Consultations:

Land Management Committee

Attachments:

Appendix A – Map



Appendix A -
Location Map.pdf

Appendix B – Aerial Map



Appendix B - Aerial
Map.pdf

Appendix C – Photo of Encroaching Dock



Appendix C - Photo
of Dock.pdf

Department Head email: rcarlson@kawarthalakes.ca
Department Head: Robyn Carlson
Department File: L17-20-RS044



Appendix A
to
Report RS2021-014
File No. L17-20-RS044

 Subject Properties

11.47
Kilometers

1: 288,895



THIS MAP IS NOT TO BE USED FOR NAVIGATION This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

© City Of Kawartha Lakes

Date:



Appendix B
to
Report RS2021-014
File No. L17-20-RS044

 Subject Properties

 Property Roll Number

0.09
Kilometers

1: 2,257



THIS MAP IS NOT TO BE USED FOR NAVIGATION This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

© City Of Kawartha Lakes

Date:



Council Report

Report Number: CORP2021-002
Meeting Date: February 23, 2021
Title: Municipal Credit Rating
Description: To illustrate the advantages and disadvantages of obtaining a credit rating
Author and Title: Sandra Shorkey, Supervisor-Treasury

Recommendation(s):

That Report CORP2021-002, **Municipal Credit Rating**, be received;

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

At the Council Meeting of October 1st, 2019 the following resolution was approved.

8.3.10 CW2019-192

CR2019-576

Moved By Councillor Ashmore

Seconded By Councillor O'Reilly

That the memorandum from Councillor Ashmore regarding **Alternative Financing for Capital and Operating Pressures**, be received;

That staff be directed to study alternative sources of funding for Kawartha Lakes' capital and operating needs;

That staff explore the creation of Kawartha Lakes "Savings Bonds" and/or "Equity Shares" as a method of increasing our Capital funding; and

That staff report back to Council by the end of Q1, 2021 with alternatives and additions to the current sources of funding for capital and operating budgets.

Carried

This report follows that direction.

Rationale:

Municipalities have many options to finance capital and operating budgets. The City utilizes Federal and Provincial Grants, donations of money and assets, partnerships with community groups, investment income, Development Charge Reserves, user fees, Council created reserves and Property Taxes. Sources of financing, other than those above, usually originate from new legislation from the Federal or Provincial Government. Upper levels of government typically prescribe a very conservative approach to utilization of different forms of revenue. This is evidenced by their very conservative investment policy which is risk averse unless you utilize a particular company to invest in stocks and bonds on the open market. These restrictions are intended to ensure that municipalities manage taxpayer money in safe ventures that protect the investment.

With the reduction of Federal and Provincial Grants in recent years Council has increased the amount of debenture funding in financing capital projects. Debt is an effective way to finance capital projects as it spreads the expense across the life cycle of the asset. It also smooths out the burden to the taxpayer by avoiding a large tax levy pressure in the year the capital asset is approved. To date, the City has utilized debentures through either the bank or Infrastructure Ontario to secure debt financing.

Debt in a municipality is governed by the Ministry of Municipal Affairs and Housing (MMAH) area of the Provincial Government. The City is prescribed an Annual Repayment Limit (ARL) which is reviewed annually. An ARL is the maximum principle and interest payments on debt that a municipality can incur on an annual basis. It does not prescribe the amount of debt the municipality can have outstanding at the end of the year but rather the maximum amount of payments that a municipality can make on debt in a year. It is calculated based on acquiring the municipality's total revenue for the year and eliminating Federal and Provincial grants and other municipal contributions. The municipality's "own source revenue" is then established and 25% of this number is calculated as the City's Annual Repayment Limit. Based on figures in the 2019 Financial Information Return (annual filing with the MMAH) the City's Annual Repayment Limit is approximately \$40 million. In 2019 our total debt payments (principle and interest) were \$15.5 million thereby leaving the City the ability to increase debt payments by \$24.5 million and still be in compliance with provincial legislation.

The ARL encompasses all debt payments including those taken out through a Canadian bank, Infrastructure Ontario or utilizing a credit rating to secure debt. Debentures obtained through Canadian bank loans and Infrastructure Ontario are similar to an individual obtaining a mortgage or loan. In order to secure alternative sources of financing such as bonds or equity shares, the City would be required to obtain a credit rating. This is an annual third party assessment of the City's creditworthiness as a borrower.

In considering options that a municipality has to raise debt financing for capital projects, Finance Staff investigated the positive and negative components of utilizing the bank, Infrastructure Ontario and issuing our own debt.

The following illustrates the attributes of each option that include interest rates, additional fees, staff burden and timeline:

	Bank Debenture	Infrastructure Ontario Debenture	Municipal Issuance
Interest Rate	<ul style="list-style-type: none"> • highest rate of these options 	<ul style="list-style-type: none"> • lower than Bank 	<ul style="list-style-type: none"> • dependent on credit rating
Timeliness	<ul style="list-style-type: none"> • 4-6 weeks 	<ul style="list-style-type: none"> • 6-8 weeks 	<ul style="list-style-type: none"> • 6-8 weeks excluding credit rating process
Additional Fees	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Minor < \$2,000 	<ul style="list-style-type: none"> • Significant and ongoing
Staff Burden	<ul style="list-style-type: none"> • minimal 	<ul style="list-style-type: none"> • minor 	<ul style="list-style-type: none"> • significant due to the need to maintain credit rating
Best Use	<ul style="list-style-type: none"> • Immediate funding required 	<ul style="list-style-type: none"> • Debt issuance less than \$100K 	<ul style="list-style-type: none"> • Debt issuance greater than \$100K

As the municipality already utilizes bank and Infrastructure debentures the balance of this report will primarily focus on municipal issued debt and the process for obtaining a credit rating.

A municipal credit rating refers to an opinion by a credit rating agency that indicates the capacity and willingness of a borrower to pay principal and interest on a debt, financial obligation or other financial instrument in a timely manner. It is a current assessment of the creditworthiness of a borrower with the respect to a specified obligation. Common credit rating agencies include Moody's and Standards & Poor's, and both have rated Canadian municipalities for years. A credit rating is typically obtained in order for the municipality to obtain a more competitive rate then they could get by borrowing from the bank. A credit rating does not bring a municipality a higher debt limit. It is simply another tool in financing capital projects as it is still considered debt in terms of a municipality's Annual Debt Repayment Limit. (ARL)

The City has been reviewing and considering a credit rating since amalgamation in 2001. The process of obtaining a credit rating is extensive and requires significant staff resources and has both a one time, and annual cost. Credit rating agencies when determining a baseline credit assessment in rating the municipality will review and evaluate the following:

Economic Fundamentals: performance, strength, structure and volatility to remain stable. Factors would include predictable property taxes and user fees and maintain a strong fiscal profile that provides buffer against adverse provincial funding changes.

Institutional Framework: legislative background, financial flexibility. Factors would include proven strong fiscal results that are supported by strong governance and management characteristics. Stable relationship with higher levels of government in the division of roles and responsibilities between the province and municipality is clearly articulated.

Financial Management: political and management strength, financial operating results.

Budget Performance: level and volatility of expected cash flows, budgetary trends, budget flexibility, initial budget performance assessment and qualitative adjustments.

Liquidity: determining an initial liquidity assessment based on a debt service coverage ratio, access to external funding.

Debt Burden; reflects a forward looking view of debt and interest burden relative to available resources.

The more positive attributes a municipality can demonstrate, the higher the credit rating achievable. Local governments have a number of similarities and differences that can influence the outcome of the rating process. These attributes include the stability of revenues such as taxing powers, services provided, a stable political system, local economies and provincial funding provided. Attached is a list of Moody's Municipal clients and the credit rating they have received. (See Appendix A)

Consideration in moving towards the City obtaining a credit rating would have to include the time, effort and cost of the Finance and Development Services staff to provide the critical data to enable the credit rating agency to determine the rating and the outlook of the City. Upon completion of the initial rating process and obtaining an assigned rating, municipalities would then enlist the services of a broker with the bank to issue debentures. The broker will use the municipal credit rating and assign an interest rate to establish what the investor will pay. The lower the rating, the higher the interest rate will be for investors to accept the risk. For example, a municipality with a AAA rating will attract lower rates than an A rated municipality. Once the rate has been established the broker will list the Municipal Bonds on the open capital market at the interest rate determined by taking in all the factors discussed above.

The potential for lower interest rates however have to be considered against the costs of obtaining and maintaining the rating, as well as the additional issuance fees. These additional costs will apply when a debt is issued and are typically based on a

percentage of the value of the debt with a minimum fee associated with each debt issued.

The current fees quoted are:

Credit Rating Agency	Initial Fee	Annual Surveillance Fee*
Moody's	\$32,000	\$32,000
Standards and Poor	\$36,000	\$23,000

**annual surveillance fees may be subject to annual escalation*

In addition, Standards and Poor's has an additional minimum fee of \$80,000 each time a Municipality issues debt. Any annual debt issuance less than or equal to \$120 million will warrant paying the minimum fee. The City's average annual debenture is approximately \$18.5 million. For clarity, if the City sought a credit rating through Standards and Poor there would be an initial fee of \$36,000; an annual fee of \$23,000; and an additional fee of \$80,000 with each issuance of debt.

In discussions with rated municipalities it is found that the larger municipalities find it advantageous to issue debt directly on the open market primarily because of the dollar value of the debt being issued. One AAA rated municipality is currently preparing to issue a debenture of \$275,000,000 to support their capital needs. For larger municipalities that have a large financial growth expectancy a credit rating is useful in obtaining a better rate. It does however, come with extra costs including broker and legal fees not only in the issuance itself but in certification and consultants. A larger municipality also typically has a team of analysts dedicated to these endeavours. In addition, these municipalities have substantially higher levels of cash flow and reserves and are therefore only required to finance with debentures for large scale projects. It's important to note that these larger municipalities still utilize banks and Infrastructure Ontario for debentures that aren't significant enough to justify the amount of issuance costs.

In comparing with the City of Peterborough, who has been AA rated with Standards & Poor's, the decision was made with their last debenture to forgo issuing their own debt and take advantage of the interest rates offered through Infrastructure Ontario. They found the cost to issue as a rated municipality would be more than that of borrowing with Infrastructure Ontario. The last time the City of Peterborough issued directly through the Capital Markets, utilizing their credit rating, was in 2018. The total interest rate on that debenture issue was 3.27%. Comparably, in 2018 the City of Kawartha Lakes utilized Infrastructure Ontario to obtain debt with an interest rate of 3.38% for a ten-year term.

For illustrative purposes, below is a comparison of the Peterborough experience of utilizing their credit rating and the City of Kawartha Lakes using Infrastructure Ontario, assuming Kawartha Lakes' average annual debt requirement of \$18.5 million

Debenture Example	Standard and Poor AA Rated Municipality	Infrastructure Ontario
Debt Issuance	\$18,500,000	\$18,500,000
Interest Rate	3.27%	3.38%
Interest Cost	\$3,176,402	\$3,283,253
Annual Fee	\$23,000	
Issuance Fee	\$80,000	
Legal Fee (assumption)	\$2,000	\$2,000
Total Cost of Debt Issuance	\$3,281,402	\$3,285,253

The illustration above highlights that the benefits of a lower interest rate are quickly diminished by the fees associated with a credit rating. It is important to note that the costs above don't include the staff resources required to maintain a preferred credit rating. With those costs added in, borrowing from Infrastructure Ontario is significantly more cost effective.

The creation of Infrastructure Ontario was in part to support smaller municipalities to obtain affordable borrowing costs as the additional fees to obtain and keep a credit rating are very expensive. Other rated municipalities have indicated that it has been their experience that the lower the debenture value the more challenging it is for brokers to sell to investors, and thus the lower the interest rate on these vehicles are.

Conversations with our investment representative has also identified that they have had fewer municipal bonds available to them. They indicated that based on the City's average annual debt requirement of \$18.5 million, it is not cost effective to issue bonds on the open market. They recommended that the City consider a credit rating and bond issuance once the on-going debt issuance exceeds \$25,000,000 annually.

Given the extensive costs of both obtaining and then maintaining a credit rating staff are not recommending a credit rating at this time. The amount of time spent administering the requirements of the credit rating would be a task that could not be managed within the current staff complement. If growth in the City starts to increase considerably and our debenture needs increase, then a credit rating could be considered. At this point the costs far exceed the benefits when consideration is given to the City's debenture needs, staff time and the current availability of low interest rates with Infrastructure Ontario.

Other Alternatives Considered:

Council could direct staff to obtain an indicative credit rating. With an indicative credit rating a municipality would be assessed at a particular point of time. This would be an unpublished and private credit rating that could be used to determine the rating for possible debt issuance. The fee that Moody's credit rating agency charges for this assessment is the same as the initial fee of \$32,000 that can be credited towards the initial fee if the City decides to go forward with obtaining a credit rating within a reasonable time of receiving an indicative rate.

It is important to note that this could also not be managed with the current staff complement and additional temporary resources would be required to support this decision.

If Council wished to proceed with an indicative credit rating then the following resolution could be considered:

That Council direct staff to obtain an indicative credit rating and report back on the results.

Alignment to Strategic Priorities

This report aligns with the strategic priority of good government with the effective use of financial resources.

Financial/Operation Impacts:

The financial and operation impacts have been noted throughout this report. The issuance of municipal debt is an appropriate tool when the financial benefits outweigh the associated direct and indirect costs.

Staff require Council approval to issue debt, regardless of the means. Staff will continue to monitor and assess the City's debt issuance and will report to Council when it is appropriate to consider issuing municipal debt on the open market.

Consultations:

Moody's Credit Rating Agency
Standards and Poor's Global
Royal Bank of Canada
RBC Dominion Securities
Infrastructure Ontario
City of Peterborough
The Regional Municipality of Durham
Treasurer

Attachments:

Appendix A – Municipality Credit Ratings



Moody Municipal
Clients.docx

Department Head email: jstover@kawarthalakes.ca

Department Head: Jennifer Stover

Moody's Canadian Municipalities Clients Credit Rating

Municipality	Rating	Outlook
City of London	Aaa	Stable
City of Montreal	Aa2	Stable
City of North Bay	Aa2	Stable
City of Ottawa	Aaa	Stable
City of Quebec	Aa2	Stable
City of St. John's	A1	Stable
Regional Municipality of Durham	Aaa	Stable
Regional Municipality of Halton	Aaa	Stable
Regional Municipality of Muskoka	Aa2	Stable
Regional Municipality of Peel	Aaa	Stable
City of Toronto	Aa1	Stable
City of Vancouver	Aaa	Stable
Regional Municipality Waterloo	Aaa	Stable
City of Winnipeg	Aa2	Stable
City of Yellowknife	Aa2	Stable
Regional Municipality of York	Aaa	Stable

Council Report

Report Number: CORP2021-006
Meeting Date: February 23, 2021
Title: Haliburton Kawartha Pine Ridge District Health Unit 2020 Budget Arrears
Author and Title: Carolyn Daynes, Treasurer

Recommendation(s):

That Report CORP2021-006, Haliburton Kawartha Pine Ridge District Health Unit (HKPRDHU) 2020 Budget Arrears, be received; and

THAT Council approve the payment of the 2020 City of Kawartha Lakes assessed budget arrears for HKPRDHU in the amount of \$167,684.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Council, at the Special Council Meeting of February 2, 2021, passed the following resolution:

CR2021-048

That the correspondence from the Haliburton, Kawartha, Pine Ridge District Health Unit, **regarding 2020 Levy in Arrears**, be received and referred to staff for review and report back at the February 23, 2021 Regular Council Meeting for consideration.

This report addresses the payment of this arrears.

Rationale:

During the 2020 budget preparation a letter was sent to all external agencies indicating that the Council directed all Boards and Agencies to submit 2020 budgets at or below 2019 funding and contribution levels.

In response to this Council motion, the majority of the City Agencies and Boards were able to submit a budget that matched this direction. The Haliburton Kawartha Pine Ridge District Health Unit (HKPR) submitted a 2020 budget assessment to the City of Kawartha Lakes in the amount of \$2,045,033. Their previous year 2019 budget assessment totaled \$1,877,349. City Council approved the HKPRDHU budget for 2020 at the 2019 assessed amount of \$1,877,349.

This decision resulted in a funding shortfall from the City's 2020 apportioned and assessed share to the HKPRDHU totaling \$167,684. HKPRDHU subsequently submitted an invoice to the City to collect arrears up to October 13, 2020 (total arrears at that time totaled \$139,735.42).

As the Health Unit describes in their letter, municipalities have an obligation to fund Ontario Health Units. The Health Protection and Promotion Act states under Part VI, Health Units and Boards of Health:

"Payment by obligated municipalities

72(1) The obligated municipalities in a health unit shall pay,

- (a) The expenses incurred by or on behalf of the board of health of the health unit in the performance of its functions and duties under this or any other Act; and

(b) The expenses incurred by or on behalf of the medical officer of health of the board of health in the performance of his or her functions and duties under this or any other Act. 1997, c.30, Sched.D, s.8”

And:

“Payment in accordance with notice

(8) An obligated municipality that is given notice by a board of health under this section shall pay to the board of health the amounts required by the notice at the times required by the notice. 1997,c.90,D,s.8”

As the arrears letter states, municipalities are required to pay their portion of the municipal levy and in fact funding from municipalities is necessary in order to maintain program and service delivery to our communities; programs and services that are vital in protecting and improving health.

The City of Kawartha Lakes has received follow-up letters from HKPRDHU since Council passed the reduced budget. Correspondence was received in the Fall of 2020 that attempted to explain the reason for the increases in the health unit levy. It centres around reduced funding by the province in various programs. The correspondence is attached to this report as Appendix B.

It should be noted that the HKPRDHU’s 2021 budget submission of \$2,249,536 is a 9% increase over their 2020 budget assessment to the City of \$2,045,033. Provincial legislation caps annual public health budget requests to 10%.

Prior to the pandemic, the Provincial Government initiated a modernization review of Public Health Services. This review remains “on hold” and should move ahead presumably in 2021/2022. It is through this review that the municipality will know their funding responsibility for future Health Unit budget contributions.

The decision to reduce the 2020 budget contribution recognized this modernization review, and anticipated changes to the funding and service delivery structure of Public Health Units. Until this review is completed, it is recommended that Council approve payment of the 2020 budget arrears.

At the time of writing this report, Council approved through the City’s operating budget the HKPRDHU 2021 City assessed contribution of \$2,249,536.

Other Alternatives Considered:

n/a

Alignment to Strategic Priorities

This report is in alignment with the 2020 / 2023 Kawartha Lakes Strategic Plan priorities of good government.

Financial/Operation Impacts:

Staff have included the outstanding amount of \$167,684 in the 2020 actual expenditures. The inclusion of the amount in the 2020 expenses removes any affect on the City's 2021 operating budget.

If Council chooses not to pay the additional amount to bring the 2020 total Health Unit Levy up to their requested budget assessment of \$2,045,033 then the amount can be removed from the 2020 expenses.

Consultations:

Chief Administrative Officer
Haliburton Kawartha Pine Ridge District Health Unit

Attachments:

Attachment A – HKPRDHU Arrears Letter



CORP2021-006 -
ATTACHMENT A.pdf

Attachment B - HKPRDHU Increased Budget Explanation



CORP2021-006 -
ATTACHMENT B.pdf

Attachment C – HKPRDHU 2021 Budget Submission



CORP2021-006-ATT
ACHMENT C.pdf

Department Head email: jstover@kawarthalakes.ca

Department Head: Jennifer Stover

October 13, 2020

Ron Taylor
Chief Administrative Officer
City of Kawartha Lakes
P.O. Box 9000
26 Francis St
Lindsay ON K9V 5R8

sent via email to: rtaylor@kawarthalakes.ca

RE: 2020 Levy in Arrears - \$139,735.42

Dear Mr. Taylor

With regards to our letters dated November 14, 2019, November 25, 2019 and January 16, 2020 (attached), as of today the City of Kawartha Lakes is in arrears in the amount of \$139,735.42 for the 2020 levy.

The *Health Protection and Promotion Act* states under Part VI, Health Units and Boards of Health:

“Payment by obligated municipalities

72 (1) The obligated municipalities in a health unit shall pay,

- (a) the expenses incurred by or on behalf of the board of health of the health unit in the performance of its functions and duties under this or any other Act; and
- (b) the expenses incurred by or on behalf of the medical officer of health of the board of health in the performance of his or her functions and duties under this or any other Act. 1997, c.30, Sched. D, s.8”

and;

“Payment in accordance with notice

(8) An obligated municipality that is given notice by a board of health under this section shall pay to the board of health the amounts required by the notice at the times required by the notice. 1997, c.30, Sched. D, s.8”

Not only are obligated municipalities required under the *Health Protection and Promotion Act* to pay their portion of the municipal levy, as indicated in previous correspondence, funding from municipalities is necessary in order to maintain program and service delivery to our communities; programs and services that are vital in protecting and improving health.

.../2

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Phone · 1-866-888-4577
Fax · 705-324-0455

Ron Taylor
October 13, 2020
Page 2

If necessary, effective November we will start issuing invoices for any arrears. Thank you in advance for addressing your overdue account.

Please contact me if you have any questions at avickery@hkpr.on.ca or by phone, 1-866-888-4577, extension 1222.

Sincerely

BOARD OF HEALTH FOR THE HALIBURTON, KAWARTHA,
PINE RIDGE DISTRICT HEALTH UNIT



Angela Vickery, CHRL, CPM
Director, Corporate Services

AV/ed

Cc (via email): Hon. Doug Ford, Premier
Hon. Christine Elliott, Deputy Premier and Minister of Health
Hon. Laurie Scott, M.P.P. Haliburton-Kawartha Lakes-Brock
Board of Health for the HKPR District Health Unit
Dr. Lynn Noseworthy, Medical Officer of Health
Carolyn Daynes, City of Kawartha Lakes Treasurer

November 14, 2019

Jennifer Moore, Chief Administrative Officer, Northumberland County
Mike Rutter, Chief Administrative Officer, County of Haliburton
Ron Taylor, Chief Administrative Officer, City of Kawartha Lakes

by email to:

moorej@northumberlandcounty.ca
mrutter@county.haliburton.on.ca
rtaylor@kawarthalakes.ca

Dear Chief Administrative Officers

Re: 2020 Health Unit Assessment Estimate

At the Haliburton, Kawartha, Pine Ridge District Health Unit Board of Health meeting held on September 19, 2019, the Board of Health was advised that we anticipate requiring a 10% increase over the 2019 allocation from our obligated municipalities for the 2020 cost-shared budget. At the October 17, 2019 Board of Health meeting a request was made that we provide you with a dollar amount for the anticipated 10% increase.

This budget increase for our obligated municipalities is necessary in order to maintain program and service delivery with an anticipated funding reduction of approximately 9.5% in our provincial base funding in 2020 and a change in the cost-shared funding formula for public health from 75% provincial/25% municipal to 70%/30%, which includes mandated programs that the Province previously funded at 100%. Please see attached correspondence from the Minister of Health. This 10% increase to our municipal assessment results in an assessment estimate for 2020 as follows:

Municipality	2020 Assessment	2019 Assessment	% Apportionment
County of Northumberland	\$2,304,271	\$2,094,792	47.88
City of Kawartha Lakes	\$2,045,033	\$1,859,121	42.49
County of Haliburton	\$463,508	\$421,371	9.63

Please contact me if you have any questions.

Sincerely

BOARD OF HEALTH FOR THE HALIBURTON, KAWARTHA,
PINE RIDGE DISTRICT HEALTH UNIT



Angela Vickery, CHRL, CPM
Director, Corporate Services

AV/ed

Copy to: Dr. Lynn Noseworthy, Medical Officer of Health, HKPR District Health Unit

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HALIBURTON OFFICE
Box 570
191 Highland Street, Unit 301

LINDSAY OFFICE
108 Angeline Street South
Lindsay, Ontario K0V 3L5

November 25, 2019

Jennifer Moore, Chief Administrative Officer, Northumberland County
Mike Rutter, Chief Administrative Officer, County of Haliburton
Ron Taylor, Chief Administrative Officer, City of Kawartha Lakes

Via email to:

moorej@northumberlandcounty.ca
mrutter@county.haliburton.on.ca
rtaylor@kawarthalakes.ca

Dear Municipal Partners,

We are writing to you today to make you aware of the dire financial circumstances the Board of Health for the Haliburton, Kawartha, Pine Ridge District Health will be facing in 2020. As our Board of Health is primarily populated by Municipal elected officials, we are acutely aware of the financial pressures our obligated municipalities are facing as they prepare their 2020 budgets knowing that we are asking for a substantial increase in our 2020 municipal levy.

Context

We believe that it will be helpful for you for us to provide some context for this significant increase to our 2020 municipal levy.

On Thursday, April 11, 2019, the Government of Ontario presented its 2019 Budget – Protecting What Matters Most. For Ontario's public health system, the proposals were:

- Adjust the provincial-municipal cost-sharing of public health funding;
- Establish 10 regional public health entities and 10 new regional boards of health with one common governance model by 2020 – 2021; and
- Project annual savings of \$200 million by 2021-2023.

