

**THIS INDENTURE OF LEASE** made as of the \_\_\_ day of December, 2020.

**IN PURSUANCE** of The Short Forms of Leases Act.

**B E T W E E N:**

**THE MUNICIPALITY OF MIDDLESEX CENTRE**  
(hereinafter, called the “**Landlord**” or  
“**Municipality**”)

- and -

**THE MIDDLESEX COUNTY LIBRARY BOARD**  
(hereinafter, called “**Tenant**” or “**Library Board**”)

- and –

**THE CORPORATION OF THE COUNTY OF MIDDLESEX**  
(hereinafter, called the “**County**”)

**WHEREAS:**

- A. The Landlord is a duly incorporated lower-tier Municipality in the province of Ontario, Canada, which is governed by Mayor and Council (“**Municipal Council**”) and operated by administration;
- B. The Tenant is a county library and corporation pursuant to the *Public Libraries Act*, R.S.O. 1990, c. P. 44, as amended, and a local board as defined by the *Municipal Act, 2001*, SO 2001, c 25, as amended;
- C. The Landlord is the registered owner of the property legally described as Block 56, Plan 33M217; Municipality of Middlesex Centre, County of Middlesex, being all of PIN 08135-0283 (LT), (the “**Property**”);
- D. The Tenant, through its management and control of local library branches located within the geographic boundary of the County of Middlesex, provides for equal and universal access to information and services that contributes to education, literacy, lifelong learning and general wellbeing of citizens;
- E. The Landlord has a building on the Property identified as the Ilderton Public Library (the “**Library**”) that the Tenant intends to lease from the Landlord subject to the terms and conditions of this Lease Agreement;

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- F. The Tenant the Landlord have agreed to enter into this Lease Agreement for the purpose of the Landlord leasing to the Tenant the agreed upon portion of the Property as defined in this Lease Agreement.
- G. The Landlord has agreed to lease to the Library Board: (i) a portion of the upper level of the Property for the operation of an Enhanced Library, as outlined in Schedule "A"; (ii) the entire lower level portion of the Property for non-library services, as outlined in Schedule "B"; (iii) the additional renovated upper level portion of the Property commencing on December 2, 2020, for non-library services, as outlined in Schedule "C", all as further defined in this Lease Agreement.
- H. The Tenant at its sole and absolute discretion has secured partnerships for the delivery of partner programs and social services, as part of its enhanced library services, by governmental agencies, community groups/agencies and not-for-profit and charitable organizations (the "**Enhanced Library Services**") from space exclusively leased by the Tenant for at least part of the term of this Agreement. The Tenant endeavors to secure additional such partnerships at its sole and absolute discretion for the entirety of the term of this Agreement for the benefit of the local citizenry. At all times the Tenant understands and acknowledges that it is responsible for the oversight and delivery of the Enhanced Library Services at all times;
- I. Rental rates for an Enhanced Library Services have been determined by the County as part of its "Three-Tier Lease Rate for County Library Facilities Policy For County Library Facilities", as amended (the "Lease Rate Policy"). A copy of the current version of the Lease Rate Policy is attached hereto as Schedule "A" and forms a part of this Agreement. In the event the Lease Rate Policy is amended by County Council during the Term of this Agreement, the Parties hereby agree that Schedule "A" shall be updated to include the most current version of the policy;
- J. EarlyON is a program that is overseen by the Tenant and the parties agree that EarlyON shall lease the newly constructed Upper Level space and shall be provided a separate lease rate at an amount of 70% of the Enhanced Library Services Rate set out in Schedule "A" attached for all EarlyON space.
- K. The Chief Administrative Officer of the Municipality is authorized by Municipal Council to administer this Agreement in its entirety on the Landlord's behalf, once this Agreement is endorsed by Municipal Council;

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- L. The Tenant's Chief Executive Officer is authorized by the Tenant to administer this Agreement on its behalf, once it has endorsed this Agreement; and
- M. The County is a Party to this Agreement for the purpose of receiving releases from liability and insurance security and to assume all of the obligations of this Agreement as such obligations relate to the Rented Space in the event the Tenant terminates this Agreement or ceases to exist as a local board; and
- N. Schedules to this Agreement include:

- Schedule "A" Three-Tier Lease Rate For County Library Facilities
- Schedule "B" Sketch of Rented Space
- Schedule "C" Sketch of the Upper Floor Renovation Project

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT**, in consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Municipality has demised and leased by these presents doth demise and lease unto the Tenant and its successors the Property.

