

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.

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- (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