A copy of the Medical Officer of Health's April 18, 2019 Report to the Board of Health is enclosed for your information. (Attachment 1)

In early May, the Ministry of Health and Long-Term Care set up calls with each of the provincial health units to discuss their submitted 2019 Annual Business Plan and Budget Submission, discuss the planned changes for this year and related mitigation opportunities, and ensure this next phase of planning supported their local needs and priorities. During our Health Unit's meeting with Ministry staff, we were verbally advised that the Ministry would be decreasing its grant to the Health Unit by \$1,200,000 for its fiscal year April 1, 2019 – March 31, 2020. To help with our transition costs we were to receive one-time funding of \$800,000. A copy of the Medical Officer of Health's June 18, 2019 Report to the Board of Health is enclosed for your information. (Attachment 2)

On May 27, 2019, the Premier of Ontario held a news conference and announced that the "in-year cuts to public health, child-care and land ambulance will not go ahead. It was not clear whether they would proceed next year;" (CTV (May 27, 2019)). (Attachment 2)

.../2

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On May 24, 2019 the Eastern Ontario Wardens' Caucus passed a resolution regarding the "restructuring of public health units, and the serious impact this could have on rural and small urban municipalities" and on May 27, 2019, the Eastern Ontario Mayors' Caucus passed a resolution regarding the "Changes to Public Health". (Attachment 2) A number of meetings were held with representatives of the Eastern Ontario Wardens' Caucus and the Medical Officers of Health for the following health units: Renfrew County & District; Eastern Ontario; Leeds, Grenville and Lanark District; Kingston, Frontenac, Lennox & Addington, Hastings Prince Edward; Peterborough; and Haliburton, Kawartha, Pine Ridge District. (Attachment 2)

On August 20, 2019, the Minister of Health sent correspondence to the Chair of the Board of Health regarding Ministry funding for the 2019/2020 funding year (January 2019-December 2019). A copy of the correspondence is attached. (Attachment 3) In her correspondence, the Minister stated the following:

"In order to support public health unit planning for 2020, municipalities can use a planned funding change to bring the municipal share to 30% for public health programs and services effective as of January 1, 2020. However, to help provide additional stability as municipalities begin to adapt to shifting funding models, our government will also provide one-time mitigation funding to assist all public health units and municipalities to manage this increase while we work to transform the public health system across the province over the next couple of years. While final confirmation of 2020 funding will be provided through the 2020 Budget process, we expect that all municipalities will be protected from any cost increases resulting from this cost-sharing change that exceed 10% of their existing costs."

The September 13, 2019 update (Attachment 4) from the Association of Local Public Health Agencies (aLPHA) included the following information:

"At the recent annual conference of the Association of Municipalities of Ontario (AMO) in Ottawa, Minister of Health Christine Elliott made several important announcements regarding public health modernization. These included the following:

- More time will be given to accommodate changes to the cost-sharing arrangement and changes to 2019 funding models will be paused;
- Starting on January 1, 2020, all municipalities will transition to a 70-30 provincial/municipal cost-sharing funding model. In the first year, no health unit will experience an increase of more than 10 percent of current public health costs as a result of this cost-sharing change;
- A renewed consultation with public health partners and municipalities will be launched on the province's proposed larger regional public health structure approach. This will be in addition to the work being done by already-established technical tables; and
- The consultation will include the release of a discussion paper, which will outline the Ministry's proposals for boundaries for the new regional public health entities, among other aspects."

On October 10, 2019, the Government of Ontario announced that "Jim Pine, Chief Administrative Officer of the County of Hastings and former member of the Board of Directors of the Association of Municipalities of Ontario, will serve as advisor for renewed consultations on strengthening and modernizing public health and emergency health services. Pine will play a key role in facilitating productive discussions between the Ministry of Health and public health, emergency health and municipal stakeholders." The consultations will start in Fall 2019 and are expected to conclude in 2020. (Attachment 5)

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Jennifer Moore
Mike Rutter
Ron Taylor
November 25, 2019
Page 3

In preparation for these consultations, alPha has developed a Statement of Principles – Public Health Modernization. (Attachment 6)

The Discussion Paper: Public Health Modernization was released on November 18, 2019. (the Discussion Paper can be access [here](#)).

Finally, alPha intends to solicit input from Ontario health units and has developed a Member Feedback document, which includes “Questions for Discussion by Theme”. The deadline for health unit feedback is January 3, 2020 and one response per health unit has been requested. (Attachment 7)

Haliburton, Kawartha, Pine Ridge District Health Unit Information

On August 20, 2019, the Health Unit received information from the Ministry of Health regarding its 2019-2020 Public Health Funding (Attachment 8 -Schedule “A” Grants and Budget - January 1, 2019 to December 31, 2019).

Our 2019 approved allocation from the Ministry is \$13,672,200. The approved allocation includes Mandatory Programs (Cost-Shared) (\$10, 966,900, which was the same allocation as for 2018) as well as 100% funded programs. The provincial Government plans to change the funding formula in 2020 from its current 75% (provincial)/25% (municipal) for cost-shared programs to 70% (provincial)/30% (municipal) for cost-shared programs and most 100% funded programs except the new Ontario Seniors Dental Care Program and a couple of other 100% funded programs.

In 2020, in addition to the \$1,200,000 reduction in base funding from the Ministry of Health, we anticipate financial pressures related to increased costs for insurance, WSIB, leasing and staffing, which we estimate will add an additional \$500,000 to our funding shortfall for a total of \$1,700,000. While we were advised by Ministry staff that we would expect approximately \$800,000 in one-time funding to help with our transition costs, we have received nothing in writing regarding this amount from the Ministry. In the Minister’s letter of August 20, 2019, we were advised that the “final confirmation of 2020 funding will be provided through the 2020 Budget process”. Historically, the earliest we have received Budget approvals has been in May, but usually we receive this information in August and on occasion as late as December in the fiscal year.

The Health Unit has faced funding challenges for a number of years due to funding freezes (2015, 2016, 2017 and 2019) in the provincial share of our cost-shared budget. While we are very appreciative of our municipalities on-going financial support of the Health Unit, with yearly funding increases in the order of 2 - 2.5 % in their portion of our cost-shared budget, the increases have not been sufficient to keep up with annual cost increases to the Health Unit. As a result of our on-going funding shortfalls, we have implemented many strategies including: closing two offices (Brighton and Campbellford); renegotiating our other leases; decreasing our staff complement; restructuring our organization; implementing Continuous Quality Improvement initiatives as well as IT and other technological initiatives; and revising our organizational Program Planning process, which will permit prioritizing initiatives at the intervention level.

Over the summer through some work with neighbouring health units (Peterborough; Eastern Ontario; Leeds, Grenville and Lanark District; Kingston, Frontenac, Lennox & Addington; and Hastings Prince Edward), we confirmed that among these six health units including our Health Unit, ours is the largest geographically, has the third largest population and the second lowest number of staff.

.../4

Jennifer Moore
Mike Rutter
Ron Taylor
November 25, 2019
Page 4

We know that we are achieving our Ministry targets and doing great work with our partners, including with our obligated municipalities as well as lower-tier municipalities in addition to our local school boards, hospitals, local health care providers, Children's Aid Societies and others. However, the significant reductions in our provincial funding that we anticipate in 2020 will negatively impact our public health programs and services and ultimately the health of the population in our many communities. Unfortunately, the estimated increases in our municipal levies for 2020 will not solve the shortfall with which we are faced.

Recently you received a letter from us requesting a 10% increase in our yearly allocation. This is not something we did lightly, but after careful examination and considering the full range of our services, and the potential negative impacts of reduced public health programs and services on the health of our population, it was our only option. We included a copy of the Minister's 2019 funding letter advising of the funding formula change and that Mandatory Programs previously funded at 100% would now only be funded at 70%. We were also advised that we should seek the additional funds from you our Municipal partners, but that the increases should not be more than 10% over the 2019 levies. (Attachment 3)

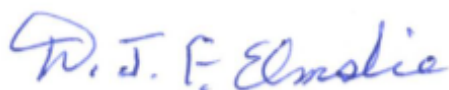
As our only sources of funding are our obligated municipalities and the Province, we find ourselves financially handcuffed, and the result is our request for a 10% increase to meet our mandated requirements.

We will be writing a similar letter to the Province, alpha, and the Eastern Ontario Wardens and Mayors Caucuses, and will send a copy to all appropriate MPPs, outlining our plight and seeking a resolution.

In the meantime, we will continue to provide you, our partners, with the many public health programs and services we are mandated to provide in order to protect and promote the health of our population and prevent disease in the most efficient and cost-effective way we can. We do seek your help and cooperation in providing us with the necessary funding to carry out our mandate. As always, we are open to discussion on this and any related issues and welcome your suggestions or any other help you might provide.

With our very best regards,

BOARD OF HEALTH FOR THE HALIBURTON,
KAWARTHA, PINE RIDGE DISTRICT HEALTH UNIT



Doug Elmslie
Chair, Board of Health

DE/aln/ed

CC Board of Health Members

January 16, 2020

Via email to:

Mike Rutter, Chief Administrative Officer, County of Haliburton
Ron Taylor, Chief Administrative Officer, City of Kawartha Lakes

mrutter@county.haliburton.on.ca
rtaylor@kawarthalakes.ca

Dear Sirs,

As we have heard back from you that your Councils did not approve the requested increase for the Board of Health 2020 Budget, we are writing to explain the next steps.

The Province of Ontario has mandated that the Boards of Health provide a variety of public health programs and services under the Health Protection and Promotion Act and the Ontario Public Health Standards, Requirements for Programs, Services and Accountability (2018). As we explained in our previous letter to you, some of these programs were funded 100% by the Ministry, at no cost to the partner municipalities. In 2019 Boards of Health were advised (letter attached), that this formula would change for the 2020 budget year. The Boards of Health were mandated to continue to provide these programs but would only be compensated for 70% of the funding; Boards of Health were instructed to recover the missing 30% from partner municipalities.

This change to Provincial funding has left the Board of Health in the difficult position of providing programs and services without adequate funding. That is why we have sought an increase to the municipal levy. If the municipalities have chosen to not pay this increase, they will be shown as being in arrears.

As a result of this conundrum, we will be asking the Ministry for its advice and guidance in resolving this issue. As well, at the forum with Mr. Jim Pine, this issue was raised very strongly by both the attending boards of health and municipalities as being an untenable situation. We will have to wait until the consultations are completed, and the final report is written before we know the outcome.

In the meantime, the Board of Health will continue to provide all of the services it is mandated to perform for our partner municipalities to the high standard you have come to expect.

Best regards,

BOARD OF HEALTH FOR THE HALIBURTON,
KAWARTHA, PINE RIDGE DISTRICT HEALTH UNIT



Doug Elmslie
Chair, Board of Health

DE/ain/ed

CC: Haliburton, Kawartha, Pine Ridge District Health Unit Board of Health Members

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ATTACHMENT

Ministry of Health

Office of the Deputy Premier
and Minister of Health

777 Bay Street, 5th Floor
Toronto ON M7A 1N3
Telephone: 416 327-4300
Facsimile: 416 326-1571
www.ontario.ca/health

Ministère de la Santé

Bureau du vice-premier ministre
et du ministre de la Santé

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Toronto ON M7A 1N3
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Télécopieur: 416 326-1571
www.ontario.ca/sante



06/00000-2019-01185

AUG 28 2019

Ms. Cammie Jaquays
Chair, Board of Health
Haliburton, Kawartha, Pine Ridge District Health Unit
200 Rose Glen Road
Port Hope ON L1A 3V8

Dear Ms. Jaquays:

The Ontario government is taking a comprehensive approach to modernize Ontario's health care system which includes a coordinated public health sector that is nimble, resilient, efficient, and responsive to the province's evolving health needs and priorities. While the broader health care system undergoes transformation, a clear opportunity has emerged for us to transform and strengthen the role of public health and its connectedness to communities.

As you are aware, the government made the decision to maintain the current cost-sharing arrangements for boards of health for 2019, to provide municipalities with additional time to find efficiencies that will ensure the sustainability of these critical shared public health services.

As a result, the Board of Health for the Haliburton, Kawartha, Pine Ridge District Health Unit will be provided up to \$13,672,200 in base funding and up to \$59,000 in one-time funding for the 2019-20 funding year, to support the provision of public health programs and services in your public health unit. Dr. David Williams, Chief Medical Officer of Health, will write to the Haliburton, Kawartha, Pine Ridge District Health Unit shortly concerning the terms and conditions governing the funding.

While the way in which we are implementing our plan to strengthen public health has changed, the need to do so has not. The current public health structure requires modernization – having 35 independent entities, all with varying capacity, does not facilitate consistent implementation of the core elements of a strong public health system.

Our government has heard that the scale and pace of change is of concern to the public health and municipal sectors. While the modernization of the public health sector remains a priority, the Ministry of Health intends to consult with public health and municipal partners throughout the fall of 2019 to inform the development of Regional Public Health Entities and to ensure that adequate time is provided for thoughtful dialogue and implementation planning.

.../2


www.ontario.ca

Ms. Cammie Jaguszyn

In order to support public health unit planning for 2020, municipalities can use a planned funding change to bring the municipal share to 30% for public health programs and services effective as of January 1, 2020. However, to help provide additional stability as municipalities begin to adapt to shifting funding models, our government will also provide one-time mitigation funding to assist all public health units and municipalities to manage this increase while we work to transform the public health system across the province over the next couple of years. While final confirmation of 2020 funding will be provided through the 2020 Budget process, we expect that all municipalities will be protected from any cost increases resulting from this cost-sharing change that exceed 10% of their existing costs.

We continue to rely on your strong leadership to build a modern and sustainable public health sector. Thank you for the important service that your public health unit provides to Ontarians, and your ongoing dedication and commitment to addressing the public health needs of Ontarians.

Sincerely,



Christine Elliott
Deputy Premier and Minister of Health

c: Dr. Lynn Noseworthy, Medical Officer of Health, Haliburton, Kawartha, Pine Ridge District Health Unit

October 16, 2020

Ron Taylor
Chief Administrative Officer
City of Kawartha Lakes
P.O. Box 9000
26 Francis St
Lindsay ON K9V 5R8

sent via email to: rtaylor@kawarthalakes.ca

RE: Increase to Municipal Assessments

Dear Mr. Taylor

The purpose of this letter is to explain the financial impact of the Province's decision to reduce its funding to health units, which has resulted in an increase to your municipal assessment.

The programs below were previously funded 100% by the Province:

Enhanced Food Safety-Haines Initiative	39,500
Enhanced Safe Water Initiative	15,500
Harm Reduction Program Enhancement	150,000
Healthy Smiles Ontario Program	380,500
Infectious Disease Control Initiative	162,100
Needle Exchange Program Initiative	35,000
Nursing Initiatives	392,100
Smoke-Free Ontario	444,700
	\$1,619,400

The above programs are now funded 70% by the Province:

$\$1,619,400 \times 70\% = \$1,133,580$

$\$1,619,400 - \$1,133,580 = \$485,820$ (**\$485,820 less from the Province than we were receiving before for these programs**).

.../2

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Haliburton, Ontario K0M 1S0
Phone · 1-866-888-4577
Fax · 705-457-1336

LINDSAY OFFICE
108 Angeline Street South
Lindsay, Ontario K9V 3L5
Phone · 1-866-888-4577
Fax · 705-324-0455

Cost-shared Mandatory Programs were previously funded at 75%:	\$10,966,900
Cost-shared Mandatory Programs are now funded at 70%:	\$10,235,773

$\$10,966,900 - \$10,235,773 = \$731,127$ (**\$731, 127 less from the Province than we were receiving before**)

Shortage due to reduced funding from the Province for previously 100% funded programs and cost-shared mandatory programs:

$\$485,820 + \$731,127 = \$1,216,947$

Despite the change in funding from the Province, Minister Elliott has advised that health units are expected to continue to provide the same mandated programs and services.

We are expecting mitigation funding from the Province again in 2021 but not in 2022. In addition to the expected funding shortfall, the Health Unit is also anticipating budget pressures in the amount of \$600,000 in 2021. A breakdown for the next 3 years is noted below.

In 2020, the shortfall from reduced funding will be as follows:

2020 Shortfall Beginning of Year:	-\$1,216,947
2020 10% Increase:	\$437,528
2020 Shortfall End of Year:	-\$779,419
2020 Mitigation Funding from the Province:	\$773,300
	-\$6,119

In 2021, the shortfall from reduced funding will be as follows:

2021 Shortfall Beginning Year:	-\$779,419
Additional Anticipated Budget Pressures:	-\$600,000
2021 10% Increase:	\$481,281
2021 Shortfall End of Year:	-\$898,138
2021 Mitigation Funding Received from the Province:	\$773,300
	-\$124,838

In 2022, the shortfall from reduced funding will be as follows:

2022 Shortfall Beginning of Year:	-\$898,138
2022 10% Increase to the Municipalities:	\$529,409
2022 Mitigation Funding Received from Province:	\$0
2022 Shortfall End of Year:	-\$368,729

10% increase year over year is as follows:

	2019	2020	2021	2022
County of				
Northumberland	\$2,094,792	\$2,304,271	\$2,534,698	\$2,788,168
City of Kawartha Lakes	\$1,859,121	\$2,045,033	\$2,249,536	\$2,474,490
Haliburton County	\$421,371	\$463,508	\$509,859	\$560,845
	\$4,375,284	\$4,812,812	\$5,294,094	\$5,823,503
Change 2019 to 2020		\$437,528		
Change 2020 to 2021			\$481,281	
Change 2021 to 2022				\$529,409
Total Change 2019 to 2022				\$1,448,219
Northumberland		\$209,479	\$230,427	\$253,470
CKL		\$185,912	\$204,503	\$224,954
Haliburton		\$42,137	\$46,351	\$50,986
		\$437,528	\$481,281	\$529,409
				\$1,448,219

We hope that this information provides some clarity. Please contact me if you have any questions at avickery@hkpr.on.ca or by phone, 1-866-888-4577, extension 1515.

Sincerely

BOARD OF HEALTH FOR THE HALIBURTON, KAWARTHA,
PINE RIDGE DISTRICT HEALTH UNIT



Angela Vickery, CHRL, CPM
Director, Corporate Services

AV/ed

Cc (via email): Board of Health
Dr. Lynn Noseworthy, Medical Officer of Health
Carolyn Daynes, City of Kawartha Lakes Treasurer

October 16, 2020

Ron Taylor
Chief Administrative Officer
City of Kawartha Lakes
P.O. Box 9000
26 Francis St
Lindsay ON K9V 5R8

sent via email to: rtaylor@kawarthalakes.ca

RE: 2021 Budget

Dear Mr. Taylor

Thank you for your letter dated July 28, 2020 addressed to Dr. Noseworthy, which was reviewed by the Board of Health on September 17, 2020. The Board of Health has recently received the new schedules to the Public Health Funding and Accountability Agreement for 2020 which confirms the funding has been approved at 100% of the 2019 approved funding; reflecting a 0% increase over 2019.

As anticipated, the approved funding represents 70% funding from the Ministry and 30% from our obligated municipalities. The change in funding formula includes sharing the cost for programs that were previously funded at 100% by the Ministry. The Ministry has approved mitigation funding for the years 2020 and 2021 in the amount of the anticipated budget shortfall, which was calculated using the 2018 year-end settlement forms.

The budget approval assumes the municipalities will continue to contribute an additional 10% in 2020, and at its Board of Health meeting on September 17, 2020, the Board of Health approved an additional 10% increase for 2021. The Health Unit has undergone many operational changes to achieve savings but is still anticipating budget pressures related to increases in benefit costs, negotiated wage increases as well as increases in other operational costs. Without the 10% increase in 2020 and 2021, the Health Unit will be expecting a shortfall of \$1,373,000 in 2022.

The 10% increase to our municipal assessment results in an assessment estimate for 2021 as follows:

Municipality	2021 Assessment	2020 Assessment	% Apportionment
County of Northumberland	2,534,698	2,304,271	47.88
City of Kawartha Lakes	2,249,536	2,045,033	42.49
Haliburton County	509,859	463,508	9.63
Totals	5,294,094	4,812,812	

.../2

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108 Angeline Street South
Lindsay, Ontario K9V 3L5
Phone · 1-866-888-4577
Fax · 705-324-0455

Ron Taylor
October 16, 2020
Page 2

Please contact me if you have any questions at avickery@hkpr.on.ca or by phone, 1-866-888-4577, extension 1222.

Sincerely

BOARD OF HEALTH FOR THE HALIBURTON, KAWARTHA,
PINE RIDGE DISTRICT HEALTH UNIT



Angela Vickery, CHRL, CPM
Director, Corporate Services

AV/ed

Cc (via email): Board of Health
 Dr. Lynn Noseworthy, Medical Officer of Health
 Carolyn Daynes, City of Kawartha Lakes Treasurer

Council Report

Report Number: PUR2021-002
Meeting Date: February 23, 2021
Title: Request for Quotation 2021-02-OQ Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites
Author and Title: Marielle van Engelen, Buyer

Recommendation(s):

That Report PUR2021-002, **Request for Quotation 2021-02-OQ Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites**, be received;

That Youngs Excavating (1918293 Ontario Inc.) be awarded Request for Quotation 2021-02-OQ Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites for the quoted estimated annual amount of \$115,596.00 plus HST;

That Council authorize the option to renew the contract after the initial two-year term, April 1, 2021 to March 31, 2023 for an additional one (1) year per the terms of the contract, based on annual budget approval, mutual agreement and successful completion of the initial term; and

That subject to receipt of the required documents, the Mayor and Clerk be authorized to execute the agreement.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Request for Quotation 2021-02-OQ Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites was issued in accordance with the Purchasing Policy, to provide labour and equipment for cover and compaction at the Laxton and Eldon Landfill sites. Each site is regulated by a Certificate of approval, issued by the Ministry of Environment, that details the quantity of cover material required and the frequency at which it must be applied.

The quotation estimated amount was determined using an hourly rate multiplied by the estimated number of hours per year and the cost to float the equipment both ways to the landfill sites. The Laxton Landfill Site requires an estimated 416 hours per year for cover and compaction as well as approximately 52 equipment floats per year. The Eldon Landfill Site requires an estimated 832 hours per year for cover and compaction as well as approximately 104 equipment floats per year.

Additional work may be required at these sites during the term of the contract and the cost associated with this is based on the hourly rates bid for each site at the time of quotation.

The quotation closed on Thursday, February 4, 2021 with the following results:

Company Name	Estimated Annual Quotation Amount (not including HST)
1918293 Ontario Inc. O/A Young's Excavating	\$115,596.00
Marquis Snow and Ice Ltd.	\$118,904.76
1827462 Ont. Inc. O/A The Imrie Group	\$148,184.40
Robinson Haulage Inc.	\$176,280.00
Real Landscaping Plus Inc.	\$224,764.00
Carden Demolition and Excavation Inc.	\$238,680.00
Four Brothers Construction	\$266,720.00
Arenes Construction Ltd.	\$293,280.00
Stilescape Inc.	\$552,200.00

Quotation submissions were checked for mathematical errors and compliancy to the quotation document and Young's Excavating was found to be the lowest compliant bidder. References were checked and found to be satisfactory.

Rationale:

Staff recommends that Young's Excavating (1918293 Ontario Inc.) be awarded Request for Quotation 2021-02-OQ Bulldozer and Operator for Cover and Compaction at Eldon and Laxton Landfill Sites for the quoted estimated annual amount of \$115,596.00 plus HST.

Staff recommends that Council authorizes the option to renew the contract after the initial two-year term, April 1, 2021 to March 31, 2023 for an additional one (1) year based on annual budget approval, mutual agreement and successful completion of the initial term. An annual increase will be applied the unit pricing based on the annual percentage change the Consumer Price Index (CPI)- All Items- Ontario, up to a maximum of three percent (3%) at the time of renewal.

Other Alternatives Considered:

No other alternative is being considered as the recommendation to award was achieved through an open, fair and transparent competitive procurement process.

Alignment to Strategic Priorities

The contract for cover and compaction at the Eldon and Laxton landfill sites aligns directly with the first strategic priority of a Healthy Environment. This work is a requirement to remain in compliance with Ministry of Environment, Conservation and Parks' legislation and approvals. Applying cover at these landfill sites ensures that waste and leachate are not exposed. This reduces odour, prevents vermin, and protects the environment and the health of the public.

Financial/Operation Impacts:

Funds for the cover and compaction at the Eldon and Laxton landfill sites is budgeted annually in the department's operating budget.

Consultations:

Regulatory Compliance Officer, Solid Waste, Environmental Services

Department Head email: brobinson@kawarthalakes.ca

Department Head: Bryan Robinson, Director of Public Works

Department File: 2021-02-OQ

Council Report

Report Number: PUR2021-003
Meeting Date: February 23, 2021
Title: Request for Proposal 2020-79-CP Supply and Delivery of One New Rescue Pumper
Author and Title: Marielle van Engelen, Buyer

Recommendation(s):

That Report PUR2021-003, Request for Proposal 2020-79-CP Supply and Delivery of One New Rescue Pumper, be received;

That Carl Thibault Emergency Vehicles Inc. of Pierreville, Québec, as the highest scoring proponent, be selected for award of Request for Proposal 2020-79-CP Supply and Delivery of One New Rescue Pumper; and

That the deficit in the project, 932200203, of \$23,701.92 be funded by Development Charges – Fire (3.24140) and the remaining \$51,304,17 deficit be funded by the Fire portion of the Fleet Reserve (1.32070) and;

That upon receipt of the required documents that the Procurement Division be authorized to issue a purchase order.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The approved 2020 capital budget (932200203) allocated \$600,000 for a replacement rescue pumper. Request for Proposal 2020-79-CP for the Supply and Delivery of One New Rescue Pumper was released for advertising in accordance with the Purchasing Policy.

The request for proposal closed on January 21, 2021 with the following results:

Proposal received from
Carl Thibault Emergency Vehicles Inc. of Pierreville, Québec
Dependable Truck & Tank Limited of Brampton, Ontario
Safetek Emergency Vehicles Ltd. of Mississauga, Ontario

As per the Purchasing Policy procurement awards that exceed the budget by more than \$10,000 are considered irregular and must be approved by Council.

An evaluation committee carefully evaluated and scored each proposal by consensus, based on the criteria described with in the request for proposal. Each proposal was rated on the response to the technical requirement of the pumper, company profile, delivery time lines, warranty information and training.

Submissions were checked for compliancy to the proposal requirements and for mathematical errors.

Carl Thibault Emergency Vehicles Inc. was found to be the highest scoring proponent. References were checked and found to be favorable.

Rationale:

Staff recommends Carl Thibault Emergency Vehicles Inc. of Pierreville, Québec, as the highest scoring proponent be selected for the award of Request for Proposal 2020-79-CP Supply and Delivery of One New Rescue Pumper.

The deficit in the project (932200203), in the amount of \$23,701.92, should be funded from Development Charges – Fire (3.24140) and the remaining \$51,304,17 from the Fire portion of the Fleet Reserve (1.32070).

Other Alternatives Considered:

No other alternative is being considered as a competitive procurement process was conducted and the highest scoring proponent is being recommended for award.

Alignment to Strategic Priorities

Good Government

Recommendations in this report will ensure municipal assets are well maintained and well managed. A continuous review of operational efficiencies ensures that best municipal practices are adopted.

A Vibrant and Growing Economy

Recommendations in this report will support effective Fire Service response operations and service delivery.

An Excellent Quality of Life

Recommendations in this report will support efficient delivery of Fire Service response operations and assists the general well-being and overall health and safety of residents and employees.

Financial/Operation Impacts:

Capital Project Number	Project Budget	Other Committed Funds	Capital Project balance	Purchase Amount (excl. HST)	HST Payable	Total Amount	Project Balance
932200203	\$600,000	\$0	\$600,000	\$663,331	\$11,676	\$675,007	(\$75,006)

Any remaining surplus or deficit will be dealt with through the capital close report presented to Council by the Treasury Department in accordance with the Capital Close Policy.

Consultations:

Deputy Fire Chief

Department Head email: mpankhurst@kawarthlakes.ca

Department Head: Mark Pankhurst, Fire Chief

Department File: 2020-79-CP



Council Report

Report Number:	ENG2021-006
Meeting Date:	February 23, 2021
Title:	Request for Traffic Calming – Logie Street
Description:	Traffic calming
Author and Title:	

Recommendation(s):

THAT Report ENG2021-006 **Request for Traffic Calming – Logie Street** be received.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

At the Committee of the Whole meeting of September 1, 2020 Council adopted the following resolution:

CW2020-121

That the Memorandum from Deputy Mayor O'Reilly, **regarding Logie Street Park Traffic Calming**, be received;

That concerns regarding both vehicular and pedestrian traffic entering and leaving Logie Street Park be considered;

That staff be directed to compare and contrast available traffic calming measures and report back to Council in Q1, 2021; and

That this recommendation be forwarded to Council for consideration at the next Regular Council Meeting.

This report addresses those directions. The Memorandum from Deputy Mayor O'Reilly referred to in the directions can be seen in Appendix A.

As part of Bromont Homes Inc. developments off of Logie Street, much of Logie Street has been reconstructed. The new lane widths are very wide compared to a typical street. The wide lane widths coupled with the limited residential development directly fronting onto it contributes to speeding. It is difficult for a reasonable driver to travel 50 km/h or lower in current conditions.

Staff responded to speeding complaints by performing a preliminary speed study and deploying the temporary speed board on Logie Street for a period of six weeks.

It was found that pedestrians were well protected with sidewalks being setback from the roadway on both sides of the streets. Therefore, staff previously recommended it may be most beneficial to focus on their protection at crossings.

Lindsay's latest and greatest park has opened on Logie Street and is attracting considerable crowds. The majority of park visitors arrive by vehicle. Parking is on site which can lead to overflow conditions. It's difficult to predict if the current overflow of parking on the street will continue as interest in the park normalizes, however, contingency for future on-site parking is part of the overall plan of the park.

Rationale:

The wide road width of Logie Street was a purposeful design feature of the reconstruction to allow for the potential future consideration of an on-road connection from Lindsay Street South to the rail trail entrance.

Road lane width reductions can be effective in reducing the prevailing speeds of a road. Reducing the lane width changes the driving conditions and therefore drivers' behavior. With a current platform of 10m, there is room for a standard 1.5m wide lane on both sides of the road with 3.5m driving lanes.

The Director of Public works has specified that increased operational costs and liability issues can arise with the maintenance of the road and how it relates to meeting the Province's Minimum Maintenance Standards (MMS) should bike lanes be established. Options to mitigate include painting a 1.5m shoulder without bike markings, or passing a by-law to close the bike lane in the winter.

Based on previous recommendations, Engineering has prepared and awarded an RFQ for the warrant, design and installation of a traffic control light at the intersection of Logie Street and Lindsay Street South, and the warrant, design and installation of pedestrian crossovers at the trail crossing and the park on Logie Street. A mockup of what a pedestrian crossover could look like at the trail crossing can be seen in Appendix B.

As a result of the review carried out by staff, it is recommended that this report be received. The traffic calming and pedestrian safety measures already in progress negates the need to compare and contrast traffic calming measures as directed in the resolution.

Financial/Operation Impacts:

Warranted traffic controls and pedestrian crossings have been approved in the Capital budget.

The formal creation of bike lanes will require a permanent increase to the Public Works operating budget to maintain the lanes in accordance with Minimum Maintenance Standards and to paint lines and symbols. The increased amount for painting depends on solid lane or just a line (solid lane may further reduce prevailing speed of road).

Relationship of Recommendation(s) To The 2020-2023 Strategic Plan:

Providing life safety and protection, is a priority objective of the City under the Council Adopted Strategic Plan Goal of An Exceptional Quality of Life.

Consultations:

Director of Public Works

Attachments:

Appendix A – Council Memorandum



ENG2020-021
Appendix A.pdf

Appendix B – Pedestrian Crossover Model



ENG2020-021
Appendix B.pdf

Department Head E-Mail: jrojas@city.kawarthalakes.on.ca

Department Head: Juan Rojas, Director of Engineering & Corporate

Assets

Department File: Engineering



Council Memorandum

Date: September 1, 2020

To: Committee of the Whole

From: Deputy Mayor O'Reilly

Re: Logie Street Park Traffic Calming

Recommendation

That the Memorandum from Deputy Mayor O'Reilly, **regarding Logie Street Park Traffic Calming**, be received;

That concerns regarding both vehicular and pedestrian traffic entering and leaving Logie Street Park be considered;

That staff be directed to compare and contrast available traffic calming measures and report back to Council in Q1, 2021; and

That this recommendation be forwarded to Council for consideration at the next Regular Council Meeting.

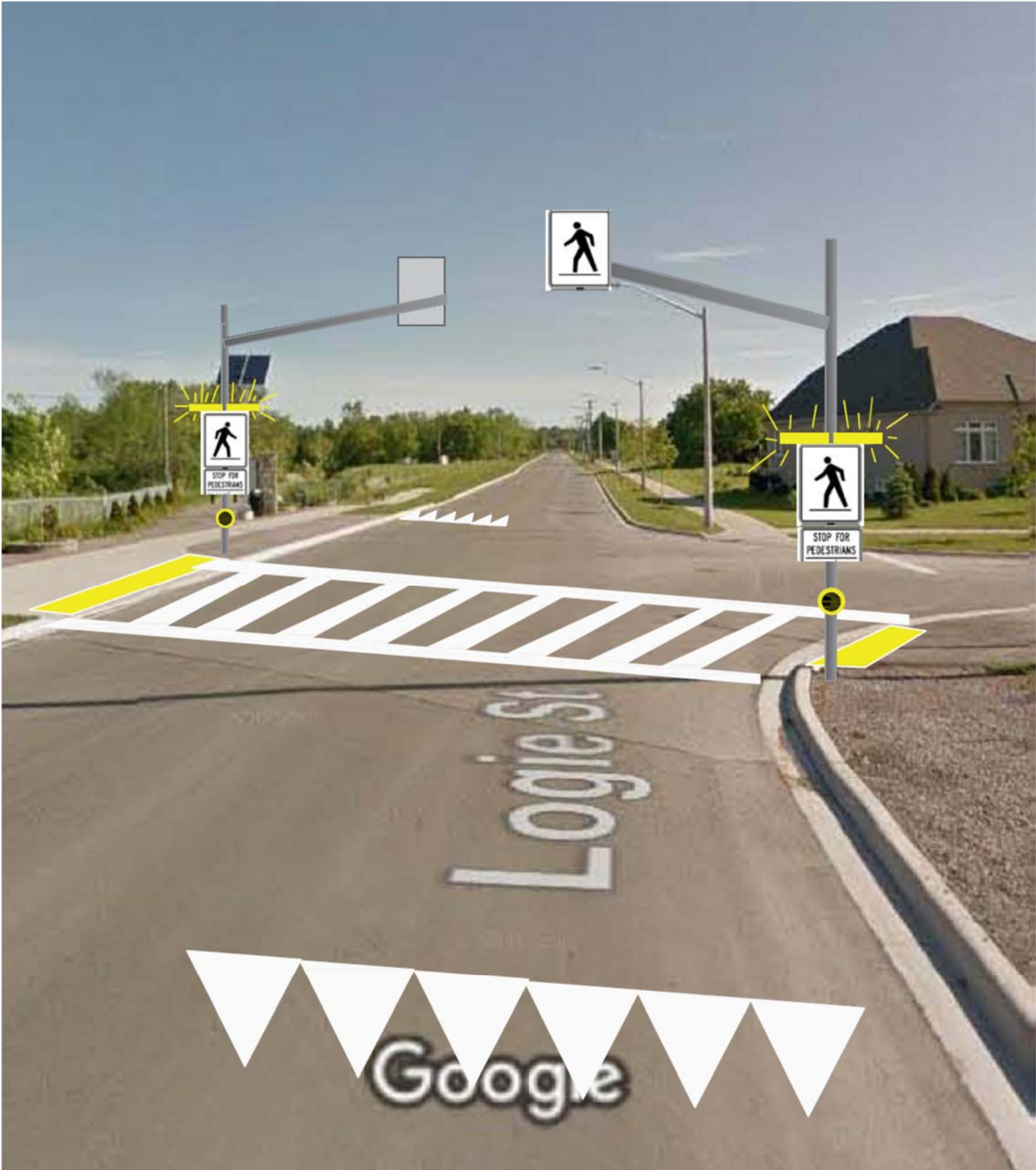
Rationale

Residents have contacted the police regarding speed concerns along Logie Street. Police have set up radar on several occasions in order to combat this issue.

Due to excessive vehicular speeds, pedestrian safety along Logie Street has been called into question.

Potential safety concerns for park users both entering and leaving the park will become a greater concern when the park opens to the public. For this reason, proactive measures should be considered.

Appedix B – Logie Street Pedestrain Crossover Model



Council Report

Report Number: CA2021-001

Meeting Date: February 23, 2021

Title: Update on Asset Management Plan

Description: This report provides an update on the City of Kawartha Lakes' Asset Management Plan, and requests Council to endorse the Municipal Finance Officers' Association petition to the Minister of Infrastructure to extend municipal asset management plan deadlines in Ontario Regulation 588/17 in recognition of the impact of the COVID-19 pandemic on Ontario's municipalities.

Author and Title: Adam Found, Manager of Corporate Assets

Recommendation(s):

That Report CA2021-001, **Update on Asset Management Plan**, be received;

That the timeframe for 2020 special project 921204001 (Asset Management Plan) be extended to December 31, 2022;

That the letter and resolution prepared by the Municipal Finance Officers' Association regarding the extension of municipal asset management plan deadlines, attached as Appendix A and Appendix B, respectively, to Report CA2021-001, be endorsed; and

That Report CA2021-001 and the foregoing endorsement be transmitted to the Minister of Infrastructure, Minister of Municipal Affairs and Municipal Finance Officers' Association.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The City's current Asset Management Plan (AMP) was completed in 2017 based on Ontario's Building Together Guide (2012), and is now in need of replacement. As part of the 2020 tax-supported operating budget, Council approved special project 921204001 for the City to undertake a new AMP. Issued under the Infrastructure for Jobs and Prosperity Act (2015), Ontario Regulation 588/17 establishes the legislative framework for asset management planning in Ontario's municipal sector, succeeding the Building Together Guide. Ontario Regulation 588/17 sets out a graduated series of deadlines by which municipalities are to bring their AMPs up to standards exceeding those provided for in the Building Together Guide. In particular, each municipality is to have by July 1, 2021 an AMP meeting the second of three progressively stronger sets of standards. The City's 2017 AMP meets the first of these sets of standards, but not the second.

Due to the COVID-19 pandemic, the City has had to defer a number of 2020 projects to 2021. The AMP, which was slated to begin approximately a year ago, is one of the deferred projects. Because of forces well beyond its control, it is impossible for the City to meet the AMP deadline of July 1, 2021. As many other municipalities in Ontario are finding themselves in a similar situation, the Municipal Finance Officers' Association (MFOA) of Ontario has taken the initiative to petition the provincial government to defer the AMP deadlines in Ontario Regulation 588/17 each by one year. This report asks Council to support that position in solidarity with MFOA and Ontario's municipalities, and to extend the timeframe for the City's AMP project.

Rationale:

The COVID-19 pandemic has dramatically disrupted the municipal sector, causing municipalities to declare states of emergency, redeploy resources and shift priorities under unprecedented and highly uncertain circumstances. While municipal asset management is a laudable long-term priority, it is not essential in times of crisis during which municipalities' attention and capacity are overwhelmed by immediate and urgent concerns. In short, asset management can wait; pandemic response and recovery cannot.

As an AMP requires roughly a year to be properly prepared, many municipalities would have been starting in Q1-Q2, 2020 to meet the AMP deadline of July 1, 2021. In this narrow respect, the pandemic could not have struck at a worse time. With the past 11 months mired in disruption and uncertainty, many municipalities have simply not been in a position to embark on an AMP. Moreover, as a member of MFOA's board of directors, the author of this report understands that capacity in Ontario's municipal consulting sector has been similarly impacted by the pandemic, affecting hundreds of

municipalities who are reliant on that sector. Given the pandemic, it is simply unrealistic to continue to expect Ontario's municipalities to meet the AMP deadline of July 1, 2021.

Asset management is a practice of long-term planning, and by its nature long-term planning is never a matter of immediate urgency. A minor delay in the preparation of AMPs is, therefore, inconsequential to the long-term advancement of asset management in the municipal sector. Over the long term, municipalities will continue to mature their asset management practices in accordance with local circumstances and provincial expectations.

Given the foregoing, staff recommend that the timeframe for the AMP project be extended from June 30, 2021 to December 31, 2022, and that Council endorse MFOA's petition of the provincial government to extend the AMP deadlines in Ontario Regulation 588/17. As of the time of writing, MFOA indicates that at least 34 municipalities and Asset Management Ontario have endorsed MFOA's position on the AMP deadlines.

Other Alternatives Considered:

As an AMP requires roughly a year to be properly prepared, and given the pandemic-related deferral of the AMP project, no other alternatives are being proposed at this time.

Alignment to Strategic Priorities

The recommendations of this report support asset management and hence align with the strategic priority of Good Government identified in the City's 2020-2023 Strategic Plan.

Financial/Operation Impacts:

Municipalities in Ontario must remain compliant with Ontario Regulation 588/17 in order to maintain eligibility for capital grants from senior governments. Like many other municipalities in Ontario, however, because of the pandemic the City will become non-compliant on July 1, 2021, unless an extension is granted before then through regulatory amendment. Even if the AMP deadlines are not extended as requested by MFOA and many municipalities, the general consensus within the municipal sector is that it would be unconscionable for the provincial government to penalize municipalities for having not met an AMP deadline because of a global pandemic.

Consultations:

Municipal Finance Officers' Association

Attachments:

Appendix A: Letter from Municipal Finance Officers' Association to Minister of Infrastructure Regarding Extension of AMP Deadlines in O. Reg. 588/17



MFOA Letter
Regarding Extension of AMP Deadlines in O. Reg. 588/17

Appendix B: Resolution Developed by Municipal Finance Officers' Association Regarding Extension of AMP Deadlines in O. Reg. 588/17



MFOA Resolution
Regarding Extension of AMP Deadlines in O. Reg. 588/17

Department Head email: jrojas@kawarthalakes.ca

Department Head: Juan Rojas, Director of Engineering and Corporate Assets

Hon. Laurie Scott
Minister of Infrastructure
5th Floor
777 Bay St.
Toronto, ON M7A 2J3

October 22, 2020

Dear Minister Scott,

RE: One-year extension of deadlines in O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act, 2015

I am writing on behalf of the Municipal Finance Officers' Association of Ontario, and the municipalities it serves, to request a one-year extension of all upcoming deadlines in O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act, 2015 (O. Reg. 588/17).

The Municipal Finance Officers' Association of Ontario (MFOA) is the professional association of municipal finance officers with more than 2,300 individual members. We represent individuals who are responsible for handling the financial affairs of municipalities and who are key advisors to councils. MFOA is a strong advocate for best practices that encourage long-term fiscal sustainability, including long term financial planning and asset management planning.

In recent years, MFOA and the Province have worked together to support municipalities on their asset management (AM) journeys. Our collaboration has resulted in a range of useful resources, including tip sheets, a strategic AM planning policy development toolkit, a guide on creating AM communities of practice, an AM framework, a self assessment tool, training, and the provision of professional one-on-one AM consulting, among other supports. MFOA, like the Province, believes in the fundamental importance of AM planning.

But we have also heard our members. As noted in your statement to the Standing Committee on Finance and Economic Affairs on July 30, 2020, municipalities were "among the hardest hit" by the economic shutdown necessitated by the COVID-19 pandemic. This hit has and continues to be both financial and operational in nature. Since March, municipalities have declared states of emergency, redeployed resources, contained costs (including hiring freezes), and rightly prioritized the immediate needs of stakeholders. Given these pressures, municipalities have not had the capacity to work on meeting the 2021 deadline in O. Reg. 588/17 and as we are in a second wave and a return to a modified stage 2 in some parts of the Province with no end in sight and the possibility of extended restrictions elsewhere, it is unlikely that current capacity challenges will be resolved in the short-term.

We are also concerned that revenue losses in some municipalities will result in re-evaluations of capital plans, including AM plans. AM planning completed during a period of high revenue uncertainty is unlikely to be very reliable. Plans done after a revenue re-evaluation post COVID provides confidence that AM plans have taken into account the COVID impacts and that they are more up to date and robust.

Similar to the Public Sector Accounting Board's one-year deferral of the effective date of upcoming standards, MFOA recommends a one-year extension of all upcoming deadlines in O. Reg. 588/17. In the short-term, an extension will help municipalities focus on pandemic management. In the long-term, extending timelines will ensure municipalities can produce meaningful work that embodies the spirit of AM that reflects new post COVID realities.

Throughout the pandemic, we have seen how much can be achieved when municipalities and the provincial government work together to achieve a common goal. Should you wish to follow up on this letter, please contact MFOA Executive Director, Donna Herridge (donna@mfoa.on.ca).

Sincerely,

A handwritten signature in dark ink, reading "Trevor Pinn". The signature is fluid and cursive, with the first name "Trevor" written in a larger, more prominent script than the last name "Pinn".

Trevor Pinn, CPA, CA
President

cc. Hon. Steve Clark, Minister of Municipal Affairs and Housing

MFOA Request for One-Year Extension of Deadlines in O. Reg. 588/17

WHEREAS the COVID-19 pandemic has had significant financial and operational impacts on Ontario municipalities;

AND WHEREAS municipalities have had to divert resources towards addressing the immediate needs of the pandemic and maintaining service delivery standards despite evolving restrictions and limited funds;

AND WHEREAS the Government of Ontario has delayed timelines with respect to several pieces of legislation;

AND WHEREAS the Government of Ontario has regulated municipal asset management through O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the *Infrastructure for Jobs and Prosperity Act, 2015*;

AND WHEREAS O. Reg. 588/17 mandates that every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by July 1, 2021, and in respect of all of its other municipal infrastructure assets by July 1, 2023;

AND WHEREAS the key components of an asset management plan as required by the regulation are:

1. Infrastructure asset inventory
2. Levels of service
3. Lifecycle management and financial strategy

AND WHEREAS there is a concern amongst Municipal Finance Officers' Association of Ontario (MFOA) members and their municipalities that current capacity challenges (redeployment of staff, and lack of available resources) will result in limitations for purposeful asset management planning;

AND WHEREAS Ontario municipalities do not anticipate the current capacity challenges to be resolved in the short-term;

NOW THEREFORE BE IT RESOLVED that the **City of Kawartha Lakes** supports MFOA's letter to the Ministry of Infrastructure requesting a one-year extension of deadlines in O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the *Infrastructure for Jobs and Prosperity Act, 2015*; so that all municipalities can focus on the immediate needs of the pandemic and engage in municipal asset management planning when capacity challenges are resolved.

Council Report

Report Number:	EMS2021-001
Meeting Date:	February 23, 2021
Title:	Community Integration Data and Network Sharing Agreements
Description:	An agreement for data and information sharing between the Central East Local Health Integration Network (CELHIN) and Paramedic Service
Author and Title:	Sara Johnston, Deputy Chief Professional Standards

Recommendation(s):

That the Community Integration Data Sharing Agreement and the Community Integration Information Management and Network Services Agreement, attached to Report EMS2021-001 as Appendices A and B respectively, be received and approved; and

That the Mayor and City Clerk be authorized to execute any documents and agreements required by the approval of these agreements.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

At the Council Meeting of March 10, 2020, Council adopted the following resolution:

CW2020-041 Moved by Councillor Dunn Seconded by Councillor Richardson

That the presentation by Sara Johnston, Deputy Chief, Quality Assurance, and Julie Milne, Community Paramedic, regarding the Community Paramedicine Pilot Project, be received. Carried

In March, 2020, Council approved to financially support the extension of the Community Paramedic Program, initially funded by the Central East Local Health Integration Network (CELHIN). This report, and attached agreements, addresses this direction to improve information sharing between the CELHIN and Paramedic Services.

This report addresses that direction.

Rationale:

Current program documents are being sent and received by email. Given that email is not the most secure method of sending personal health information, implementing E-Referral is the preferred method. This involves the signing of a Community Integration Data Sharing Agreement, appended to this report as Appendix A, and a Community Integration Information Management and Network Services Agreement with Ontario Health, appended to this report as Appendix B. This would permit the secure transmission of referrals through the 'Health Partner Gateway (HPG)'.

Other Alternatives Considered:

N/A

Alignment to Strategic Priorities

Good Government - Adhering to safe and confidential sharing of documents

An Exceptional Quality of Life – It is the goal of Kawartha Lakes Paramedic Service to foster community services and programs that value improving access to care in the community, improving coordination of care, and effectively navigating health system resources. Further we want to support and strengthen collaborations and partnerships that can prevent hospitalization and improve the patient experience as people transition from the hospital back to the community.

Financial/Operation Impacts:

N/A

Servicing Implications:

N/A

Consultations:

For internal consultations – Mayor and Clerk (per Signing Authority By-law 2016-009).

For Federal or Provincial – Central East LHIN

Attachments:

Appendix A – Community Integration Data Sharing Agreement



Adobe Acrobat
Document

Appendix B – Community Integration Information Management and Network Services Agreement



Adobe Acrobat
Document

Department Head email: rmellow@kawarthalakes.ca

Department Head: Randy Mellow

COMMUNITY INTEGRATION DATA SHARING AGREEMENT

This Agreement is made as of DATE THE AGREEMENT WAS SIGNED

between the parties listed in Schedule “A” to this Agreement, as amended from time to time, each of which have entered into a Participation Agreement in the form of Schedule “B” to this Agreement.

RECITALS

- A. Each of the Participants provides healthcare or related services.
- B. The Participants have agreed to use an electronic information system known as the Health Partner Gateway (“HPG”) that is owned and operated by Ontario Health (“Shared Services”), to disclose and collect PHI to and from other Participants where the Participants are both providing services to the same patient or client.
- C. Pursuant to section 40 of the *Local Health System Integration Act, 2006*, the Minister of Health and Long-Term Care issued an order, effective March 1, 2017, pursuant to which all assets, liabilities, rights and obligations, employees and all records relating thereto, including all contracts of the Ontario Association of Community Care Access Centres were transferred to Health Shared Services Ontario (“HSSOntario”).
- D. Pursuant to section 40(1) of the *Connecting Care Act, 2019*, the Minister of Health issued an order, effective December 2, 2019, pursuant to which all assets, liabilities, rights and obligations, employees and all records relating thereto, including all contracts of HSSOntario were transferred to Shared Services.
- E. Each Participant has entered into a Community Integration Information Management and Network Services Agreement (“Services Agreement”) with Shared Services that permits the Participant to use the HPG.
- F. PHI made available through the HPG may only be collected by a Participant for the purpose of more efficiently and effectively providing or assisting in the provision as applicable, of the health care or community services provided by the Participant, among other terms and conditions.
- G. This Agreement describes all of the terms and conditions upon which the Participants have agreed to disclose and collect PHI through the HPG.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency is acknowledged by each party, the parties covenant and agree as follows:

1. Definitions, Interpretation

In this Agreement:

- (1) “agent”, “collect”, “disclose”, “health care” and “use” will each have the meaning ascribed thereto in PHIPA.
- (2) “Agreement” means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time.
- (3) “Applicable Law” means PHIPA and/or FIPPA, or any law of Ontario, or law of Canada applicable in Ontario, superseding either or both of PHIPA and FIPPA or otherwise governing PHI, including its collection, use and disclosure.

- (4) **“Business Day”** means any day except Saturday, Sunday or any statutory holiday in the Province of Ontario.
- (5) **“Custodian”** in connection with PHI means the Participant that is the Health Information Custodian of the PHI or where the Participant is not a Health Information Custodian, the Participant that collected or compiled the PHI, is responsible for it at law and accountable to the individual to whom the PHI relates.
- (6) **“FIPPA”** means the *Freedom of Information and Protection of Privacy Act* (Ontario).
- (7) **“Originating Participant”** in relation to PHI, means the Custodian disclosing the PHI.
- (8) **“Patient”** means a patient or client, receiving health care or community services, as applicable, from a Participant and in respect of PHI, the individual to whom it relates.
- (9) **“PHI”** means information that is defined as personal health information in PHIPA, or defined as personal information in FIPPA, or that relates to an identifiable individual (depending on the Custodian), and in the custody or under the control of a Participant; and disclosed and collected by means of the HPG.
- (10) **“PHIPA”** means the *Personal Health Information Protection Act, 2004* (Ontario).
- (11) **“Privacy Officer”** means the individual responsible for a Participant’s compliance with its legal and other responsibilities in relation to PHI.
- (12) **“Recipient Participant”** means a Participant collecting PHI from an Originating Participant.

In this Agreement, unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

2. Participants

Each Participant will designate and/or identify a Privacy Officer to act as a single point of contact for the Participant in connection with all matters arising from or connected to this Agreement. The name, address, telephone number, facsimile number, and e-mail address (“Contact Information”) of the Privacy Officer will be provided on the Participation Agreement executed by the Participant. Shared Services will maintain, update and make available to each Participant and the Committee, a list of the Contact Information for each Participant. Any Participant may at any time change its Privacy Officer and/or Contact Information upon written notice to Shared Services and the Committee.

3. Relationship of the Participants, Disclosure and Collection of PHI

It is understood and agreed that:

- (1) in giving effect to this Agreement, no Participant will be or be deemed to be a partner, agent or employee of another Participant for any purpose and that the relationship of each Participant to the other Participants will be that of independent contractors;
- (2) nothing in this Agreement will constitute a partnership or a joint venture between the Participants;
- (3) for the purposes of this Agreement,
 - (a) receipt of PHI by a Receiving Participant constitutes a collection of that PHI by the Receiving Participant and a disclosure of that PHI by the Originating Participant;
 - (b) for greater certainty, a Receiving Participant will be deemed to have collected PHI even if it does not make a copy of the PHI or otherwise incorporate it into its own records for the Patient;

- (c) the Receiving Participant will have all of the obligations of a Custodian in relation to PHI that it collects under this Agreement, including obligations to protect the privacy of the Patient;
- (d) without limiting the generality of the preceding subsection, the Receiving Participant has no obligation to return to the Originating Participant or to destroy PHI on the termination or expiry of this Agreement.

4. Authorized Purposes

Participants will only collect PHI, and will cause their agents to only collect PHI:

- (1) where the Participant is a Health Information Custodian, for the purposes of providing health care or assisting in providing health care;
- (2) where the Participant is not a Health Information Custodian, if the Patient has consented to the collection for designated purposes and the Participant only uses the PHI for those designated purposes; or
- (3) where the collection is otherwise required or permitted by Applicable Law.

5. Compliance with Patient Instructions

To the extent that a Receiving Participant has been made aware by a Patient or by the Originating Participant that the Patient has restricted the collection, use or disclosure of PHI, the Receiving Participant will not collect, use or disclose such PHI except in accordance with the Patient's instructions unless otherwise required or permitted by Applicable Law.

6. Obligations of Participants

- (1) Each Participant will ensure that PHI is as accurate, complete and up-to-date as required for the purpose for which it is disclosed and used, as the case may be. For clarity, both Originating Participants and Receiving Participants will take the steps that in their professional judgment are necessary to ensure that the PHI that they are disclosing or using is as accurate as necessary for the purpose for which it is being disclosed or used.
- (2) Without limiting the generality of the preceding, where an Originating Participant has received instructions not to disclose PHI that it considers reasonably necessary for the purpose of providing health care, the Originating Participant will give the Receiving Participant Notice of same.
- (3) Participants will comply with Applicable Law when collecting, using and disclosing PHI and to facilitate same, will: (a) designate a Privacy Officer; and (b) advise its agents of their duties under Applicable Law and this Agreement;
- (4) Participants will have in place systems, policies and procedures, including without limitation administrative, technological and physical safeguards, to protect PHI against theft, loss and unauthorized access, use, disclosure and destruction.
- (5) Participants will collaborate and cooperate with other Participants, to the extent reasonably required, to investigate and address any privacy or security breaches that are affecting or that are likely to affect PHI.
- (6) Participants will complete and submit to the Committee, on an annual basis, a "Privacy and Information Security Compliance Checklist" developed by the Committee and designed to verify that each Participant is maintaining a privacy program that will allow it to comply with its obligations under this Agreement.

- (7) Nothing in the preceding subsection shall be interpreted or construed to require a Participant to provide information in such detail that its disclosure could reasonably threaten the security of the Participant's electronic information system.

7. Governance

A Community Integration Steering Committee (the "Committee") will be established to assist the Participants and Shared Services with the delivery and use of the HPG and the services of Shared Services, matters involving PHI and any other matters arising out of this Agreement or the Services Agreement.

The membership of the Committee will include one or more representatives of Shared Services and each Participant sector, including but not limited to LHINs, hospitals, long term care and primary care. Shared Services and each Participant sector will determine the process for selecting its representatives. The initial terms of reference of the Committee will be made available to each Participant and Shared Services. The Committee will have the discretion to amend its terms of reference and will determine the process by which it will do so and conduct its business.

8. Dispute Resolution

Any disagreement or dispute between the Participants with respect to the performance of this Agreement or the interpretation of any provision of this Agreement ("Dispute") will be:

- (1) first referred to the Chief Executive Officers of the affected Participants; and
- (2) failing resolution of the Dispute within thirty (30) Business Days of the referral, or such other period as agreed to by the affected Participants, to the Committee.

The Participant that is seeking relief will provide the Participant from which it is seeking relief with Notice setting out the matters in dispute, a concise statement of the facts on which it relies and the resolution that it is seeking.

9. Injunctive Relief

Notwithstanding the dispute resolution process set out above, any Participant may seek injunctive or other interim relief from a court of competent jurisdiction from a breach or reasonably likely breach of this Agreement that has or may reasonably threaten the confidentiality of PHI and/or the privacy of the Patient to whom it relates.

10. Limitation of Liability

- (1) Each Participant acknowledges that use of the HPG is discretionary and that the Participant will have control over the Participants to which it discloses PHI through the HPG. Each Originating Participant has the right to request a copy of any other Participant's Privacy and Information Security Compliance Checklist as a component of conducting its due diligence regarding the privacy program of that Participant.
- (2) No Participant will seek recourse, except through the dispute resolution process provided for in Section 8 above or the injunctive relief provided for in Section 9 above, against another Participant for any claim or damages arising out of or connected to this Agreement unless due to the negligence, intentional or malicious conduct of the Participant from which it is seeking recourse and except to the extent that the claim or damages arise from or are connected with its own negligence, intentional or malicious conduct.

11. Indemnification

Notwithstanding anything else in this Agreement, a Local Health Integration Network (LHIN) as defined under the *Local Health Systems Integration Act, 2006* acting in its capacity as a Participant under this Agreement shall not be subject to any indemnity obligation in this Agreement and for clarity, shall be excluded from the indemnity rights and obligations in the paragraph that follows below in this Section 11.

Each Participant, excluding any LHIN, individually and not jointly and severally (an “Indemnitor”), agrees to indemnify, defend and hold the other Participants, excluding any LHIN, (each an “Indemnified Party”) harmless from any and all loss, damages, costs, liabilities, expenses and settlement amounts, which the Indemnified Party may incur or suffer or be required to pay arising out of or in any way relating to any claim by a Participant or any third party made in respect of this Agreement, where the claim is due to the negligence, intentional or malicious conduct of the Indemnitor. The indemnification obligations of the Indemnitor will be subject to the following:

- (1) the Indemnified Party notifying the Indemnitor in writing within ten (10) Business Days after its receipt of Notice of any claim;
- (2) the Indemnitor having sole control of the defence and all settlement negotiations and agreements related thereto so long as no unilateral actions are taken by the Indemnitor which are likely to have a material adverse effect upon the Indemnified Party; and
- (3) the Indemnified Party providing the Indemnitor with reasonable assistance, information and authority necessary to perform its obligations under this Section.

12. Insurance

- (1) While a Participant, each Participant will maintain in full force and effect general liability insurance in an amount that a prudent organization in its place would maintain having consideration for its obligations under this Agreement.
- (2) Each Participant, will provide the Committee with written documentation in relation to its insurance coverage upon request.

13. Term, Termination

- (1) This Agreement will remain effective until:
 - (a) terminated by a Participant, in relation to itself;
 - (b) terminated by the Committee in relation to a Participant;
 - (c) terminated by all of the Participants; or
 - (d) the termination of the Services Agreement, as further described below.
- (2) Any Participant may terminate this Agreement in respect of itself on one (1) month’s prior written notice to Shared Services and the Committee. Upon any termination of the Services Agreement with respect to a Participant, this Agreement will be deemed to have been terminated in respect of that Participant, effective as of the date of the termination of the Services Agreement.
- (3) The Committee may terminate this Agreement in respect of a Participant where the Participant has failed to comply with this Agreement or its acts or omissions are a threat to the security and/or integrity of PHI. Where the Committee terminates this Agreement in connection with a Participant, that Participant may make written submissions to the Committee and the Committee will reconsider the decision to terminate. Where the Committee, on reconsideration, decides not to

terminate this Agreement in connection with the Participant, the Committee may impose terms and conditions on the Participant in addition to those in this Agreement and may limit the term of the Agreement with the Participant.

14. Additional Participants

A Health Information Custodian or provider of community services that has been recommended as a Participant or has applied to the Committee and meets terms and conditions established by the Committee, will become a Participant upon the execution of a Participation Agreement in the form attached hereto as Schedule "B" and a Services Agreement.

15. Survival

Except as otherwise provided herein, those sections of this Agreement which, by the nature of the rights or obligations set out therein, might reasonably be expected to survive any termination or expiry of this Agreement shall survive any termination or expiry of this Agreement.

16. Notice

All notices, requests, demands or other communications (collectively, "**Notices**") to be given by a Participant under this Agreement will be given in writing by personal delivery or by email or facsimile transmission to the address for each Participant or the Committee or such other address as may be provided in writing by a Participant or the Committee to the Participants from time to time. If delivered or transmitted before 4:30 p.m. on a Business Day, Notices shall be deemed to have been received on that Business Day and otherwise at the opening of business on the following Business Day.

17. Assignment

No party may assign its rights or obligations under this Agreement without the prior written consent of the other parties, not to be unreasonably withheld, except that any party may without consent assign its rights under this Agreement to: (i) a successor entity; (ii) or an acquirer of all or substantially all of its assets; or (iii) following an approved transfer to another entity under the *Long-Term Care Homes Act, 2007* (Ontario).

18. Further Assurances

Each Participant agrees that it will do all such acts and execute all such further documents, conveyances, deeds, assignments, transfers and the like, and shall cause the doing of all such acts and the execution of all such further documents as are within its power to cause the doing or execution of, as the other Participants hereto may from time to time reasonably request in writing and as may be necessary or desirable to give effect to this Agreement.

19. Entire Agreement

This Agreement, and any agreements and other documents to be delivered pursuant to it or referenced herein, including without limitation the Services Agreement, constitutes the entire agreement between the Participants pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, oral or written, between the Participants. The execution of this Agreement has not been induced by, nor do any of the Participants rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgements not expressly made in this Agreement or in the agreements and other documents to be delivered pursuant hereto. This Agreement supersedes and replaces the Community Integration Data Sharing Agreement dated November 1, 2012.

20. Severability

Should any provision of this Agreement be found to be invalid by a court of competent jurisdiction, that provision will be deemed severed and the remainder of this Agreement will remain in full force and effect.

21. Amendments, Waivers

This Agreement may be amended, modified or supplemented only by written agreement signed by each of the Participants. No waiver, alteration, amendment, modification, or cancellation of any of the provisions of this Agreement will be binding upon a Participant unless made in writing and duly signed the Participant or Participants to be bound.

22. Governing Law

This Agreement will be interpreted, construed, and governed by and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (other than any conflict of law rules that would result in the choice of laws of another jurisdiction). The Participants agree to submit to the exclusive jurisdiction of the courts of Ontario.

23. Schedules

The following schedules are attached to and incorporated into this Agreement by reference and deemed to be part hereof:

Schedule A - Participants

Schedule B – Form of Participation Agreement

IN WITNESS WHEREOF, the parties have agreed to be bound by this Agreement and have executed this Agreement by executing a Participation Agreement.

Schedule A

I - Participants

The list of Participants to this Agreement will be managed by Ontario Health (Shared Services).

II - Address for Notice: Shared Services

Attn: Director of Privacy, Risk and Information Security Management (PRISM)
Address: 130 Bloor Street West, Suite 200, Toronto ON M5S 1N5
Phone: 416-750-1720
Fax: 416-750-3624
Email: privacy.officer@hssontario.ca

III - Address for Notice: Committee

Attn: Director of Privacy, Risk and Information Security Management (PRISM)
Address: 130 Bloor Street West, Suite 200, Toronto ON M5S 1N5
Phone: 416-750-1720
Fax: 416-750-3624
Email: privacy.officer@hssontario.ca

Schedule B Participation

Agreement

This Participation Agreement is entered into by

FULL NAME OF ORGANIZATION

("Participant") as of DATE THE AGREEMENT WAS SIGNED

1. The terms used in this Participation Agreement have the meaning attributed to them in the Community Integration Data Sharing Agreement (DSA) among the Participant and other healthcare providers or providers of community services that also have entered into Participation Agreements under the DSA dated March 1, 2015.
2. The DSA establishes the terms and conditions upon which each Participant may collect, use, disclose, exchange and access PHI for the purposes set out in the DSA.
3. The Participant has reviewed and agrees with all other Participants to be a party to and bound by the DSA, the terms and conditions of which are incorporated herein by reference.
4. The following is the contact information for the Participant for the purposes of Notice under the Agreement:

Name: FULL NAME OF ORGANIZATION

Contact Name/Title: FULL NAME & TITLE OF SIGNING AUTHORITY OF ORGANIZATION

Address: MAILING ADDRESS OF SIGNING AUTHORITY OF ORGANIZATION

Telephone: TELEPHONE NUMBER OF SIGNING AUTHORITY OF ORGANIZATION

Fax: FAX NUMBER OF SIGNING AUTHORITY OF ORGANIZATION

Email: EMAIL ADDRESS OF SIGNING AUTHORITY OF ORGANIZATION

Schedule B Participation

Agreement

In witness whereof, this Agreement has been executed by the Participant:

Per: FULL NAME OF ORGANIZATION

Name: FULL NAME OF SIGNING AUTHORITY

Title: TITLE OF SIGNING AUTHORITY

Signature:

COMMUNITY INTEGRATION INFORMATION MANAGEMENT AND NETWORK SERVICES AGREEMENT

THIS AGREEMENT made as of DATE THE AGREEMENT WAS SIGNED

BETWEEN:

ONTARIO HEALTH, a corporation without share capital continued under the *Connecting Care Act, 2019* (“**Shared Services**”)

– and –

The parties listed in Schedule “A” hereto, as amended from time to time each of which has entered into a Participation Agreement in the form of Schedule “D”, (each a “Participant” and collectively, the “Participants”)

WHEREAS

- A. The Participants provide healthcare and related services to individuals who reside or receive treatment in the communities that they serve;
- B. The Participants have agreed that where two or more of them provide services to the same patient or client (collectively “Patient”), they will make PHI (as defined below) available electronically to other applicable Participants for the purpose of more efficiently and effectively providing or assisting in the provision of health care, or providing or assisting in the provision of community services, to the Patients to whom the information relates.
- C. Pursuant to section 40 of the *Local Health System Integration Act, 2006*, the Minister of Health and Long-Term Care issued an order, effective March 1, 2017, pursuant to which all assets, liabilities, rights and obligations, employees and all records relating thereto, including all contracts of the Ontario Association of Community Care Access Centres were transferred to Health Shared Services Ontario (“HSSOntario”).
- D. Pursuant to section 40(1) of the *Connecting Care Act, 2019*, the Minister of Health issued an order, effective December 2, 2019, pursuant to which all assets, liabilities, rights and obligations, employees and all records relating thereto, including all contracts of HSSOntario were transferred to Shared Services.
- E. Shared Services provides an information system (“Health Partner Gateway” or “HPG”) and related information management and technology services (“Services”) to local health integration networks (“LHINs”) and is willing to extend the use of the HPG and Services to all Participants for the purposes described in paragraph B above.
- F. Shared Services and the Participants wish to set out their respective obligations in connection with delivery and use of the HPG and the Services in this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I - INTERPRETATION

1.01 Definitions

In this Agreement, capitalized terms are defined in the preamble above, in the body of the Agreement or have the meaning attributed to them below:

“Agent” means an “agent” as defined in PHIPA;

“Agreement” means this Agreement and any schedules attached to this Agreement;

“Applicable Law” means the laws of Ontario, or laws of Canada applicable in Ontario, that govern the collection, use and disclosure of PHI by the Participants and the provision of the Services by Shared Services to the Participants;

“Applicable Participant” means the Participant that discloses PHI in its custody or under its control to another Participant;

“Authorization” means a written direction about PHI given to Shared Services by a Participant, electronically or otherwise;

“Authorized Persons” means the employees, officers and any subcontractors of Shared Services who have a need to access to PHI in order for Shared Services to perform the Services;

“Business Day” means any day other than a Saturday, Sunday, and statutory holiday observed in the Province of Ontario;

“Data Sharing Agreement” or **“DSA”** means the agreement between the Participants setting out the terms and conditions under which PHI may be collected, used and disclosed through the HPG and the Services under this Agreement;

“Health Information Custodian” means a “health information custodian” as defined in PHIPA;

“Health Information Network Provider” means a “health information network provider”, as defined in the regulations under PHIPA;

“Ministry” means the Ministry of Health and Long-Term Care for the Province of Ontario or such other ministry as may be designated in accordance with Applicable Law as the ministry responsible in relation to the relevant matter;

“Personal Health Information” means personal health information as defined in PHIPA;

“Personal Information” means information about an identifiable individual that is not Personal Health Information;

“PHI” means collectively Personal Health Information and Personal Information that is collected, used or disclosed by a Participant, regardless of whether the Participant is a Health Information Custodian, through the HPG and the Services under this Agreement and the DSA;

“PHIPA” means the *Personal Health Information Protection Act, 2004* (Ontario);

“Privacy Breach” means the theft, loss or unauthorized access, collection, use, manipulation, disclosure and/or destruction of PHI;

“Services” means the services to be provided by Shared Services to Participants under this Agreement as more particularly described in Schedule “B”;

1.02 Number and Gender

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.03 References to Legislation

Any reference to a statute in this Agreement shall mean the statute in force as at the Effective Date together with all regulations made thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute or regulation thereto, unless otherwise expressly provided.

1.04 Headings and Table of Contents

The division of this Agreement into separate articles, sections, subsections and schedules and the insertion of headings and captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Schedules

The Schedules that form part of this Agreement are:

- Schedule “A” - Participants, Contact Information for Shared Services and Committee
- Schedule “B” - Services, Service Level Objectives
- Schedule “C” - Plain Language Description of the Services
- Schedule “D” - Participation Agreement

1.06 Order of Precedence

In the event of any conflict between any of the provisions of the Schedules hereto and the body of this Agreement, the provisions in the body of this Agreement shall govern.

ARTICLE II - SERVICES

2.01 Services, Service Level Objectives

Shared Services will provide the Services set out in Schedule “B”. Shared Services will use reasonable commercial efforts to meet the service level objectives set out in Schedule “B”. The failure of Shared Services to meet the service level objectives does not constitute a breach of this Agreement by Shared Services.

Additional information about HPG processes, including those for incident management, is provided in the document “Operational Summary of Roles and Responsibilities for HPG”, which Shared Services will make available to the Participants.

2.02 Disclaimer, Alternate Means of Exchanging PHI

The HPG is not guaranteed to perform at 100% availability and each Participant will be required to maintain alternate means of disclosing and collecting PHI and down-time procedures for use where the HPG is not available. Each Participant assumes sole responsibility for its use of the HPG and the Services and subject to any limitations in Applicable Law, for the use of PHI in providing its services to Patients.

2.03 Additional Services

Shared Services and the Participants may agree to the provision of additional services by Shared Services by amendment to Schedule “B”.

ARTICLE III - PRIVACY AND PHI

3.01 Shared Services as HINP/Agent

Shared Services is providing the Services as a Health Information Network Provider. Notwithstanding the preceding, where Shared Services is requested by a Participant to provide Services which involve the collection and disclosure of PHI and a use of PHI that is beyond that permitted to a Health Information Network Provider under PHIPA, Shared Services will provide the Services as the Agent of the Applicable Participant. Shared Services will only collect, use and disclose PHI in accordance with this Agreement and Applicable Law or pursuant to an Authorization and will not acquire any right, title or interest in or to any such PHI. For greater certainty, as between Shared Services and the Participants, the Participants have and retain custody and control of PHI, even in the course of Shared Services’ performance of the Services.

3.02 Obligations of Shared Services as a HINP

To the extent it is providing the Services as a HINP, Shared Services will:

- a) notify every applicable Participant at the first reasonable opportunity if it:
 - i. accessed, used, disclosed or disposed of PHI other than in accordance with this Agreement; or
 - ii. an unauthorized person accessed PHI;
- b) to the extent reasonably practical, and in a manner that is reasonably practical, keep and make available to each applicable Participant, on the request, an electronic record of,
 - i. all accesses to all or part of the PHI associated with the Participant being held in equipment controlled by Shared Services , which record shall identify the person who accessed the information and the date and time of the access, and
 - ii. all transfers of all or part of the PHI associated with the Participant by means of equipment controlled by Shared Services , which record shall identify the person who transferred the information and the person or address to whom it was sent, and the date and time it was sent;
- c) perform, and provide to each applicable Participant a written copy of the results of, an assessment of the Services, with respect to,
 - i. threats, vulnerabilities and risks to the security and integrity of PHI, and
 - ii. how the Services may affect the privacy of the individuals who are the subject of PHI.
- d) ensure that any third party it retains to assist in providing the Services agrees to comply with the restrictions and conditions that are necessary to enable Shared Services to comply with this section.

3.03 Plain Language Description of the Services and Security

A plain language description of the Services that is appropriate for sharing with the individuals to whom the PHI relates, including a general description of the safeguards in place to protect against unauthorized use and disclosure, and to protect the integrity of PHI is attached as Schedule “C”.

ARTICLE IV - SECURITY

4.01 Security

Shared Services will protect PHI with the physical, organizational and technological safeguards set out in Schedule "C". Upon request, Shared Services will provide any Participant with a copy of its security policies and procedures to the extent that they do not reveal a trade secret or confidential scientific, technical or commercial information of Shared Services

4.02 Notification of Disclosure Order

Shared Services will notify the Applicable Participant promptly of any demand, order or other requirement of a court or governmental authority to disclose PHI and will take all reasonable steps, in consultation with the Applicable Participant, to respond to such demand, order or requirement.

4.03 Transfer or Disclosure of PHI Outside of Canada

Shared Services will not use or store PHI outside of Canada except with the permission of the Participants.

4.04 Privacy Breach Procedures

In the event of a Privacy Breach, Shared Services will, as soon as practicable and in any event within forty-eight (48) hours of becoming aware of a Privacy Breach, send written notice of such breach to each Applicable Participant, that includes to the extent available:

- (a) the date and time of the Privacy Breach;
- (b) a description of the PHI affected by the Privacy Breach;
- (c) the circumstances of the Privacy Breach, including the persons who accessed, disclosed and received the affected PHI; and
- (d) the actions being taken to contain the Privacy Breach and to prevent similar Privacy Breaches from occurring in the future.

4.05 Third Party Requests for PHI

Shared Services will refer all requests by third parties (other than Authorized Persons) for access to PHI to the Applicable Participant or Participants.

4.06 Inspection

Any Participant may enter premises of Shared Services from which Shared Services provides the Services during normal business hours, on a Business Day, upon at least twenty-four (24) hours prior notice, for the purposes of inspecting and auditing Shared Services' compliance with this Agreement. For greater certainty, this right of inspection applies only to premises under the control of Shared Services and not to any third party premises.

ARTICLE V - CONFIDENTIAL INFORMATION

5.01 Definition

For purposes of this Agreement, "Confidential Information" means all records, data and other information whatsoever, in any form or medium (including without limitation, PHI, financial information, books and records, policies and procedures, copyright and any other intellectual property rights, computer technology, business information and other data) relating to the operations of a party hereto (the "Disclosing Party") which is made known to another party hereto (the "Receiving Party") as a result of the relationship of the parties under this Agreement or the provision or use of the HPG and the Services by Shared Services to the Participants, but does not include any information or documents or other items which at the time in question:

- (a) have become generally available to the public other than as a result of an unauthorized disclosure by the Receiving Party;
- (b) were available to the Receiving Party on a non-confidential basis prior to disclosure to the Receiving Party; or
- (c) are required by Applicable Laws to be disclosed.

Notwithstanding the preceding, paragraphs (a) and (b) do not apply where Confidential Information is also PHI and to the extent of any inconsistency, where Confidential Information is PHI, the provisions of Articles IV and V prevail.

5.02 Confidentiality Obligations

The Receiving Party will:

- (a) hold in strictest confidence all Confidential Information of a Disclosing Party using at least the same degree of care to protect the Confidential Information as it uses to protect the its own Confidential Information of a similar nature and in any event, no less than a reasonable degree of care;
- (b) not disclose or use or allow to be disclosed or used in any manner whatsoever, other than as expressly contemplated by this Agreement, as may be required to carry out the terms of this Agreement or as may be required for Shared Services to perform the Services and then only on a need-to-know basis, any Confidential Information of a Disclosing Party, either during the term of this Agreement or at any time thereafter, except with the prior written consent of such Disclosing Party;
- (c) ensure that all personnel of the Receiving Party who have access to Confidential Information of the Disclosing Party are informed of the confidential nature of the Confidential Information so as to know to keep such information confidential and not use it for any purpose except as permitted under this Agreement; and
- (d) notify the Disclosing Party promptly in writing in the event of any loss or inability to account for the Disclosing Party's Confidential Information.

5.03 Obligations on Termination or Expiry

The parties acknowledge and agree that any Confidential Information of a party provided to the other party under this Agreement will be a copy of the Confidential Information. Following the termination or expiry of this Agreement, the Receiving Party will, upon the demand of the Disclosing Party, securely destroy Confidential Information of the Disclosing Party that it is holding, without keeping any copies in any form or format, and provide the Disclosing Party with an attestation to the destruction by a senior officer or manager. Notwithstanding the preceding, a Receiving Party may retain Confidential Information of a Disclosing Party to the extent and for the period of time required by law, and the Receiving Party shall continue to comply with this Section 5.02 in relation to such retained Confidential Information.

For greater clarity, the obligation to destroy Confidential Information in the preceding paragraph do not apply to PHI collected by a Participant from another Participant under this Agreement.

ARTICLE VI - RESPONSIBILITIES OF THE PARTICIPANTS

6.01 Assistance from Participants

Each Participant will provide Shared Services with such reasonable assistance as Shared Services may request in order to perform the Services and meet its obligations under this Agreement. Shared Services will not be responsible or held liable for any limitation or loss of availability of the Services to a Participant should the Participant decide to withhold such assistance.

6.02 Accuracy of Information

Each Participant is responsible for ensuring the accuracy of the PHI it discloses to other Participants through the Services and more particularly, for compliance with any requirements relating to the accuracy of PHI under Applicable Law. The parties will establish and use appropriate audit controls to test the accuracy of PHI and each Participant will promptly report any issues related to the accuracy of PHI to Shared Services.

ARTICLE VII - GOVERNANCE

7.01 Representative

Each of the parties will designate a representative to act as a single point of contact for such party in connection with all matters concerning this Agreement, including the delivery and use of the Services and PHI.

7.02 Initial Appointment and Changes

The name, address, telephone number, facsimile number, and e-mail address ("Contact Information") of each Participant's Representative will be provided on the Participation Agreement executed by the Participant. The Contact Information for Shared Services and the Committee will be provided in Schedule "A". A list of all Contact Information, updated by Shared Services as required, will be made available to the parties by Shared Services. Any party may at any time change its designated Representative upon written notice to Shared Services.

7.03 Community Integration Steering Committee

A Community Integration Steering Committee (the “Committee”) will be established to assist the parties with the delivery and use of the HPG and the Services, matters involving PHI and any other matters arising out of this Agreement. The membership of the Committee will be representative of the parties. For clarity, the Committee will include one or more representatives of Shared Services, and of each Participant sector, including but not limited to LHINs, hospitals, long term care and primary care. Shared Services and each Participant sector will determine the process for selecting its representatives. The initial terms of reference of the Committee will be made available to each party. The Committee will have the discretion to amend its terms of reference and will determine the process by which it will do so and conduct its business.

ARTICLE VIII - SCHEDULE AMENDMENTS; ADDITIONAL PARTICIPANTS

8.01 Amendments

At any time and from time to time during the term of this Agreement, any party may request amendment (a “Schedule Amendment”) to a Schedule to this Agreement. The party submitting the request will specify the nature, details and reasons for the proposed Schedule Amendment.

8.02 Accepted Schedule Amendment

Each Schedule Amendment that is accepted and agreed to in writing by the parties will be deemed incorporated into and will constitute a formal amendment of this Agreement, and the provisions of this Agreement will apply to each Schedule Amendment.

8.03 Written Agreement

For greater certainty, Shared Services will not be obligated to perform any additional services or fulfill any additional obligations contained in a Schedule Amendment until it has been agreed to in writing by the parties.

8.04 Additional Participants

A Health Information Custodian or provider of community services that has been recommended as a Participant or has applied to the Committee and meets the terms and conditions established by the Committee, will become a Participant upon the execution of a Participation Agreement, in the form attached hereto as Schedule “C” and a DSA.

ARTICLE IX - TERM AND TERMINATION

9.01 Term

This Agreement will remain effective until terminated by a Participant, in relation to itself, by the Committee in relation to a Participant, by all of the Participants, or by Shared Services.

Any Participant may terminate this Agreement in respect of such Participant on one (1) month’s prior written notice to Shared Services and Committee. Upon any termination of the DSA with respect to a Participant, this Agreement will be deemed to have been terminated in respect of that Participant, effective as of the date of the termination of the DSA.

The Committee may terminate this Agreement in respect of a Participant where the Participant has failed to comply with this Agreement or its acts or omissions are a threat to the security and/or integrity of PHI. Where the Committee terminates this Agreement in connection with a Participant, that Participant may make written submissions to the Committee and the Committee will reconsider the decision to terminate and may impose terms and conditions and limit the term of the Agreement in connection with the Participant.

Shared Services may terminate this Agreement on ninety (90) days' notice to the Participants.

The Participants, acting through the Committee, may extend this Agreement immediately following termination for up to sixty (60) days, or such other period as agreed to by the Committee on behalf of the Participants and Shared Services, to facilitate the transition from the HPG and Services to the Participants or another third party system and service provider.

ARTICLE X - LIMITATION OF LIABILITY

10.01 Limitation of Liability

The Parties acknowledge that the provision of the HPG and Services to the Participants is not in Shared Services' ordinary course of business and is being provided as a benefit for the Participants and their Patients. No party will seek recourse against Shared Services for damages arising out of or in connection with this Agreement unless: (1) due to the malicious conduct of Shared Services; or (2) for the failure to perform under the indemnity to Shared Services in Section 10.02 below. The parties agree to work through the Committee and with their insurers and risk managers, to mitigate the risk of third party claims that could potentially flow from their use of the HPG and Services.

10.02 Indemnification of Shared Services

Each Participant agrees to indemnify and hold Shared Services harmless from and against any and all damages, costs, liabilities, expenses and settlement amounts, which Shared Services may incur or suffer relating to any claim by a Participant or any third party that Shared Services may defend or settle in respect of this Agreement or otherwise related to the provision of the HPG and the Services (the "Claim"), except where due to the malicious actions of Shared Services (the "Participant Indemnity"). The amount of indemnification for which each Participant will be responsible under this section 10.02 will be allocated equitably among the applicable Participants.

ARTICLE XI - NOTICE

11.01 Required or Permitted Communications

Any demand, notice, direction or other communication ("Notice") required or permitted to be given hereunder, or for the purposes hereof, to a party will be in writing and will be sufficiently made or given if delivered personally or by courier, or if sent by first class prepaid registered mail or if transmitted by facsimile or other similar means of electronic communication, addressed to the party at the address in Schedule "A".

11.02 Deemed Receipt

Any communication, if delivered personally or by courier, will be deemed to have been given and received on the date on which it was delivered, provided that if such day is not a Business Day, or such delivery was not made within normal business hours, then the communication will be deemed to have

been given and received on the Business Day next following such day. Any communication mailed as aforesaid will be deemed to have been given and received on the fourth Business Day following the date of its mailing in Canada, provided that if at the time of mailing or within four (4) Business Days thereafter, there occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any communication shall be delivered or transmitted by other means provided for in this section. Any communication given by facsimile or similar form of electronic communication will be deemed to have been given and received on the date of its transmission, provided that if such day is not a Business Day or if it is not received within normal business hours on the date of its transmission, then it will be conclusively deemed to have been given and received on the first Business Day next following its transmission. Any party may change its address at any time by written notice given to the other parties in accordance with this section.

ARTICLE XII - GENERAL

12.01 Entire Agreement

With respect to its subject matter, this Agreement, including the Schedules hereto, contains the entire understanding of the parties and supersedes and replaces all previous agreements, promises, proposals, representations, understandings, and negotiations, whether written or oral, between the parties respecting the subject matter hereof. This Agreement supersedes and replaces the Community Integration Information Management and Network Services Agreement dated November 1, 2012.

12.02 Waivers

No party will be bound by or be liable for any alleged representation, promise, inducement or statement of intention not set forth herein. No waiver, alteration, amendment, modification, or cancellation of any of the provisions of this Agreement will be binding upon a party unless made in writing and duly signed by the party or parties to be bound.

12.03 Further Assurances

Each of the parties will, at its own expense and upon the request of another party, from time to time, promptly execute and deliver, or cause to be executed and delivered, all such further acknowledgements, consents, assurances and other documents, and promptly do, or cause to be done, all such further acts and things as that other party may reasonably request in order fully to effect the purposes of this Agreement.

12.04 Parties Not Partners

Nothing in this Agreement will be construed so as to imply, constitute or create a partnership, employment, joint venture or agency relationship between the parties and nothing in this Agreement or arising from the terms of this Agreement will be construed to confer on a party any right, authority or power to act for, or to assume, create or undertake any obligation or responsibility on behalf of any other party.

12.05 Severability

If any term or condition of this Agreement or the application thereof, to any person or circumstances is to any extent invalid, illegal or unenforceable in any respect, the remainder of this Agreement shall not be affected by the invalidity, illegality or unenforceability of the particular term or condition or the application thereof.

12.06 Governing Law

This Agreement will be interpreted, construed, and governed by and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (other than any conflict of law rules that would result in the choice of laws of another jurisdiction) and the Participants agree to submit to the exclusive jurisdiction of the courts of Ontario.

12.07 Assignment

No party may assign its rights or obligations under this Agreement without the prior written consent of the other parties, not to be unreasonably withheld, except that any party may without consent assign its rights under this Agreement to: (1) a successor entity; (ii) or an acquirer of all or substantially all of its assets; or (iii) following an approved transfer to another entity under the Long-Term Care Homes Act, 2007 (Ontario) or any other law regulating the ownership or operation of a party.

12.08 Enurement

This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

12.09 Survival

The provisions of this Agreement which by their own terms take effect on termination of this Agreement or by their nature survive termination, will continue in full force and effect and survive such termination, notwithstanding any termination of this Agreement, including Articles V and X and Sections 12.01 – 12.04, 12.06, 12.08 and this 12.09.

IN WITNESS WHEREOF, Shared Services has executed this Agreement below and each Participant has executed this Agreement by execution of a Participation Agreement in the form in Schedule "D".

ONTARIO HEALTH (SHARED SERVICES)

Per: 

Name: Miren Chauhan

Title: Vice President, Corporate Services

Per: 

Name: David McLelland

Title: Chief Information Officer & Vice President, Technology & Strategy

Schedule “A”

I – List of Participants

The list of Participants to this Agreement will be managed by Ontario Health (Shared Services).

II – Shared Services Address for Notice

Attn: Privacy Officer
Address: 130 Bloor Street West, Suite 200, Toronto ON M5S 1N5
Phone: 416-750-1720
Fax: 416-750-3624
Email: privacy.officer@hssontario.ca

III – Committee Address for Notice

Attn: Privacy Officer
Address: 130 Bloor Street West, Suite 200, Toronto ON M5S 1N5
Phone: 416-750-1720
Fax: 416-750-3624
Email: privacy.officer@hssontario.ca

Schedule “B”

Services and Service Level Objectives

Description of HPG

1. Health Partner Gateway (HPG) is a portal application system that supports Participants in exchanging Patient information with other Participants in a secure and timely manner. HPG is a proprietary application written, maintained, and supported by Shared Services. The systems use Microsoft .NET technology and it runs on Microsoft Windows Servers with a Microsoft SQL Server database. The HPG systems are located in a secure data center on a private network in Ontario.
2. The HPG system offers business functions which include the following and will be made available to the Participants:
 - (a) eReferral to Long Term Care Home (LTCH). eReferral to LTCH enables Participants to electronically share, through an automated process, new and updated Patient referrals and associated referral information with Participants in their Local Health Integration Network (“LHIN”) that are LTCHs. The recipient LTCHs will be able to receive, respond and update referrals electronically as Patients progress from application through vacant bed matching through admission processes. This functionality includes the sharing of referral updates between other Participants and LTCH Participants.
 - (b) eReferral to Community. eReferral to Community enables Participants to electronically share new and updated patient referrals and associated referral information, including shared documents and assessments, electronically with Participants that are Community Support Service Agencies (“CSSA”). The recipient CSSAs have the ability to receive, respond and update referrals electronically as patients progress from application through to admission.
 - (c) Partner-to-Partner Messaging. The partner-to-partner messaging function allows Participants to send messages to other Participants. This function also allows specific locally-managed organizations to become part of a ‘Community Messaging Group’, enabling them to send messages to, and receive messages from other Organizations within the group. ‘Community Messaging Group’ exists only within the boundaries of the LHIN: communication is restricted to Organizations managed by the LHIN.

Services

Shared Services will:

- Provide all support for HPG production systems including, without limitation, all maintenance, back-up and recovery, and performance and capacity monitoring, tuning, planning of the applications and reporting.
- For Priority 1 Level Incidents (as defined below), initiate and participate in P1 activities.

- Provide appropriate representatives to participate in the system-related committees and/or working groups.
- Ensure support representatives have access to perform troubleshooting and diagnostic activities in respect of HPG.
- Provide all support for any in-scope databases including, without limitation, all maintenance, back-up and recovery, and performance and capacity monitoring, tuning, planning and reporting.
- Provide all Tier 2 and Tier 3 Support (as defined below) as appropriate including, without limitation:
 - Serve as the initial point of contact with regard to all HPG problems, inquiries, and requests.
 - Maintain and update tickets in the ticketing and tracking system once escalated from a local helpdesk. Includes selecting the priority level, performing an accurate triage of the incident and allocation of correct resources
 - Contact the help desk support in respect of all Priority 1 and Priority 2 Level Incidents on in scope environments and applications and Shared Services' incident manager.
 - Contact Shared Services' incident manager in respect of all Priority 1 and Priority 2 Level Incidents.
 - Suggest possible work-arounds and other solutions, if applicable.
- Procure, install, operate, support and maintain all of the hardware and software that is required for the HPG, including:
 - obtain all appropriate licenses and maintenance agreements; and
 - make all contacts and other communications with the applicable third-party vendors with respect to such hardware and software,
- Procure and maintain communication services, including Internet connections necessary for integration and any and all other on-line services offered by Shared Services .

Service Level Objectives

Shared Services Response and Resolution Targets for Incidents

P1 and P2 Incidents detected by Shared Services affecting multiple users will be managed as follows: Urgent and Full system advisories must be issued within 30 minutes and a provincial call is initiated at the 2 hour mark with all operational IT designates for information updates for P1 Incidents. All other Incidents (P2, P3 and P4) must be communicated as needed (system advisory or SMA updates).

Incident Priority Level	Incident Service Level Description	Incident Response Target	Incident Resolution Target	On Call Support Availability after hours
Priority 1 (Critical)	Core application down or network connection or business productivity service down at: ² <ul style="list-style-type: none"> • multiple Participants or • main site at one Participant or 	Within 20 minutes ¹ <i>Note: updates every 2 hours</i>	Within 4 hours	Yes

Incident Priority Level	Incident Service Level Description	Incident Response Target	Incident Resolution Target	On Call Support Availability after hours
	<ul style="list-style-type: none"> multiple sites within a single Participant or across LHINs 			
Priority 2 (Major)	Core application degraded, network connection degraded or business productivity service degraded at: ² <ul style="list-style-type: none"> multiple Participants or main site or multiple sites within a single Participant or across Participants 	Within 20 minutes ² <i>Note: updates every 4 hours</i>	Within 14 hours	Yes
Priority 3 (Minor)	Core application or business productivity service degraded or business support service degraded/down for a small number of users (1-10)	Within 2 Regular Support Hours	Within 48 Regular Support Hours	No
Priority 4 (Minimal)	Network connection degraded, or business productivity service or business support service degraded without impacting the business.	Within 2 Regular Support Hours	Within 5 Business Days	No

¹ Shared Services will endeavor to provide updates every 2 hours for P1 Incidents until resolution. Shared Services will endeavor to provide updates every 4 hours for P2 Incidents.

HPG Target Availability

HPG system availability	Availability is based on 24 hours per day/7 days per week, 365 days per year excluding planned and scheduled maintenance, reported on a monthly percentage figure. Target = 99.5%
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Scheduled and Emergency Maintenance

The Scheduled maintenance window for HPG is:

- Wednesday and Saturday 9 PM to 6 AM.

Additional information about roles and responsibilities for the HPG and contact information is included in the document “Operational Summary of Roles and Responsibilities for HPG” which Shared Services will make available to all Participants.

Schedule “C”
Plain Language Description of the Services and Security

The following description of the health Partner Gateway (HPG) has been created to highlight privacy security safeguards within HPG.

3. Description of HPG

1. Health Partner Gateway (HPG) is a portal application system that supports the exchange of patient and client information by providers of health care and community services with other such providers in a secure and timely manner. HPG is a proprietary application written, maintained, and supported by Shared Services. The systems use Microsoft .NET technology and it runs on Microsoft Windows Servers with a Microsoft SQL Server database. The HPG systems are located in a secure data center on a private network in Ontario.

4. Summary Privacy and Security Safeguards

2. There are numerous controls built into the HPG to protect PHI:
 - (a) Administrative Safeguards:
 - The Chief Privacy Officer of Shared Services is accountable for the privacy and information security of the HPG systems
 - All Shared Services employees, consultants and contractors must abide by our privacy and information security policies and commit to complying with an Acceptable Use and Conduct policy as a condition of employment or as part of their contract or agreement.
 - Shared Services makes privacy and information security education mandatory for staff
 - Risk assessment is part of Shared Services’ project cycle
 - (b) Technical Safeguards:
 - Shared Services has deployed safeguards to ensure only the people who need to have access to our systems and Shared Services’ clients’ information are given access
 - Strong passwords are required to access systems hosting personal health information and other personal information.
 - Shared Services protects personal health information and other personal information by making sensitive information in our computing devices unreadable to those who are not authorized to access this information.
 - Security applications are installed in our sensitive information systems to monitor and prevent abnormal activity.
 - Perimeter security technologies are deployed to ensure our systems are protected from users on the internet.
 - (c) Physical Safeguards
 - Systems where personal health information and other personal information are processed or stored are physically secured in purpose-built facilities with appropriate physical and environmental controls.
 - Physical security controls of these purpose-built facilities are validated by an internally conducted threat risk assessment to ensure they meet Shared Services security standards.

Schedule "D"

Participation Agreement Template

This Participation Agreement is entered into by

FULL NAME OF ORGANIZATION

("Participant") effective **DATE THE AGREEMENT WAS SIGNED**

1. The terms used in this Participation Agreement have the meanings attributed to them in the Community Integration Information Management and Network Services Agreement (Network Services Agreement) dated March 1, 2015 among Shared Services , the Participant and other providers of healthcare and/or community services that also have entered into the Network Services Agreement through a Participation Agreement and a Data Sharing Agreement between the Participants.
2. The Network Services Agreement establishes the terms and conditions upon which the Shared Services will make the HPG available to and provide the Services to the Participants.
3. The Participant has reviewed and agrees to be a party to and bound by the Network Services Agreement, the terms and conditions of which are incorporated herein by reference.
4. The following is the contact information for the Participant for the purposes of all Communications under the Agreement:

Name: **FULL NAME OF ORGANIZATION**

Contact Name/Title: **FULL NAME & TITLE OF SIGNING AUTHORITY OF ORGANIZATION**

Address: **FULL ADDRESS OF SIGNING AUTHORITY OF ORGANIZATION**

Telephone: **TELEPHONE NUMBER OF SIGNING AUTHORITY OF ORGANIZATION**

Fax: **FAX NUMBER OF SIGNING AUTHORITY OF ORGANIZATION**

Email: **EMAIL ADDRESS OF SIGNING AUTHORITY OF ORGANIZATION**

Schedule “D”

Participation Agreement Template

In witness whereof, this Agreement has been executed by the Participant:

Per: FULL NAME OF ORGANIZATION

Name: FULL NAME OF SIGNING AUTHORITY

Title: TITLE OF SIGNING AUTHORITY

Signature:

Council Report

Report Number: HH2021-002
Meeting Date: February 23, 2021
Title: Affordable Housing Target Program
Recommendations
Description: Steering Committee Recommendations for Intake
CKL2020-001 and COH2020-001
Author and Title: Michelle Corley, Program Supervisor, Human Services

Recommendation(s):

That Report HH2021-002, **Affordable Housing Target Program Recommendations**, be received;

That subject to the necessary by-laws and agreements being forwarded to council for approval, and the successful completion of such planning and development processes as may be required, the recommended applications received through the Affordable Housing Target Program, Intake CKL2020-001, providing a total of 2 affordable ownership units in the City of Kawartha Lakes and Intake COH2020-001, providing a total of 47 affordable rental units in the County of Haliburton, as described in Report HH2021-002, be supported;

That the municipal incentives identified in Table 1 of Report HH2021-002 be approved;

That the requested waiver of development charges in the amount of \$51,140.00 be recovered through financing from the uncommitted portion of the General Contingency Reserve (1.32090); and

That the Director of Human Services and the Manager of Housing be authorized to execute necessary agreements to provide the incentives to these projects.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Affordable Housing Target Program (AHTP) offers an opportunity for interested proponents to submit an application to apply for funding and incentives to create affordable housing units that will assist the City and County in achieving targets established in the 2020-2029 Housing & Homelessness Plan, CKL Report HH2019-010 – 2020-2029 Housing and Homelessness Plan.

It is important to understand that each additional affordable unit is not always the result of new construction. An additional affordable unit can be created in a variety of ways including:

- Resale of existing ownership
- Subsidy to a tenant to use in an existing market rental (Rent Supplement, Housing Allowance or Portable Benefit)
- Rehabilitation of spaces not currently residential rental or inhabitable
- Creation of a secondary suite within an existing or new residential home
- Purpose built rental and ownership

The lack of purpose built rental has been and continues to be of concern in the City and County. The vacancy rate has remained low for several years as supply is not keeping up with demand. The continued focus of single detached homes making up the majority of the living spaces will only escalate an already critical rental housing situation. The AHTP will help to enable the creation of affordable housing. An important consideration in meeting the adopted targets is that there is no expectation that any partner will be able to create affordable housing without some level of funding or policy support.

Proponents looking to create affordable housing can seek funding, incentives or policy support by applying through the AHTP. To apply, proponents have an opportunity at any time to submit an expression of interest online. On a quarterly basis throughout the year applications will be accepted from those who have submitted an expression of interest. Proponents who have submitted an expression of interest are invited to meet with City staff to prepare them to submit an application. Once the quarterly application date has passed, applications will be reviewed with a technical team consisting of various municipal staff. Comments from the technical team are gathered for the AHTP Steering Committee. The Steering Committee, made up of senior municipal staff, then have an opportunity to review each application based on its individual merit and make recommendations to council(s).

Interested proponents can be any of the following:

- Private developers
- Community housing providers
- Affordable housing providers
- Community agencies

- Residents

The Steering Committee (for either Kawartha Lakes or the County of Haliburton) will review every application and recommend based on the phase the development is at. This may include recommending as part of this intake, either in full or in part or recommending to a next intake when the project is further along.

Recommendations from the Steering Committee will be made to the applicable council(s) responsible to provide the incentive. The Steering Committee report will detail all incentives and any decisions to date.

This report includes applications received and recommended by both the Kawartha Lakes and the County of Haliburton Steering Committees for the first intake of this program. The recommendations of the report are specific to those incentives which will be provided by the City of Kawartha Lakes. The City is the Service Manager for housing and therefore administers this program overall for entire service area, which includes the County of Haliburton.

For example, on January 27, 2021 Haliburton County Council adopted the following recommendations:

That the January 27, 2021 report, Affordable Housing Target Program - Recommended Projects be received; and

That subject to the necessary by-laws and agreements being forwarded to council for approval, and the successful completion of such planning and development processes as may be required, the recommended applications received through Intake COH2020-001 of the Affordable Housing Target Program, providing a total of 47 affordable housing units in the County of Haliburton be supported as described in Table 1; and

That the following municipal incentives, falling within County responsibility, be approved:

- 1.KLH Housing -Cash contribution \$360,000.00 (one-time capital contribution).
- 2.KLH Housing -Rent supplement \$72,000.00 (annual contribution).
- 3.KLH Housing -Official Plan Amendment fees \$1,000.00 (waived).
- 4.Place for People -Consent and advertising fee \$1,300.00 (waived).
- 5.Places for People -Site plan application fees \$1,200.00 (waived).

The incentives that are the responsibility of the local municipalities for these projects will be recommended at the respective councils during February meetings.

The Service Manager is also the recipient of, and responsible for, any federal and/or provincial affordable housing funding. There is funding recommended from the City's Service Manager Ontario Priorities Housing Initiative (OHPI), Ontario Renovates Component, for three of the projects. The Ontario Renovates component includes the ability to fund the creation of secondary suites or to renovate spaces not previously used as rental. The recommended OHPI funding allocations have no net financial impact to the City as they are fully funded with provincial grants.

Rationale:

Table 1 below is the summary of each of the recommended AHTP applications for City incentives or support received during the most recent intake for the program (AHTP COH 2020-001 and CKL 2020-001). Following the table is a description of each recommended project. Some municipal incentive values will be estimates based on information available at this time. Every effort is made to firm up these estimates as agreements are executed.

Table 1: Recommended Municipal Incentives from City of Kawartha Lakes				
Proponent Name / Municipality	Program	Incentive / Method	Estimated Incentive Value	# of Affordable Units
Habitat for Humanity, Kawartha Lakes, Bobcaygeon	New Home Development (single family homes)	Building Permit Fees: Exemption	\$2,562	2
		Development Charges: Exemption (recovered through contingency reserve)	\$51,140	
		Entrance Permit: Waived	\$226	
		Water and Sewer Connection Fee: Waived	\$1,020	
		Water and Sewer Frontage Charges: Waived	\$5,680	
Matt McWilliams, Haliburton County, Minden Hills	Secondary Suite	Secondary Suite Capital Interest Free Forgivable Loan: Provided through provincial funding to the Service Manager	\$25,000	1

Helen Batts, Haliburton County, Highland East	Secondary Suite	Secondary Suite Capital Interest Free Forgivable Loan: Provided through provincial funding to the Service Manager	\$25,000	1
Places for People, Haliburton County, Dysart et al	Multi-Unit Rehabilitation	Multi-Unit Rehabilitation Capital Interest Free Forgivable Loan: Provided through provincial funding to the Service Manager	\$150,000	15
KLH Housing Corporation Haliburton County, Minden Hills	Multi-Unit New Rental Development	Cash Flow Assistance during Construction and Debenture Financing: 100% recovered by the KLH Housing Corporation	\$7,147,591	30

The following proponents and projects are geographically located in the City of Kawartha Lakes. The projects have undergone a detailed review by the City's technical team and the municipal incentives in Table 1 are being recommended to Kawartha Lakes Council by the City's Steering Committee.

**1. Proponent name: Habitat for Humanity Peterborough & District
(Operating as Habitat for Humanity Peterborough & Kawartha Region)**

This development will add two affordable home ownership units located at 166 and 168 East Street North in Bobcaygeon. The units are sold to the Habitat partner families at a price that will meet the City's definition of affordable housing.

The following proponents and projects are geographically located in the County of Haliburton. The projects have undergone a detailed review by the City, County and local municipality technical team and the municipal incentives in Table 1 are being recommended to Kawartha Lakes Council by the County's Steering Committee.

1. Proponent name: Matt McWilliams

This project will create one three-bedroom secondary unit in a residential home located in Minden. The unit will be rented at 80% of the local average market rent to a low to moderate income household. The market rent and household income will meet the City's definition of affordable housing. The unit will be made affordable for a period of 15 years.

This proponent and project will also receive the following municipal incentives:

- Building permit fee exemption through Minden Hills

2. Proponent name: Helen Bates

This project will create one one-bedroom secondary unit in a residential home located in Tory Hill. The unit will be rented at 80% of the local average market rent to a low to moderate income household. The market rent and household income will meet the City's definition of affordable housing. The unit will be made affordable for a period of 15 years.

This proponent and project will also receive the following municipal incentives:

- Building permit fee exemption through Highlands East
- Landfill tipping fees waived through Highlands East

3. Proponent name: Places for People

This project, of an established non-profit organization in the County, will create fifteen rental units (12 bachelor, 2 one-bedroom and 1 two-bedroom) through the rehabilitation of a motel located at 4951 County Road 21, Dysart. The units will be rented at 100% of the local average market rent to a low to moderate income household. The market rent and household income will meet the City's definition of affordable housing. The units will be made affordable for a period of 40 years.

This proponent and project will also receive the following municipal incentives:

- Official Plan, Rezoning and Site Place application fees and charges waived through the County of Haliburton and Dysart et al
- Relief from site plan and water responsibility agreement securities through Dysart et al
- Sewer connection charges waived through Dysart et al
- Building permit fee exemption through Dysart et al

4. Proponent name: KLH Housing Corporation

This project will create thirty rental units within fifteen duplex passive house buildings. The market rent and household income will meet the City's definition of affordable housing. The units will be made affordable for a period of 40 years.

Rent Level	Number of two bedrooms
80% Average Market Rent (AMR)	10
100% AMR	10
100% AMR with rent supplement	10
Total	30

This proponent and project will also receive the following municipal incentives:

- Donation of an adjacent road allowance through Minden Hills
- Official Plan, Rezoning and Site Place application fees and charges waived through the County of Haliburton and Minden Hills
- Relief from site plan agreement security through Minden Hills
- Exemption for Parkland Levy through Minden Hills
- Building permit fee exemption through Minden Hills
- Water and sewer connection charges waived through Minden Hills
- Cash contribution of \$360,000 through the County of Haliburton
- Rent supplement funding on an annual basis for 10 units through the County of Haliburton

Applications were not evaluated on a competitive basis. Proponents may present information reports to council at various phases of their projects, however, it is intended that approvals for incentives and funding are granted through the AHTP process, and specifically for these projects, through this report.

Although the AHTP Steering Committee evaluated proposed projects that included both immediate and future units that will assist to achieve targets, this report only captures projects that can start within the next year. Projects in early development stages, will be deferred and recommended for a future date.

Proponents who submitted an application that were not recommended by the AHTP Steering have the opportunity to request an appeal by contacting the AHTP Steering Committee in writing through the AHTP Program Coordinator. The AHTP Steering Committee will review the appeal and respond. If the proponent would like to discuss their application with the AHTP Steering Committee further, an opportunity to speak with the AHTP Steering Committee may be available at the next scheduled meeting, at the discretion of the Chair.

Alignment to Strategic Priorities

This report aligns to the Exceptional Quality of Life strategic priority. It contributes directly to the goal of:

- Continuing to encourage mixed development, with a focus on affordable, attainable and purpose built housing.

Financial/Operation Impacts:

The financial recommendations for the projects within this report apply only to the incentives being provided through the City directly.

The capital interest free forgivable loans for the two secondary suite units (Batts and McWilliams) and the fifteen multi-unit rehabilitation units (Places for People) will be

funded through the Service Managers allocation under the Ontario Priorities Housing Initiative (OPHI). The City receives an annual allocation in its role as Service Manager for the service area (City and County). The three projects recommended for funding within this report will be provided through the Year 3 (2021-2022) allocation.

There are a number of incentives being provided to Habitat for the two homes in Bobcaygeon. Many of the fees and charges can be provided with minimal impact to the City. This is not the case for a development charge exemption. The Development Charges Act requires the City to replenish the Development Charge reserve from non-Development Charge sources for the resulting foregone revenue. So while the authority to provide the exemption exists, the City will always need to identify a corresponding funding source. The City's General Contingency reserve will be used for this purpose.

KLH Housing is requesting support to secure long term financing from the City and cash flow for the thirty-unit development in Minden. This financing approach has been the standard for several KLH Housing new developments in recent years. The request is for the City to take out financing in the amount of \$7.2M, in the form of a 30-year serial debenture, in its name. The City would then lend this money to KLH who in turn would make both principal and interest payments from the revenue received from the tenants. The City would not secure the debenture until the project was complete (spring 2022), so it would cash flow the project expenses with any related expense being reimbursed from KLH Housing.

The revenue generated from the thirty units will cover the expenses and the debt payments as shown in Table 2. Rents will be established using local averages so that all thirty of the units will contribute to the affordable targets.

Table 2: Operating Expenses and Revenues 2022 – 2026 (rounded to nearest dollar)					
Category	2022	2023	2024	2025	2026
	6 months	Annual	Annual	Annual	Annual
Net Project Revenue	\$288,936	\$585,430	\$593,102	\$600,888	\$608,792
Operating Expenses	\$64,564	\$130,420	\$131,724	\$133,041	\$134,371
Net Operating Income	\$224,372	\$455,011	\$461,378	\$467,847	\$474,420
Debenture Payments	\$223,663	\$440,788	\$433,144	\$426,053	\$418,962
Annual Surplus (shortfall)	\$709	\$14,221	\$28,234	\$41,795	\$55,458

The City of Kawartha Lakes (CKL) has an Annual Repayment Limit (ARL) prescribed by the Municipal Act. In the past Council has approved debt limits for City capital projects that are funded by Tax Levy and those funded by Water and Wastewater Rates. All other capital areas, including KLH Housing capital, do not have an approved debt limit at this time. The long term financial plan is currently being updated and an overall debt strategy, for all capital areas, will be developed. KLH Housing's debt limit falls within the scope of CKL's ARL in that the KLH Housing Corporation's sole shareholder is the City of Kawartha Lakes.

In the absence of a debt limit for KLH Housing Finance staff looked to debt levels at the beginning of 2001 which represents the time period around the amalgamation of the City and the downloading of responsibility of managing public housing to the municipal sector (devolution). At the time of devolution KLH housing had annual repayments of debt principle and interest of \$880,614. The 2023 projection for total debt principle and interest is \$1,484,367, including the Minden Development and West Street Development discussed on a previous report. This is an increase of \$603,753. At the same time the total debt outstanding for KLH Housing at 2001 was approximately \$11,246,954 and the projected 2021 debt outstanding, including the Minden Development and West Street is \$17,302,296.

It should be noted that the Annual Repayment Limit for the City of Kawartha Lakes is based on 25% of overall revenue earned, excluding grants and municipal contributions. Rental revenue collected in KLH Housing has increased from approx. \$2.5 Million in 2001 to \$4.9 Million by the end of 2022 which represents an increase of \$2.4 Million in revenue collected, including all new proposed development. This is indicative of the redevelopment focus of KLH Housing in the past 5 years but also indicates a greater ability to finance debt principle and interest payments.

Treasury staff are recommending that Council approve the cash flow and debenture financing for the Minden project and utilize approximately \$7.2M in debt to finance the project, given all the factors illustrated above. Rental revenue has almost doubled since 2001 and debt payments have increased by \$603,753. If you calculate the increase in the Annual Repayment Limit based on this increased rental revenue it would increase payments allowed by the Municipal Act for KLH by approximately \$600,000 which equates to the increase in debt payments for new developments in that same time period. Total overall debt outstanding has increased over 2001 levels by approximately \$6 Million but the rates are significantly lower at this time then they were at 2001. In 2001 the rates ranged from 4% to 7.8% and in 2022 a 30 Year serial debenture is estimated to have a 3.0% interest rate. The Long Term Financial Plan, due in Q2, 2021, will solidify a debt limit going forward for KLH Housing Corporation.

Consultations:

Treasurer, City of Kawartha Lakes
County of Haliburton AHTP Steering Committee
City of Kawartha Lakes AHTP Steering Committee

Department Head email: rsutherland@kawarthalakes.ca

Department Head: Rod Sutherland, Director, Human Services

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-Law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Space at 322 Kent Street West, Lindsay

Recitals

1. Section 5.03(3) of By-Law 2016-009, being a By-Law to Provide Authority for the Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that Lease Agreements with revenue or expense over \$10,000.00 per year with a lease term of five (5) years or under, must be approved by Council.
2. A Lease Extension and Amending Agreement for a five year term, which will expire on March 31, 2026, has been reviewed and approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Approval and Authorization

- 2.01 **Approval:** The Agreement attached to this By-Law as Schedule A is hereby approved.
- 2.02 **Authorization:** The Mayor and City Clerk are authorized to sign the agreement attached to this By-law as Schedule A, and to affix the corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A

To By-Law 2021-

Passed this 23rd day of February, 2021



Lease Extension
and Amending Agre

FIRST LEASE EXTENSION AND AMENDING AGREEMENT

THIS AGREEMENT made in duplicate as of April 1, 2021.

B E T W E E N:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND CONSUMER SERVICES**

(the “**Landlord**”)

- and -

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “**Tenant**”)

WHEREAS:

- A. By a lease dated January 22, 2018 (the “Original Lease”), Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure (“MOI”) leased to the Tenant a portion of the ground floor (the “Ground Floor Office Space”) of the building being approximately thirteen thousand, eight hundred and ninety (13,890) square feet, and a portion of the basement (the “Basement Storage Space”) of the building, being approximately three thousand and thirty-three (3,033) square feet, comprising an aggregate Rentable Area of approximately sixteen thousand, nine hundred and twenty-three (16,923) square feet, having a municipal address of 322 Kent Street West, Lindsay, Ontario, as outlined on the plan attached to the Original Lease as Schedule “A” attached thereto (the “Original Premises”) for a term of five (5) years, commencing on April 1, 2016 and expiring on March 31, 2021 (the “Original Term”), in addition to other terms and conditions as set out therein.
- B. By Order in Council No. 1152/2018, approved and ordered October 22, 2018, certain responsibilities in respect of government property under the *Ministry of Infrastructure Act*, 2011, S.O. 2011, c. 9, Sched. 27 and other responsibilities were assigned and transferred from the MOI to the Minister of Government and Consumer Services.
- C. By a lease amending agreement dated April 1, 2020 (the “First Lease Amending Agreement”) both the Landlord and the Tenant agreed to expand the Basement Storage Space from deemed square footage of three thousand and thirty-three (3,033) to deemed square footage of three thousand four hundred twenty-six (3,426) square feet. The Original Premises plus the Expansion Storage Premises shall comprise an aggregate rentable area of seventeen thousand three hundred and sixteen (17,316) square feet (the “Rentable Area of the Premises”) and are hereinafter collectively referred to as the “Premises”, except as specifically set out therein.
- D. By a second lease amending agreement dated November 1, 2020 (the “Second Lease Amending Agreement”) The Landlord granted the approval to the Tenant to install, maintain and operate a base radio system on November 1, 2020 and expiring on March 31, 2021, in addition to the terms and conditions stated therein.
- E. Pursuant to the terms of the Original Lease, the Tenant was entitled to extend the Original Term for one (1) additional term of five (5) years.
- F. The Tenant exercised its right to extend the Original Term (the “First Lease Extension and Amending Agreement”) with an extension term commencing on April 1, 2021 and expiring on March 31, 2026 (the “First Extension Term”), in addition to other terms and conditions as set out herein.
- G. The Landlord and the Tenant have agreed to amend the Original Lease as hereinafter provided.

- A. The Original Lease, the First Lease Amending Agreement, the Second Lease Amending Agreement and this First Lease Extension and Amending Agreement, is hereinafter collectively referred to as the “**Lease**”, except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) Any reference made, throughout the Lease, to "square feet" shall be “deemed square feet”.
- (b) The Lease is hereby extended for the First Extension Term.
- (c) The First Extension Term shall commence on April 1, 2021 and expire on March 31, 2026.

3. RENT FOR THE FIRST EXTENSION TERM.

- (a) Base Rent for Ground Floor Office Premises for the period commencing on April 1, 2021 and ending on March 31, 2023, One Hundred Fifty-Nine Thousand Seven Hundred Thirty-Five Dollars (\$159,735.00) per annum, payable in equal monthly instalments of Thirteen Thousand Three Hundred Eleven Dollars and Twenty-Five Cents (\$13,311.25) per month, calculated at a rate of Eleven Dollars and Fifty Cents (\$11.50) per square foot of the Rentable Area of the Premises, Sales Taxes to be added, the first of such monthly payments to be due and payable on April 1, 2021.
- (b) Base Rent for the Ground Floor Office Premises For period commencing on April 1, 2023 and ending on March 31, 2026, One Hundred Sixty-Three Thousand Two Hundred Seven Dollars and Fifty Cents (\$163,207.50) per annum, payable in equal monthly instalments of Thirteen Thousand Six Hundred Dollars and Sixty-Three Cents (\$13,600.63) per month, calculated at a rate of Eleven Dollars and Seventy-Five Cents (\$11.75) per square foot of the Rentable Area of the Premises, Sales Taxes to be added, the first of such monthly payments to be due and payable on April 1, 2023.
- (c) Basement Storage Space for the period commencing April 1, 2021 and ending on March 31, 2026, Twenty-Three Thousand Nine Hundred Eighty-Two Dollars (\$23,982.00) per annum, payable in equal monthly instalments of One Thousand Nine Hundred Ninety-Eight Dollars and Fifty Cents (\$1,998.50), calculated at a rate of Seven Dollars (\$7.00) per square foot of rentable area, Sales Taxes to be added, the first of such monthly payments to be due and payable on April 1, 2021.
- (d) Additional Rent for the year 2020 has been estimated by the Landlord to be Seven Dollars and Five Cents (\$7.05) per square foot of the Rentable Area of the Premises and is subject to annual adjustments in accordance with the terms and provisions of the Lease. The annual Additional Rent shall be in the amount of One Hundred Twenty-Two Thousand Seventy-Seven Dollars and Eight Cents (\$122,077.80), shall be payable in equal monthly installment of Ten Thousand One Hundred Seventy-Three Dollars and Fifteen Cents (\$10,173.15), Sales Taxes to be added, the first of such monthly payment to be due and payable on April 1, 2021.

4. AMENDMENT OF LEASE

The extension contemplated in this First Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) **New Parking Space:** In addition to the thirty (30) parking spots made available to the Tenant, the Landlord agrees to provide the Tenant with additional parking space of

approximately seven thousand (7,000) square feet (the "Additional Parking Space"). The Tenant shall pay, for the Additional Parking Space, an annual fee of Five Thousand Six Hundred Forty Dollars and Sixty Cents (\$5,640.60) per annum, plus Sales Taxes, payable upon the Tenant receiving an invoice from the Landlord.

- (b) **Option to Extend:** The Landlord and the Tenant agree that, provided the Tenant is not then in default, the Tenant shall be granted one (1) further option to extend the term of the Lease for five (5) years (the "Further Extension Term"). The Further Extension Term shall be upon the same terms and conditions of the Original Lease, as extended, renewed or amended, as the case may be, except: (i) for any Landlord's work, rent free period, fixturing period, tenant allowance or other tenant inducements, (ii) that there shall be no further right of extension beyond the Further Extension Term, and (iii) except for the Rent, which shall for the Further Extension Term be based upon: (1) the Rentable Area of the Premises, and (2) the then current fair market rental for the Premises, as set out in Section 17.02(b) of the Original Lease, as of the date which is six (6) months prior to the commencement of the respective Further Extension Term, which shall not, in any event, be less than the, the Rent, payable by the Tenant during the last year of the Original Term of the then current Further Extension Term, as the case may be. The Rent for the Further Extension Term shall be determined by mutual agreement as of the date which is six (6) months prior to the commencement of the Further Extension Term, or failing such agreement, by arbitration in accordance with Section 17.02(d) of the Original Lease. The Tenant shall give written notice to the Landlord of its intention to extend this First Lease Extension and Amending Agreement not less than six (6) months prior to the expiry of this First Extension Term.

5. GENERAL

- (a) Both the Landlord and the Tenant acknowledge and confirm that the Cancellation right stated in Section 17.04 of the Original Lease shall continue to apply during this First Extension Term.
- (b) The Landlord and the Tenant hereby mutually covenant and agree that during the First Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Lease.
- (c) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (d) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, as amended and extended.
- (e) The provisions of this First Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

- (f) The Tenant acknowledges and agrees that the commercial and financial information in this First Lease Extension and Amending Agreement is subject to the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of the Lease or of any information or documents.

EXECUTED by each of the parties hereto under seal on the date written below.

SIGNED, SEALED AND DELIVERED

Dated this ____ day of _____, 20 ____.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTER OF GOVERNMENT
AND CONSUMER SERVICES, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____

Name:

Title:

Authorized Signing Officer

Dated this ____ day of _____, 20 ____.

**THE CORPORATION OF THE CITY
OF KAWARTHA LAKES**

Per: _____

Name:

Title:

Authorized Signing Officer

Per: _____

Name:

Title:

Authorized Signing Officer

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-Law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Courtroom and Office Space at 440 Kent Street West, Lindsay

Recitals

1. Section 5.03(3) of By-Law 2016-009, being a By-Law to Provide Authority for the Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that Lease Agreements with revenue or expense over \$10,000.00 per year with a lease term of five (5) years or under, must be approved by Council.
2. A Lease Extension and Amending Agreement for a five year term, which will expire on March 31, 2026, has been reviewed and approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Approval and Authorization

- 2.01 **Approval:** The Agreement attached to this By-Law as Schedule A is hereby approved.
- 2.02 **Authorization:** The Mayor and City Clerk are authorized to sign the agreement attached to this By-law as Schedule A, and to affix the corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A

To By-Law 2021-

Passed this 23rd day of February, 2021



Lease Extension
and Amending Agre

LEASE EXTENSION AND AMENDING AGREEMENT

THIS AGREEMENT made in duplicate as of April 1, 2021.

B E T W E E N:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND CONSUMER SERVICES**

(the “**Landlord**”)

- and -

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “**Tenant**”)

WHEREAS:

- A. By a lease dated June 14, 2017 (the “**Original Lease**”), the Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure (“**MOI**”) leased to the Tenant the premises described as a portion of the ground floor, comprising a rentable area of approximately two thousand, one hundred and eighty-two (2,182) square feet (the “**Rentable Area of the Premises**”), in the building municipally known as 440 Kent Street West, in the Town of Lindsey, in the Province of Ontario, as outlined on the plan attached to the Original Lease as Schedule “A” thereto (the “**Premises**”) for a term of five (5) years, commencing on April 1, 2016 and expiring on March 1, 2021 (the “**Original Term**”), in addition to other terms and conditions as set out therein.
- B. Pursuant to the terms of the Original Lease, the Tenant was entitled to extend the Original Term for two (2) additional terms of five (5) years each.
- C. By Order in Council No. 1152/2018, approved and ordered October 22, 2018, certain responsibilities in respect of government property under the *Ministry of Infrastructure Act*, 2011, S.O. 2011, c. 9, Sched. 27 and other responsibilities were assigned and transferred from the MOI to the Minister of Government and Consumer Services.
- D. The Tenant has now exercised its right to extend the Original Term in accordance with the terms of the Original Lease with an extension term commencing on April 1, 2021 and expiring on March 31, 2026 (the “**Extension Term**”).
- E. The Landlord and the Tenant have agreed to amend the Original Lease as hereinafter provided.
- F. The Original Lease, and this lease extension and amending agreement (the “**Lease Extension and Amending Agreement**”), is hereinafter collectively referred to as the “**Lease**”, except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) Any reference made, throughout the Lease, to "square feet" shall be “deemed square feet”.

- (b) The Lease is hereby extended for the Extension Term.
- (c) The Extension Term shall commence on April 1, 2021 and expire on March 31, 2026.

3. RENT FOR THE EXTENSION TERM.

- (a) The Basic Rent payable for the period April 1, 2021 to March 31, 2023, shall be Twenty-Five Thousand, Ninety-Three Dollars (\$25,093.00) per annum (based on a rate of Eleven Dollars and Fifty Cents (\$11.50) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Two Thousand, Ninety-One Dollars and Eight Cents (\$2,091.08), plus Sales Taxes, each on the first day of each month during the Extension Term, the first of such monthly instalments to be due and payable on April 1, 2021.
- (b) The Basic Rent payable for the period April 1, 2023 to March 31, 2026, shall be Twenty-Five Thousand, Six Hundred Thirty-Eight Dollars and Fifty Cents (\$25,638.50) per annum (based on a rate of Eleven Dollars and Seventy-Five Cents (\$11.75) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Two Thousand, One Hundred Thirty-Six Dollars and Fifty-Four Cents (\$2,136.54), plus Sales Taxes, each on the first day of each month during the Extension Term, the first of such monthly instalments to be due and payable on April 1, 2023.
- (c) The Additional Rent for the year 2020 has been estimated by the Landlord to be Eight Dollars and Ninety-Nine Cents (\$8.99) per square foot of the Rentable Area of the Premise and is subject to annual adjustments in accordance with the terms and provisions of the Original Lease. The annual Additional Rent in the amount of Nineteen Thousand, Six Hundred Sixteen Dollars and Eighteen Cents (\$19,616.18) shall be payable in advance in equal monthly instalments of One Thousand, Six Hundred Thirty-Four Dollars and Sixty-Eight Cents (\$1,634.68), plus Sales Taxes on the first day of each month during the Extension Term, in accordance with the Original Lease.

4. AMENDMENT OF LEASE

The extension contemplated in this Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) The Original Lease is amended as follows:
 - (i) A new Section 17.20 Counterparts, shall be inserted as follows:

“Section 17.20 Counterparts

“The parties agree that this Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this Lease Extension and Amending Agreement.”

- (ii) In the Definitions section of the Original Lease, the definition of “Open Data” shall be inserted:

““Open Data” means data that is required to be released to the public pursuant to the Open Data Directive.”

- (iii) In the Definitions section of the Original Lease, the definition of “Open Data Directive” shall be inserted:

“**Open Data Directive**” means the Management Board of Cabinet’s Open Data Directive, updated on April 29, 2016, as amended from time to time.”

- (iv) Section 1.01 (o) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for the purposes of delivering notices in accordance with Section 17.07 of the Original Lease.

Ontario Infrastructure and Lands Corporation
343 Preston Street, 3rd Floor, Suite 320
Ottawa, Ontario K1S 1N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation
1 Dundas Street West, Suite 2000
Toronto, Ontario M5G 1Z3
Attention: Director, Legal (Leasing and Contract Management)
Fax: (416) 327-3376

And an additional copy to:

CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Global Workplace Solutions – Director, Lease Administration – OILC
Fax: (416) 775-3989

- (v) A new Section 17.19 Health and Safety, shall be inserted as follows:

**“Section 17.19
Health and Safety**

“The Tenant represents and warrants that, as of the date that this agreement is executed and at all times thereafter during the Term and renewals or extensions thereof, the Tenant shall take all reasonable precautions as a prudent Tenant to ensure the health and safety of the Tenant, and its occupants, invitees, employees, visitors, service providers, agents, and those for whom the Tenant is in law responsible. The Tenant further covenants and agrees that during any Health Emergency, it shall take all reasonable actions to mitigate or minimize the effects of the Health Emergency, and comply with any rules or regulations of the Landlord or any orders, ordinances, laws, rules, restrictions any by-laws of any public health official or governing bodies.

A “**Health Emergency**” means a situation in which the Landlord determines, based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health authority, that occupants, tenants, invitees or contractors working in the Building are or may be exposed to imminent danger from a disease, virus or other biological or physical agents that may be detrimental to human health.”

5. GENERAL

- (a) Landlord and the Tenant acknowledge that the Tenant has still has one (1) further options of five (5) years to extend the term of the Original Lease beyond the expiry of this Extension Term, as set out in Section 1.01(m) of the Original Lease.
- (b) The Landlord and the Tenant hereby mutually covenant and agree that during the Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Lease.

- (c) Both the Landlord and the Tenant acknowledge and confirm that the Cancellation right stated in Section 17.04 of the Original Lease shall continue to apply during this Extension Term.
- (d) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (e) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, as amended and extended.
- (f) The parties agree that this Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this Lease Extension and Amending Agreement.
- (g) The provisions of this Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

- (h) The Tenant acknowledges and agrees that the commercial and financial information in this Lease Extension and Amending Agreement is subject to the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31, as amended and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of the Lease or of any information or documents.

EXECUTED by each of the parties hereto under seal on the date written below.

SIGNED, SEALED AND DELIVERED

Dated this ____ day of _____, 20 __.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTER OF GOVERNMENT
AND CONSUMER SERVICES, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____

Name:

Title:

Authorized Signing Officer

Dated this ____ day of _____, 20 __.

**THE CORPORATION OF THE CITY
OF KAWARTHA LAKES**

Per: _____

Name:

Title:

Authorized Signing Officer

Per: _____

Name:

Title:

Authorized Signing Officer

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-Law to Authorize the Execution of a Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes in the City of Kawartha Lakes for Basement Storage Space at 440 Kent Street West, Lindsay

Recitals

1. Section 5.03(3) of By-Law 2016-009, being a By-Law to Provide Authority for the Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that Lease Agreements with revenue or expense over \$10,000.00 per year with a lease term of five (5) years or under, must be approved by Council.
2. A Lease Extension and Amending Agreement for a five-year term, which will expire on March 31, 2026, has been reviewed and approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Approval and Authorization

- 2.01 **Approval:** The Agreement attached to this By-Law as Schedule A is hereby approved.
- 2.02 **Authorization:** The Mayor and City Clerk are authorized to sign the agreement attached to this By-law as Schedule A, and to affix the corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A

To By-Law 2021-

Passed this 23rd day of February, 2021



Lease Extension
and Amending Agre

FIRST LEASE EXTENSION AND AMENDING AGREEMENT

THIS AGREEMENT made in duplicate as of April 1, 2021.

B E T W E E N:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND CONSUMER SERVICES**

(the “**Landlord**”)

- and -

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(the “**Tenant**”)

WHEREAS:

- A. By a lease dated June 14, 2017 (the “**Original Lease**”), the Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure (“MOI”) leased to the Tenant the premises more particularly described as a portion of the basement floor space, comprising a rentable area of approximately three thousand, four hundred ninety-two (3,492) square feet (the “**Basement Floor Space**”), in the building municipally known as 440 Ken Street West, in the Town of Lindsey, in the Province of Ontario, as outlined on the plan attached to the Original Lease as Schedule “A” thereto (the “**Premises**”) for a term of five (5) years, commencing on April 1, 2016 and expiring on March 31, 2021 (the “**Original Term**”), in addition to other terms and conditions as set out therein.
- B. By Order in Council No. 1342/2016, approved and ordered September 14, 2016, all of the powers and duties previously assigned and transferred to the MEDEI under Order in Council No. 219/2015 in respect of infrastructure and other matters are assigned and transferred to the MOI.
- C. By Order in Council No. 1152/2018, approved and ordered October 22, 2018, certain responsibilities in respect of government property under the *Ministry of Infrastructure Act*, 2011, S.O. 2011, c. 9, Sched. 27 and other responsibilities were assigned and transferred from the MOI to the Minister of Government and Consumer Services.
- D. Pursuant to the terms of the Original Lease, the Tenant was entitled to extend the Original Term for two (2) additional terms of five (5) years each.
- E. The Tenant exercised its first right to extend the Original Term (the “First Lease Extension and Amending Agreement”) with an extension term commencing on April 1, 2021 and expiring on March 31, 2026 (the “First Extension Term”), in addition to other terms and conditions as set out therein.
- F. The Landlord and the Tenant have agreed to amend the Original Lease as hereinafter provided.
- G. The Original Lease, and as amended and extended by this First Lease Extension and Amending Agreement, is hereinafter collectively referred to as the “**Lease**”, except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) Any reference made, throughout the Lease, to "square feet" shall be "deemed square feet".
- (b) The Lease is hereby extended for the First Extension Term.
- (c) The First Extension Term shall commence on April 1, 2021 and expire on March 31, 2026.
- (d) As of the April 1, 2021, the Basement Floor Space shall be deemed to be three thousand, five hundred nineteen (3,519) square feet.

3. RENT FOR THE FIRST EXTENSION TERM.

- (a) The Basic Rent payable for the First Extension Term shall be Twenty-Four Thousand, Six Hundred Thirty-Three Dollars (\$24,633.00) per annum (based on a rate of Seven Dollars (\$7.00) per square foot of the Basement Floor Space per annum), payable in equal monthly instalments of Two Thousand, Fifty-Two Dollars and Seventy-Five Cents (\$2,052.75), plus Sales Taxes, each on the first day of each month during the First Extension Term, the first of such monthly instalments to be due and payable on April 1, 2021.
- (b) Additional Rent for the year 2020 has been estimated by the Landlord to be Eight Dollars and Ninety-Nine Cents (\$8.99) per square foot of the Basement Floor Space and is subject to annual adjustments in accordance with the terms and provisions of the Lease. The annual Additional Rent shall be in the amount of Thirty-One Thousand, Six Hundred Thirty-Five Dollars and Eight-One Cents (\$31,635.81), shall be payable in equal monthly installment of Two Thousand, Six Hundred Thirty-Six Dollars and Thirty-Two Cents (\$2,636.32), Sales Taxes to be added, the first of such monthly payment to be due and payable on April 1, 2021.

4. AMENDMENT OF LEASE

The extension contemplated in this First Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) The Original Lease is amended as follows:
 - (i) In the Definitions section of the Original Lease, the definition of "Open Data" shall be inserted:

““Open Data” means data that is required to be released to the public pursuant to the Open Data Directive.”
 - (ii) In the Definitions section of the Original Lease, the definition of "Open Data Directive" shall be inserted:

““Open Data Directive” means the Management Board of Cabinet’s Open Data Directive, updated on April 29, 2016, as amended from time to time.”
 - (iii) Section 1.01 (p) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for purposes of payment of rent:

Ontario Infrastructure and Lands Corporation
c/o CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: OILC PLMS Accounts Receivable
 - (iv) Section 1.01 (o) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for the purposes of delivering notices in accordance with Section 17.07 of the Original Lease.

Ontario Infrastructure and Lands Corporation

343 Preston Street, 3rd Floor, Suite 320
Ottawa, Ontario K1S 1N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation
1 Dundas Street West, Suite 2000
Toronto, Ontario M5G 1Z3
Attention: Director, Legal (Leasing and Contract Management)
Fax: (416) 327-3376
And an additional copy to:

CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Global Workplace Solutions – Director, Lease Administration – OILC
Fax: (416) 775-3989

- (v) A new Section 17.20, Health and Safety, shall be inserted as follows:

**“Section 17.20
Health and Safety**

“The Tenant represents and warrants that, as of the date that this agreement is executed and at all times thereafter during the Term and renewals or extensions thereof, the Tenant shall take all reasonable precautions as a prudent Tenant to ensure the health and safety of the Tenant, and its occupants, invitees, employees, visitors, service providers, agents, and those for whom the Tenant is in law responsible. The Tenant further covenants and agrees that during any Health Emergency, it shall take all reasonable actions to mitigate or minimize the effects of the Health Emergency, and comply with any rules or regulations of the Landlord or any orders, ordinances, laws, rules, restrictions any by-laws of any public health official or governing bodies.

A “**Health Emergency**” means a situation in which the Landlord determines, based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health authority, that occupants, tenants, invitees or contractors working in the Building are or may be exposed to imminent danger from a disease, virus or other biological or physical agents that may be detrimental to human health.”

- (vi) A new Section 17.21, Counterparts, shall be inserted as follows:

**“Section 17.21
Counterparts**

“The parties agree that this First Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this First Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this First Lease Extension and Amending Agreement.”

5. GENERAL

- (a) Both the Landlord and the Tenant acknowledge and confirm that the Cancellation right stated in Section 17.04 of the Original Lease shall continue to apply during this First Extension Term.
- (b) The Landlord and the Tenant acknowledge that the Tenant has one (1) further option to extend the term of the Original Lease beyond the expiry of this First Extension Term, as set out in Section 17.02 of the Original Lease.
- (c) The Landlord and the Tenant hereby mutually covenant and agree that during the First Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Lease.
- (d) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (e) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, as amended and extended.
- (f) The parties agree that this First Lease Extension and Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be construed together as a single binding instrument. Such counterparts may be delivered by facsimile or other electronic means, including by electronic mail in portable document format (PDF). The electronic signature of any party hereto shall constitute a valid and binding signature with the same effect as an original signature endorsed hereon. Any party delivering an executed counterpart of this First Lease Extension and Amending Agreement by facsimile or by electronic transmission shall, if requested, also deliver an originally executed counterpart within seven (7) days of the facsimile or electronic transmission. Failure to deliver an originally executed copy shall not affect the validity, enforceability or binding effect of this First Lease Extension and Amending Agreement.
- (g) The provisions of this First Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

- (h) The Tenant acknowledges and agrees that the commercial and financial information in this First Lease Extension and Amending Agreement is subject to the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.F.31, as amended and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of the Lease or of any information or documents.

EXECUTED by each of the parties hereto under seal on the date written below.

SIGNED, SEALED AND DELIVERED

Dated this ____ day of _____, 20 ____.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTER OF GOVERNMENT
AND CONSUMER SERVICES, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____
Name:
Title:

Authorized Signing Officer

Dated this ____ day of _____, 20 ____.

**THE CORPORATION OF THE CITY
OF KAWARTHA LAKES**

Per: _____
Name:
Title:

Authorized Signing Officer

Per: _____
Name:
Title:

Authorized Signing Officer

The Corporation of the City of Kawartha Lakes

By-Law 2021-____

A By-Law to Authorize the Execution of a Telecommunications License Agreement between the Corporation of the City of Kawartha Lakes and Xplornet Communications Inc.

For the purpose of replacing an existing telecommunications tower with a taller telecommunications tower at the location municipally described as 50 Tower Rd., Kirkfield

Recitals

1. The City of Kawartha Lakes and Xplornet Communications Inc. enter into a License Agreement to allow Xplornet Communications Inc. to rebuild a telecommunications tower located at the location municipally described as 50 Tower Rd., Kirkfield.
2. Section 5.05 (2) of By-Law 2016-009, being a by-law to Provide Authority for Execution of Certain Documents and Affix the Corporate Seal on Behalf of the City of Kawartha Lakes, requires that License Agreements with a revenue over \$10,000 per year and a term of five years or under must be approved by Council.
3. Section 3.01 (b), (v) of By-Law 2018-017, being a by-law to provide direction for annual fees for encroachments describes the amount for a tower as \$13,000.
4. A License Agreement for a five (5) year term, which will expire on October 31, 2025 has been approved by the City Solicitor.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021-__.

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

1.02 Interpretation Rules:

- (a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Authorization

- 2.01 **Authorization:** The Mayor and Clerk are hereby authorized and directed to sign the License Agreement referenced in Council on February 23, 2021 through the consideration of Report RS2021-013, and affix the City’s corporate seal to it.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The City Clerk is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this ____ day of _____, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-Law to Authorize the Acquisition of Part of the South 1/2 of Lot 20, Concession 8, in the Geographic Township of Manvers, City of Kawartha Lakes, designated as Part 1 on Plan 57R-10825, being Part of PIN: 63265-0297 (LT)

Recitals

1. The acquisition of Part of the South 1/2 of Lot 20, Concession 8, in the Geographic Township of Manvers, City of Kawartha Lakes, designated as Part 1 on Plan 57R-10825, being Part of PIN: 63265-0297 (LT), was approved by City Council on November 10, 2009 by CR2009-1297

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-Law 2021- .

Section 1.00: Definitions and Interpretation

- 1.01 **Definitions:** In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

- 1.02 **Interpretation Rules:** The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.
- 1.03 **Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, which are applicable within the Province of Ontario.
- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Acquisition of Land

- 2.01 **Acquisition:** The parcel of land, more particularly described as Part of the South 1/2 of Lot 20, Concession 8, in the Geographic Township of Manvers, City of Kawartha Lakes, designated as Part 1 on Plan 57R-10825, being Part of PIN: 63265-0297 (LT), be acquired by the City of Kawartha Lakes for nominal consideration, plus all costs associated with the transaction including the vendor's legal fees to a maximum of \$2,000.00 (inclusive of HST).

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Stop Up and Close Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, described as Parts 5, 6, 7, and 8 on Plan 57R-10783 and to Authorize the Conveyance of the Land to Kawartha Lakes-Haliburton Housing Corporation

And to Authorize the Conveyance of a Portion of Municipally Owned Property Known as Hamilton Park and Legally Described as Part of Park Lot U and Part of George Street on Registered Plan 8P, in the Geographic Town of Lindsay, City of Kawartha Lakes, described as Parts 1, 2, 3, and 4 on Plan 57R-10783, and Part of Park Lots U and L and Part of George Street (Closed by By-Law 24-72, Instrument No. A22760) on Registered Plan 8P, in the Geographic Town of Lindsay, City of Kawartha Lakes, described as Part 1 on Plan 57R-10863 to Kawartha Lakes-Haliburton Housing Corporation.

And to Authorize a Grant of Easement in Favour of Hydro One Networks Inc. over Part of Park Lot U and Part of George Street on Registered Plan 8P, and Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, designated as Parts 4 and 8 on Plan 57R-10783.

And to Authorize a Grant of Easement in Favour of Cogeco Connexion Inc. over Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, designated as Part 8 on Plan 57R-10783.

And to Authorize a Grant of Easement in Favour of The Corporation of the City of Kawartha Lakes over Part of Park Lot U and Part of George Street on Registered Plan 8P, and Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, designated as Parts 2 and 7 on Plan 57R-10783.

Recitals

1. Pursuant to the Municipal Act, 2001, Council is empowered to stop up, close, and convey any part of a highway under its jurisdiction.
2. The land described in Schedule "A" attached forms part of the road allowance known as George Street on Registered Plan 8P, in the Geographic Town of Lindsay, City of Kawartha Lakes, and has been declared to be surplus to municipal needs.
3. It is desirable to stop up and close that part of the road allowance described in Schedule "A" attached to this by-law and to authorize the conveyance of the land to Kawartha Lakes-Haliburton Housing Corporation.

4. The lands described in Schedule “A” and Schedule “B” attached to this by-law were declared surplus to municipal needs by City Council on February 5, 2019 by the adoption of Report RS2019-010 by CR2019-087.
5. Notice of the intention of City Council to pass this by-law was given by ad notice published in the Kawartha Lakes This Week newspaper in the City of Kawartha Lakes on the 27th day of December, 2018 and the 3rd and 10th days of January, 2019, in accordance with By-Law 2018-020, as amended.
6. The proposed by-law came before Council for consideration at its regular meeting on the 23rd day of February, 2021 at 1:00 p.m. and at that time no person objected to the proposed by-law nor claimed that his land would be prejudicially affected.
7. The conveyance of these lands were approved by City Council on February 5, 2019 by the adoption of Report RS2019-010 by CR2019-087.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, which are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-

law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Road Closure

- 2.01 **Closure:** That part of the road allowance described in Schedule “A” attached to this by-law has been declared surplus to municipal needs and is hereby stopped up and closed.

Section 3.00: Sale of Surplus Property

- 3.01 **Sale:** The property described in Schedule “A” and Schedule “B” attached to this by-law is authorized to be conveyed to Kawartha Lakes-Haliburton Housing Corporation for nominal consideration.

Section 4.00: Easements

- 4.01 **Easement in Favour of Hydro One Networks Inc.:** Prior to the transfer of the property described in Schedule “A” and Schedule “B” attached to this by-law, the City of Kawartha Lakes is authorized to grant an easement in favour of Hydro One Networks Inc. over Part of Park Lot U and Part of George Street on Registered Plan 8P, and Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, designated as Parts 4 and 8 on Plan 57R-10783.
- 4.02 **Easement in Favour of Cogeco Connexion Inc.:** Prior to the transfer of the property described in Schedule “A” and Schedule “B” attached to this by-law, the City of Kawartha Lakes is authorized to grant an easement in favour of Cogeco Connexion Inc. over Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, designated as Part 8 on Plan 57R-10783.
- 4.03 **Easement in Favour of The Corporation of the City of Kawartha Lakes:** Prior to the transfer of the property described in Schedule “A” and Schedule “B” attached to this by-law, the City of Kawartha Lakes is authorized grant an easement in favour of The Corporation of the City of Kawartha Lakes over Part of Park Lot U and Part of George Street on Registered Plan 8P, and Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay, City of Kawartha Lakes, designated as Parts 2 and 7 on Plan 57R-10783.

Section 5.00: Administration and Effective Date

- 5.01 **Administration of the By-law:** The Manager of Realty Services is responsible for the administration of this by-law.

5.02 **Effective Date:** This By-law shall come into force on the date it is finally passed and has been deposited on title in the Registry Office for the Registry Division of Victoria (No. 57).

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule “A”

Description of Land to be Stopped Up, Closed, and Conveyed to Kawartha Lakes-Haliburton Housing Corporation

Part of George Street on Registered Plan 93, in the Geographic Town of Lindsay,
City of Kawartha Lakes, described as Parts 5, 6, 7, and 8 on Plan 57R-10783

Schedule “B”

Description of Land to be Conveyed to Kawartha Lakes-Haliburton Housing Corporation

Part of Park Lot U and Part of George Street on Registered Plan 8P, in the Geographic Town of Lindsay, City of Kawartha Lakes, described as Parts 1, 2, 3, and 4 on Plan 57R-10783, and Part of Park Lots U and L and Part of George Street (Closed by By-Law 24-72, Instrument No. A22760) on Registered Plan 8P, in the Geographic Town of Lindsay, City of Kawartha Lakes, described as Part 1 on Plan 57R-10863

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Stop Up and Close Part of the Original Shore Road Allowance in Front of Lot 8, Concession 4, in the Geographic Township of Laxton, City of Kawartha Lakes, designated as Part 1 on Plan 57R-10855 and to Authorize the Sale of the Land to the Abutting Owners

Recitals

1. Pursuant to the Municipal Act, 2001, Council is empowered to stop up, close and to sell any part of a highway under its jurisdiction.
2. The land described in Schedule “A” attached forms part of the original shore road allowance along Rush Lake and has been declared to be surplus to municipal needs.
3. It is desirable to stop up and close that part of the original shore road allowance along Rush Lake described in Schedule “A” attached to this by-law and to authorize the sale of the land to the abutting owners.
4. Notice of intention of City Council to pass this by-law was given by ad notice duly published in the Kawartha Lakes This Week newspaper in the City of Kawartha Lakes on the 12th, 19th, and 26th days of March, 2020 in accordance with the provisions of the Municipal Act, 2001 and By-law 2018-020, as amended.
5. The proposed by-law came before Council for consideration at its regular meeting on the 23rd day of February, 2021 at 1:00 p.m. and at that time no person objected to the proposed by-law nor claimed that his land would be prejudicially affected.
6. The sale of this land was approved by City Council on the 15th day of September, 2020 by the adoption of Report RS2020-011 by CR2020-261 (CW2020-107).

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

"Council" or "City Council" means the municipal council for the City;

"Manager of Realty Services" means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words "include" and "including" are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, which are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Shoreline Road Closure and Sale

2.01 Closure and Sale: That part of the original shore road allowance described in Schedule "A" attached to this by-law has been declared to be surplus to municipal needs and is hereby stopped up, closed and authorized to be sold to the abutting owner for \$23.00 per linear foot of water frontage adjacent to a river being the sum of One Thousand Seven Hundred Forty-Three Dollars and Eleven Cents (\$1,743.11) plus HST, if applicable, plus the cost of the reference plan, advertising, registrations, City staff time expense, legal fees and disbursements, and any other costs incurred by the City in connection to this transaction.

Section 3.00: Administration and Effective Date

3.01 Administration of the By-law: The Manager of Realty Services is responsible for the administration of this by-law.

3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed and has been deposited on title in the Registry Office for the Registry Division of Victoria (No. 57).

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A

Description of Land to be Stopped Up, Closed

and Conveyed to the Abutting Owner

Part of the Original Shore Road Allowance in Front of Lot 8, Concession 4, in the Geographic Township of Laxton, City of Kawartha Lakes, designated as Part 1 on Plan 57R-10855

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Deem Part of a Plan of Subdivision, Previously Registered For Lands Within Kawartha Lakes, Not To Be A Registered Plan of Subdivision in Accordance With The Planning Act Described as Lot 25, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0180 (LT)

File L06-19-RS048, Report RS2020-011, respecting 68 Greenwood Road

Recitals

1. Section 50(4) of the Planning Act, R.S.O. 1990, c.P.13 authorizes Council to deem any plan of subdivision, or part of a plan of subdivision, that has been registered for eight years or more, not to be a registered plan of subdivision for the purposes of Subsection 50(3) of the Planning Act, R.S.O. 1990, c.P.13.
2. Council has been requested to pass a deeming By-Law for the land described in Section 2.01 in order to ensure that the shoreline road allowance to be purchased by the property owner merges with the subject property.
3. A duplicate of this By-Law shall be registered in the Land Registry Office in accordance with the Planning Act, R.S.O. 1990, c.P.13.
4. Notice of the passing of this By-Law shall be mailed to the owner of the land described in Section 2.01.
5. Council considers it appropriate to enact the requested By-Law.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Details

2.01 Property Affected: The Property affected by this By-Law is legally described as Lot 25, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0180 (LT).

2.02 Deeming Provision: The Property is deemed not to be part of a Registered Plan of Subdivision of the purposes of Subsection 50(3) of the Planning Act, R.S.O. 1990, c.P.13.

Section 3.00: Administration and Effective Date

3.01 Administration of the By-law: The Manager of Realty Services is responsible for the administration of this by-law.

3.02 Effective Date: This By-law shall come into force on the date it is finally passed subject to the provisions of Sections 50(26), 50(28), and 50(29) of the Planning Act, R.S.O. 1990, c.P.13.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Stop Up and Close Part of the Original Shore Road Allowance in Front of Lot 8, Concession 4, in the Geographic Township of Laxton, City of Kawartha Lakes, designated as Parts 1 and 2 on Plan 57R-10857 and to Authorize the Sale of the Land to the Abutting Owners

Recitals

1. Pursuant to the Municipal Act, 2001, Council is empowered to stop up, close and to sell any part of a highway under its jurisdiction.
2. The land described in Schedule “A” attached forms part of the original shore road allowance along Rush Lake and has been declared to be surplus to municipal needs.
3. It is desirable to stop up and close that part of the original shore road allowance along Rush Lake described in Schedule “A” attached to this by-law and to authorize the sale of the land to the abutting owners.
4. Notice of intention of City Council to pass this by-law was given by ad notice duly published in the Kawartha Lakes This Week newspaper in the City of Kawartha Lakes on the 13th, 20th, and 27th days of August, 2020 in accordance with the provisions of the Municipal Act, 2001 and By-law 2018-020, as amended.
5. The proposed by-law came before Council for consideration at its regular meeting on the 23rd day of February, 2021 at 1:00 p.m. and at that time no person objected to the proposed by-law nor claimed that his land would be prejudicially affected.
6. The sale of this land was approved by City Council on the 15th day of September, 2020 by the adoption of Report RS2020-013 by CR2020-261 (CW2020-108).

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

- 1.01 **Definitions:** In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

"Council" or "City Council" means the municipal council for the City;

"Manager of Realty Services" means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.

(b) The words "include" and "including" are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, which are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Shoreline Road Closure and Sale

2.01 Closure and Sale: That part of the original shore road allowance described in Schedule "A" attached to this by-law has been declared to be surplus to municipal needs and is hereby stopped up, closed and authorized to be sold to the abutting owner for \$23.00 per linear foot of water frontage adjacent to a river. Part 1 on Plan 57R-10857 will be sold to the abutting landowner for the sum of One Thousand Seven Hundred Fifty-Eight Dollars and Twenty Cents (\$1,758.20) plus HST, if applicable, plus the cost of the reference plan, advertising, registrations, City staff time expense, legal fees and disbursements, and any other costs incurred by the City in connection to this transaction. Part 2 on Plan 57R-10857 will be sold to the abutting landowners for the sum of One Thousand Seven Hundred Fifty Dollars and Sixty-Six Cents (\$1,750.66) plus HST, if applicable, plus the cost of the reference plan, advertising, registrations, City staff time expense, legal fees and disbursements, and any other costs incurred by the City in connection to this transaction.

Section 3.00: Administration and Effective Date

3.01 Administration of the By-law: The Manager of Realty Services is responsible for the administration of this by-law.

3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed and has been deposited on title in the Registry Office for the Registry Division of Victoria (No. 57).

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

Schedule A

Description of Land to be Stopped Up, Closed and Conveyed to the Abutting Owner

Part of the Original Shore Road Allowance in Front of Lot 8, Concession 4, in the Geographic Township of Laxton, City of Kawartha Lakes, designated as Parts 1 and 2 on Plan 57R-10857

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Deem Part of a Plan of Subdivision, Previously Registered For Lands Within Kawartha Lakes, Not To Be A Registered Plan of Subdivision in Accordance With The Planning Act Described as Lot 27, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0182 (LT)

File L06-19-RS043, Report RS2020-013, respecting 74 Greenwood Road

Recitals

1. Section 50(4) of the Planning Act, R.S.O. 1990, c.P.13 authorizes Council to deem any plan of subdivision, or part of a plan of subdivision, that has been registered for eight years or more, not to be a registered plan of subdivision for the purposes of Subsection 50(3) of the Planning Act, R.S.O. 1990, c.P.13.
2. Council has been requested to pass a deeming By-Law for the land described in Section 2.01 in order to ensure that the shoreline road allowance to be purchased by the property owner merges with the subject property.
3. A duplicate of this By-Law shall be registered in the Land Registry Office in accordance with the Planning Act, R.S.O. 1990, c.P.13.
4. Notice of the passing of this By-Law shall be mailed to the owners of the land described in Section 2.01.
5. Council considers it appropriate to enact the requested By-Law.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Details

2.01 Property Affected: The Property affected by this By-Law is legally described as Lot 27, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0182 (LT).

2.02 Deeming Provision: The Property is deemed not to be part of a Registered Plan of Subdivision of the purposes of Subsection 50(3) of the Planning Act, R.S.O. 1990, c.P.13.

Section 3.00: Administration and Effective Date

3.01 Administration of the By-law: The Manager of Realty Services is responsible for the administration of this by-law.

3.02 Effective Date: This By-law shall come into force on the date it is finally passed subject to the provisions of Sections 50(26), 50(28), and 50(29) of the Planning Act, R.S.O. 1990, c.P.13.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-Law to Deem Part of a Plan of Subdivision, Previously Registered For Lands Within Kawartha Lakes, Not To Be A Registered Plan of Subdivision in Accordance With The Planning Act Described as Lot 28, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0183 (LT)

File L06-19-RS043, Report RS2020-013, respecting 76 Greenwood Road

Recitals

1. Section 50(4) of the Planning Act, R.S.O. 1990, c.P.13 authorizes Council to deem any plan of subdivision, or part of a plan of subdivision, that has been registered for eight years or more, not to be a registered plan of subdivision for the purposes of Subsection 50(3) of the Planning Act, R.S.O. 1990, c.P.13.
2. Council has been requested to pass a deeming By-Law for the land described in Section 2.01 in order to ensure that the shoreline road allowance to be purchased by the property owner merges with the subject property.
3. A duplicate of this By-Law shall be registered in the Land Registry Office in accordance with the Planning Act, R.S.O. 1990, c.P.13.
4. Notice of the passing of this By-Law shall be mailed to the owner of the land described in Section 2.01.
5. Council considers it appropriate to enact the requested By-Law.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021- .

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City;

“Manager of Realty Services” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Details

2.01 Property Affected: The Property affected by this By-Law is legally described as Lot 28, Plan 366, Geographic Township of Laxton, City of Kawartha Lakes, being PIN: 63112-0183 (LT).

2.02 Deeming Provision: The Property is deemed not to be part of a Registered Plan of Subdivision of the purposes of Subsection 50(3) of the Planning Act, R.S.O. 1990, c.P.13.

Section 3.00: Administration and Effective Date

3.01 Administration of the By-law: The Manager of Realty Services is responsible for the administration of this by-law.

3.02 Effective Date: This By-law shall come into force on the date it is finally passed subject to the provisions of Sections 50(26), 50(28), and 50(29) of the Planning Act, R.S.O. 1990, c.P.13.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021 -

A By-Law To Amend The Township of Mariposa Zoning By-Law No. 94-07 To Rezone Land Within The City Of Kawartha Lakes

File D06-2020-030, Report PLAN2021-004, respecting Part Lot 3, Concession 12, geographic Township of Mariposa, identified as 151 Peniel Road

Recitals:

1. Section 34 of the Planning Act, R.S.O. 1990, c.P.13 authorizes Council to determine the appropriate zoning categories and provisions assigned to land.
2. Council has received an application to amend the categories and provisions relating to a specific parcel of land to:
 - (a) rezone the land containing the dwelling to a rural residential zone category; and
 - (b) prohibit residential uses on the balance of the agricultural land under cultivation;in order to fulfill a condition of provisional consent.
3. A public meeting to solicit public input has been held.
4. Council deems it appropriate to rezone the Property.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021-__.

Section 1:00 Zoning Details

- 1.01 **Property Affected:** The Property affected by this by-law is described as Part Lot 3, Concession 12, geographic Township of Mariposa, City of Kawartha Lakes.
- 1.02 **Textual Amendment:** By-law No. 94-07 of the Township of Mariposa is further amended by adding the following subsection to Section 12.3:
 - “12.3.11 RURAL RESIDENTIAL TYPE ONE EXCEPTION ELEVEN (RR1-11) ZONE
 - 12.3.11.1 Notwithstanding subsection 3.1.3.1(b), the total lot coverage of all accessory buildings and structures, excluding outdoor swimming pools, on land zoned RR1-11 shall be 168 square metres.”

- 1.03 **Schedule Amendment:** Schedule 'A' to By-law No. 94-07 of the Township of Mariposa is further amended to change the zone category on a portion of the property from Agricultural (A1) Zone to Agricultural Exception Thirty-Two (A1-32) Zone for the land referred to as A1-32, as shown on Schedule 'A' attached to this By-law; and to change the zone category on another portion of the property from Agricultural (A1) Zone to Rural Residential Type One Exception Eleven (RR1-11) Zone for the land referred to as RR1-11, as shown on Schedule 'A' attached to this By-law.

Section 2:00 Effective Date

- 2.01 **Effective Date:** This By-law shall come into force and take effect on the date it is finally passed, subject to the provisions of Section 34 of the Planning Act R.S.O. 1990, c.P.13.

By-law read a first, second and third time, and finally passed, this ** day of ***, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

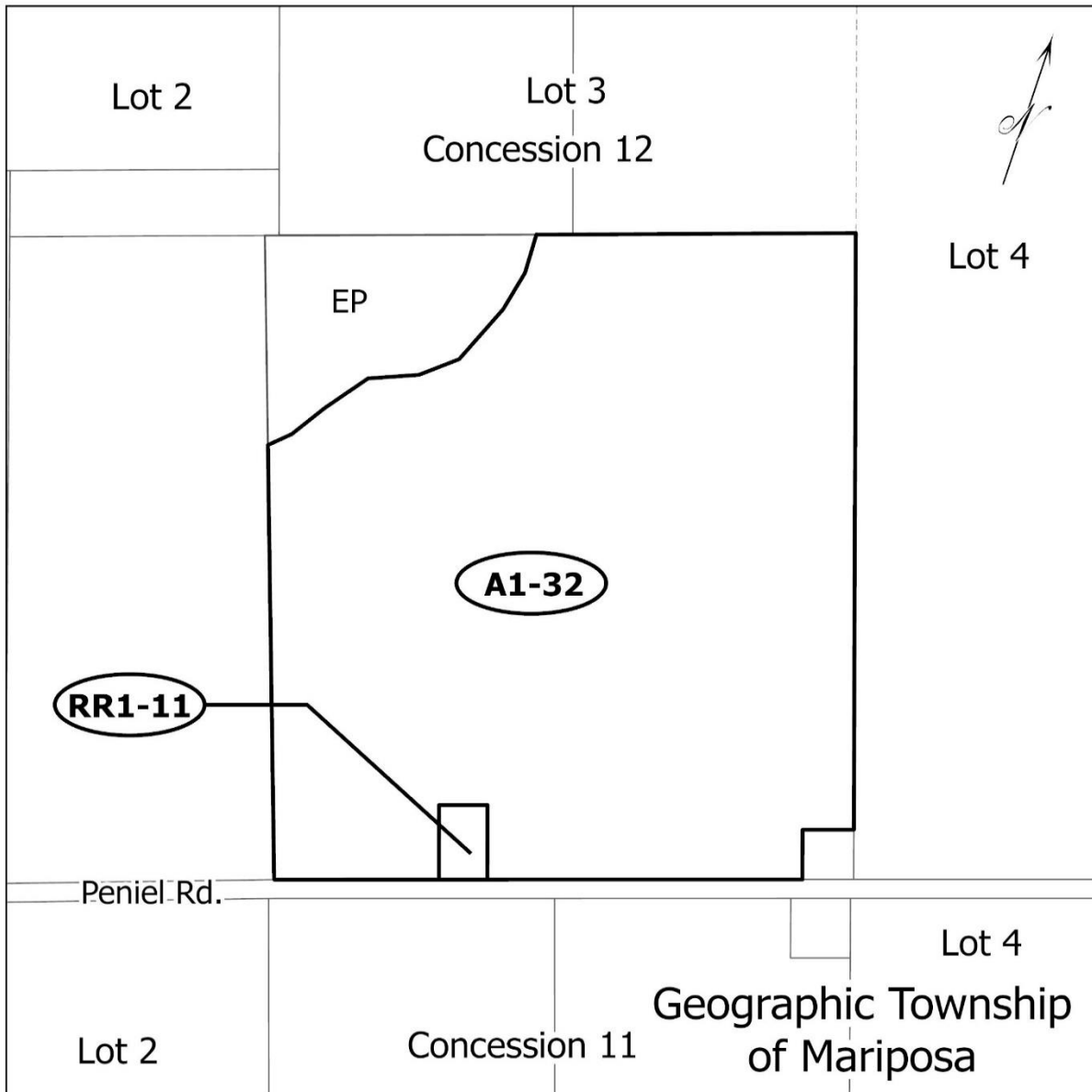
THE CORPORATION OF THE CITY OF

KAWARTHA LAKES

THIS IS SCHEDULE 'A' TO BY-LAW _____ PASSED

THIS _____ DAY OF _____ 2021.

MAYOR _____ CLERK _____



The Corporation of the City of Kawartha Lakes

By-Law 2021 -

A By-Law To Amend The Village of Bobcaygeon Zoning By-Law No. 16-78 To Rezone Land Within The City Of Kawartha Lakes

[File D06-17-028, Report PLAN2021-006, respecting Part Lots 12 & 13, Concession 19, Part Lot 40, RCP 564, 57R-7890, Parts 2 to 5, Former Village of Bobcaygeon, identified as 7-27 Lakewood Crescent – Port 32 Inc.]

Recitals:

1. Section 34 of the Planning Act, R.S.O. 1990, c.P.13 authorizes Council to determine the appropriate zoning categories and provisions assigned to land.
2. Council has received an application to amend the categories and provisions relating to a specific parcel of land to permit a residential use and to amend the development standards on the subject land to facilitate the development of 48 townhouse dwelling units.
3. A public meeting to solicit public input has been held.
4. Council deems it appropriate to rezone the Property.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021-__.

Section 1:00 Zoning Details

- 1.01 **Property Affected:** The Property affected by this by-law is described as Part Lots 12 & 13, Concession 19, Part Lot 40, RCP 564, 57R-7890, Parts 2 to 5, Former Village of Bobcaygeon, City of Kawartha Lakes.
- 1.02 **Textual Amendment:** By-law No. 16-78 of the Village of Bobcaygeon is further amended to add the following section to Section 7a.3:

“k. Notwithstanding Sections 7a.1 and 7a.2, on land zoned R4-S11, townhouse dwelling units are permitted subject to the following zone provisions:

 - i. Lot means the entirety of those lands outlined and referred to as "R4-S11" as shown on Schedule "A" attached hereto.
 - ii. Lot frontage means that portion of the lot abutting on Lakewood Crescent.
 - iii. Section 3.13 b. iii does not apply to lands zoned R4-S11.
 - iv. Maximum number of dwelling units 48
 - v. Minimum Front Yard Setback 6.0m
 - vi. Minimum Interior Side Yard Setback 2.6m

- vii. Minimum Exterior Side Yard Setback (side facing units) 3.0m
- viii. Minimum Exterior Side Yard Setback (rear facing units) 6.0m
- ix. Minimum Rear Yard Setback 5.0m
- x. Minimum Building Separation 3.0m
with end walls
containing
windows that face
each other
- xi. Maximum Lot Coverage 47%
- xii. Notwithstanding Sections 7a.3.k.v, 7a.3.k.viii and 7a.3.k.ix above,
uncovered or covered decks are permitted to encroach a maximum of
3.05 meters into the minimum yard setback and deck stairs and landings
are exempt from minimum yard setback requirements.”

1.03 **Schedule Amendment:** Schedule ‘A’ to By-law No. 16-78 of the Village of Bobcaygeon is further amended to change the zone category from the General Industrial (M2) Zone to an Urban Residential Type Four Exception Eleven (R4-S11) Zone for the land referred to as ‘R4-S11’, as shown on Schedule ‘A’ attached to this By-law.

Section 2:00 Effective Date

2.01 **Effective Date:** This By-law shall come into force and take effect on the date it is finally passed, subject to the provisions of Section 34 of the Planning Act R.S.O. 1990, c.P.13.

By-law read a first, second and third time, and finally passed, this ** day of ***, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

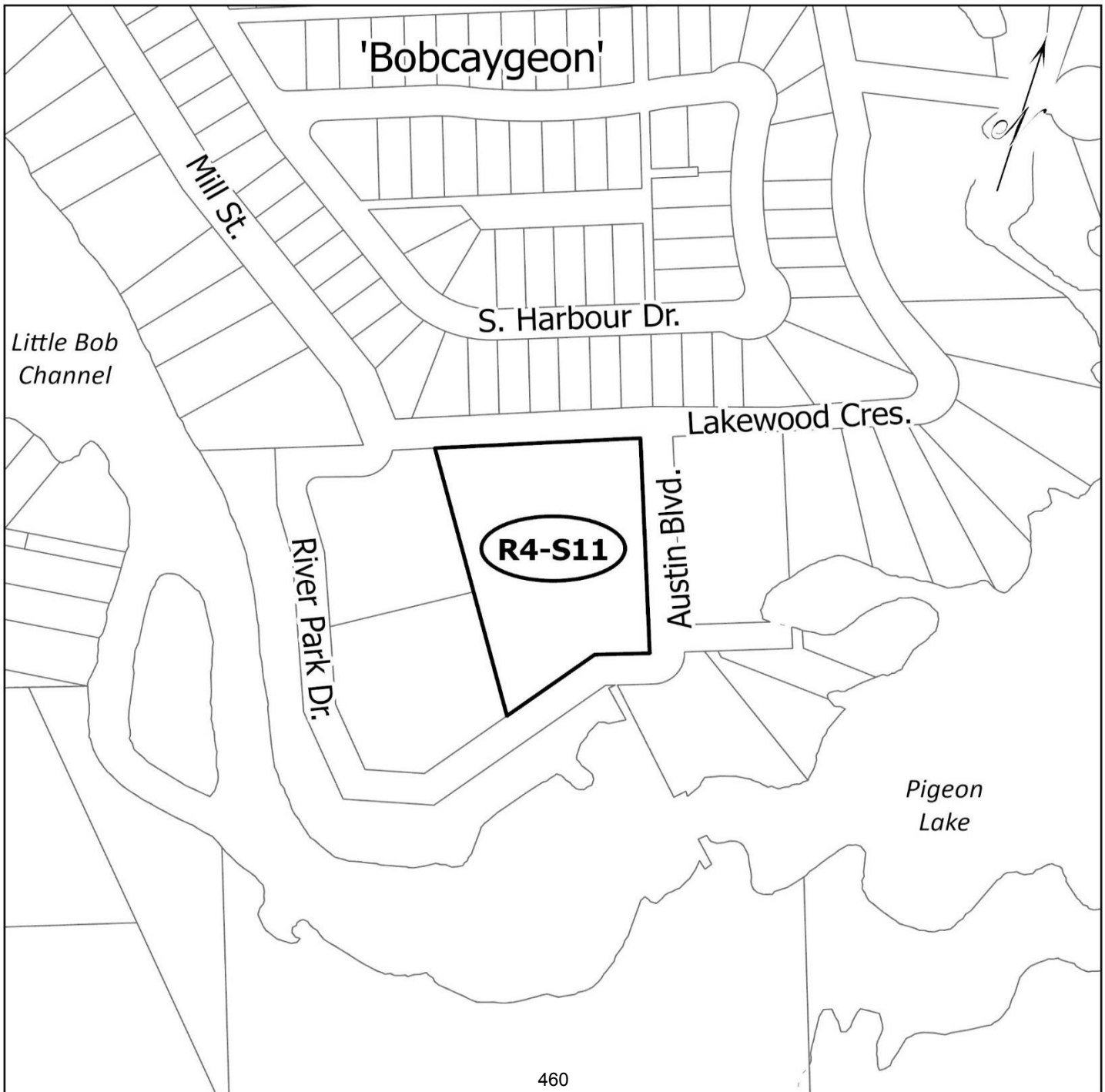
THE CORPORATION OF THE CITY OF

KAWARTHA LAKES

THIS IS SCHEDULE 'A' TO BY-LAW _____ PASSED

THIS _____ DAY OF _____ 2021.

MAYOR _____ CLERK _____



The Corporation of the City of Kawartha Lakes

By-law 2021-XXX

A By-law to Assume Holtom Street, Plan 57M-796, PIN: 63232-0130 and associated 0.3 metre reserve, PIN: 63232-0175, Milner Court, Plan 57M-796, PIN: 63232-0279 and associated 0.3 metre reserves, Blocks 47 and 48, Plan 57M-796, PINs: 63232-0277 and 63232-0278, respectively, Moynes Court, Plan 57M-796, PIN: 63232-0280, previously dedicated and conveyed to the municipality upon the registration of Plans 57M-777 and 57M-796, and to assume Walkway Block 40, Plan 57M-796, PIN: 63232-0270, and to assume the Stormwater Management Pond, PIN: 63233-0295, and to Dedicate and Assume PIN: 63232-0018 and Road Widenings as part of Logie Street, Blocks 41 and 42, Plan 57M-796, PINs: 63232-0271 and 63232-0272, respectively, Geographic Town of Lindsay, The Corporation of the City of Kawartha Lakes

Recitals

1. Subsection 31(4) of the Municipal Act, 2001 authorizes Council to assume unopened road allowances or road allowances shown on registered plans of subdivision for public use, by by-law.
2. Council now deems it desirable to assume Holtom Street, Milner Court, and Moynes Court, and to dedicate and assume the Logie Street widenings, and parcel of land at the intersection of Logie Street and Holtom Street, Geographic Town of Lindsay, the Corporation of the City of Kawartha Lakes as public highways in the City of Kawartha Lakes.
3. Council now deems it desirable to assume the Stormwater Management Pond, located on the west side of Logie Street at Parkside Drive, and the walkway connecting Milner Court to Parkside Drive, Geographic Town of Lindsay, in the City of Kawartha Lakes.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2019-183.

Section 1.00: Definitions and Interpretation

- 1.01 Definitions:** In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes.

"City Clerk" means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001;

“Council” or “City Council” means the municipal council for the City.

1.02 Interpretation Rules:

(a) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, which are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Assumption of Services

2.01 Assumption: The following highways are assumed by the City:

- a) The road known as Holtom Street, Plan 57M-796, Geographic Town of Lindsay, City of Kawartha Lakes
- b) The road known as Milner Court, Plan 57M-796, Geographic Town of Lindsay, City of Kawartha Lakes
- c) The road known as Moynes Court, Plan 57M-796, Geographic Town of Lindsay, City of Kawartha Lakes

2.02 Assumption: The following facilities are assumed by the City:

- a) The stormwater management pond located on the west side of Logie Street at Parkside Drive, Geographic Town of Lindsay, City of Kawartha Lakes
- b) The walkway, Plan 57M-796, Geographic Town of Lindsay, City of Kawartha Lakes

Section 3.00: Highway Dedication and Assumption

3.01 **Dedication and Assumption:** The following lands are to be dedicated as highway and assumed by the City:

- a) The parcel of land at the intersection of Holtom Street and Logie Street, PIN: 63232-0018, Geographic Town of Lindsay, City of Kawartha Lakes
- b) The road widenings known as Logie Street, Plan 57M-796, Geographic Town of Lindsay, City of Kawartha Lakes

Section 4.00: Effective Date

4.01 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this ____ day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-law to Appoint a Municipal Law Enforcement Officer for the City of Kawartha Lakes

Recitals

1. Section 15 of the Police Services Act R.S.O. 1990, c.P.15 authorizes municipal councils to appoint municipal law enforcement officers, who are peace officers for the purpose of enforcing their by-laws.
2. Council considers it advisable to appoint an individual to serve as a municipal law enforcement officer.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021-__.

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this by-law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

“Council” or “City Council” means the municipal council for the City;

“Manager of Municipal Law Enforcement and Licensing” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

Section 2.00: Appointments

- 2.01 **Municipal Law Enforcement Officer:** Laura Graham is appointed as a Municipal Law Enforcement Officer for the City of Kawartha Lakes in accordance with section 15 of the Police Services Act R.S.O. 1990, c.P.15.
- 2.02 **Reporting Relationship:** Laura Graham shall report to and be under the direction of the Manager of Municipal Law Enforcement and Licensing.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-law:** The Manager of Municipal Law Enforcement and Licensing is responsible for the administration of this by-law.
- 3.02 **Effective Date:** This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-Law to Appoint an Area Weed Inspector for the City of Kawartha Lakes

Recitals

1. Weed inspectors are required to enforce the Weed Control Act, R.S.O. 1990, c. W.5.
2. Paragraph 6(1) of the Weed Control Act, R.S.O. 1990, c. W.5 states that the council of every upper-tier and single tier municipality shall By-Law appoint one or more persons as area weed inspectors to enforce the Weed Control Act, R.S.O. 1990, c. W. 5 in the area within the council's jurisdiction and fix their remuneration or other compensation.
3. Council deems it appropriate to appoint Municipal Law Enforcement Officers as Weed Inspectors.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-Law 2021-____.

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this By-Law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

“Council” or “City Council” means the municipal council for the City;

“Manager of Municipal Law Enforcement and Licennsing” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

- (a) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this By-Law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.

1.04 Severability: If a court or tribunal of competent jurisdiction declares any portion of this By-Law to be illegal or unenforceable, that portion of this By-Law shall be considered to be severed from the balance of the By-Law, which shall continue to operate in full force and effect.

Section 2.00: Appointments

- 2.01 **Municipal Weed Inspector:** Laura Graham is appointed as an Area Weed Inspector for The Corporation of the City of Kawartha Lakes.

Section 3.00: Duties and Responsibilities

- 3.01 The duties and responsibilities of the Area Weed Inspector are set out in the Statutes and Regulations of the Province of Ontario and in the By-Laws and Policies of The Corporation of the City of Kawartha Lakes, which exist or may be passed in future.
- 3.02 The Area Weed Inspector shall report to and be under the direction of the Manager Municipal Law Enforcement and Licensing of The Corporation of the City of Kawartha Lakes.

Section 4.00: Remuneration

- 4.01 The Area Weed Inspector shall receive remuneration in accordance with the City's Collective Agreement with the Canadian Union of Public Employees.

Section 5.00: Notice

- 5.01 Written notice of this By-Law shall be given to the chief inspector appointed under Section 2 of the Weed Control Act R.S.O. 1990, c.W.5 by the Manager of Municipal Law Enforcement and Licensing.

Section 6.00: Administration and Effective Date

- 6.01 **Administration of the By-Law:** The Manager of Municipal Law Enforcement and Licensing is responsible for the administration of this By-Law.
- 6.02 **Effective Date:** This By-Law shall come into force on the date it is finally passed.

By-Law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-Law 2021-

A By-Law to Appoint a Senior Licensing Enforcement Officer as a Municipal Law Enforcement Officer for the City of Kawartha Lakes for the Purpose of Enforcing Licensing By-Laws

Recitals

1. Section 15 of the Police Services Act R.S.O. 1990, c.P.15 authorizes municipal councils to appoint municipal law enforcement officers, who are peace officers for the purpose of enforcing their By-Laws.
2. Council considers it advisable to appoint a Senior Licensing Enforcement Officer as a Municipal Law Enforcement Officer for the purpose of enforcing licensing By-Laws.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-Law 2021-__.

Section 1.00: Definitions and Interpretation

1.01 Definitions: In this By-Law,

“City”, “City of Kawartha Lakes” or “Kawartha Lakes” means The Corporation of the City of Kawartha Lakes and includes its entire geographic area;

“Council” or “City Council” means the municipal council for the City;

“Senior Licensing Enforcement Officer” means the person who holds this administrative position and is responsible for assisting the Licensing Enforcement and Municipal Law Enforcement Programs; the position is granted with acting authority to administer Licenses in accordance with Provincial Legislation, Municipal By-Laws as well as City Policies and Procedures.

“Manager of Municipal Law Enforcement and Licensing” means the person who holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

1.02 Interpretation Rules:

(a) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

1.03 Statutes: References to laws in this By-Law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.

- 1.04 **Severability:** If a court or tribunal of competent jurisdiction declares any portion of this By-Law to be illegal or unenforceable, that portion of this By-Law shall be considered to be severed from the balance of the By-Law, which shall continue to operate in full force and effect.

Section 2.00: Appointments

- 2.01 **Senior Licensing Enforcement Officer:** Stacey Collins is appointed as a Senior Licensing Enforcement Officer for the City of Kawartha Lakes.
- 2.02 **Reporting Relationship:** Senior Licensing Enforcement Officer Stacey Collins shall report to and be under the direction of the Manager of Municipal Law Enforcement and Licensing.

Section 3.00: Administration and Effective Date

- 3.01 **Administration of the By-Law:** The Manager of Municipal Law Enforcement and Licensing is responsible for the administration of this By-Law.
- 3.02 **Effective Date:** This By-Law shall come into force on the date it is finally passed.

By-Law read a first, second and third time, and finally passed, this 23rd day of February, 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk

The Corporation of the City of Kawartha Lakes

By-law 2021-

A By-Law to Confirm the Proceedings of a Regular Meeting of Council, Thursday, February 23, 2021

Recitals

1. The Municipal Act, 2001, S.O. 2001 c. 25 as amended, provides that the powers of a municipal corporation are exercised by its Council.
2. The Municipal Act, also provides that the Council's powers must be exercised by by-law.
3. For these reasons, the proceedings of the Council of The Corporation of the City of Kawartha Lakes at this meeting should be confirmed and adopted by by-law.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2021-XXX.

Section 1.00: Confirmation

- 1.01 The actions of the Council at the following meeting:

Thursday, February 23, 2021, Open Session, Regular Council Meeting

and each motion, resolution and other action passed or taken by the Council at that meeting is, except where prior approval of the Ontario Municipal Board is required, adopted, ratified and confirmed as if all such proceedings had been expressly embodied in this By-law.

- 1.02 The Mayor and the proper officials of the City are authorized and directed to do all things necessary to give effect to the actions of the Council referred to in Section 1.01 of this By-law. In addition, the Clerk is authorized and directed to affix the corporate seal to any documents which require it.

Section 2.00: General

- 2.01 This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 23rd day of February 2021.

Andy Letham, Mayor

Cathie Ritchie, City Clerk