#### **Recitals**

- 1. The above recitals are true and are hereby incorporated into this Agreement by reference.
- 2. In addition to terms defined elsewhere in this Agreement, the following terms have the following meanings:

**"Agreement"** means this Lease Agreement, as it may be confirmed, amended, modified, supplemented or restated by written agreement between the Parties from time to time.

**"Annual CPI Adjustment"** means an annual adjustment to the amount of the rental payment compared to the previous year, in an amount equivalent to the increase, if any, to the rate of inflation as determined by the Consumer Price Index (normally released by Statistics Canada in January of each year) which shall occur annually every February 1<sup>st</sup> from 2019 through the duration of the Term. If during the course of this Agreement, February 1<sup>st</sup> in any given year does not fall on a Business Day, the Annual CPI Adjustment for that particular year will occur on the next Business Day. There will be no adjustment in the event of a decrease in the said rate of inflation.

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**“Business Day”** means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario.

**“Communication”** means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.

**“Community Partners”** means the governmental agencies, community groups/agencies and not-for-profit and charitable organizations selected by the Tenant in its sole and absolute discretion to deliver partner programs and social services from the Rented Space, as defined in section 6 of this Agreement, through its Enhanced Library Services during any part of the Term of this Lease, including any renewals thereto.

**“EarlyON Programming Space”** means any space in the Property to include Non- Library Services including but not limited to an additional programming room, kitchenette and a universal washroom. The EarlyON Programming space of the Property shall be leased at the 70% of the Enhanced Rate pursuant to Schedule “A” attached to this Agreement.

**“Enhanced Library”** means a library branch that provides basic library needs, administration space for staff, programming space for programs during open hours, designated programming space for employment and library-related programs, enhanced government information services, desirable and appropriate community agency partner programs as determined by the Middlesex County Library Board, and locked offices for program and service providers.

**“Library Services”** means all programs and social services delivered by the Tenant and its Community Partners from the rented space of the Property, as defined in this Agreement.

**“Non-Library Services”** means anything outside the scope of Library Services delivered by the Tenant from the rented space on the lower level of the Property, including without limitation, caretaker services, administrative and/or support services, and storage, but does not include any programming services.

**“Parties”** means the Landlord and the Tenant collectively and “Party” means any one of them.

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**“Renovation Project”** means that the Property’s upper level space is being renovated to support an EarlyON program by creating an additional programming room, kitchenette and a universal washroom.

**“Rented Space”** means that the Landlord and the Tenant have agreed to enter into this Lease Agreement for the purpose of the Landlord leasing the upper level of the Property to the Tenant for Library Services, as defined in this Agreement, the lower level of the Property for Non-Library Services, as defined in this Agreement, and additional space on the upper level of the Property for Non- Library Services, as defined in this Agreement.

**“Trade Fixtures”** means the shelving installed in the Rented Space for library operations and any other item meeting the requirements of a trade fixture as set out in the current and evolving common law of Ontario.

### **Covenants**

3. The Parties agree that all obligations contained in this Agreement, even if not expressed to be covenants, shall be deemed to be covenants.

### **Term**

#### ***Upper Level – Term***

4. Subject to the termination and amendment provisions of this Agreement, this Agreement shall commence on December 2, 2020 (the **“Upper Level Effective Date”**) and shall continue for a period of five (5) years, ending on December 31, 2025 (hereinafter, the **“Upper Level Term”**).
5. At least six (6) months prior to the end of the Term, the Parties agree to meet to negotiate potential renewal terms. If no agreement is reached prior to the last day of the Term, the Agreement shall automatically expire unless the Parties mutually agree in writing to extend the negotiation period for sixty (60) days (**“Extension Period”**). In the event renewal terms have not been agreed to by the Parties at the end of the Extension Period, the Agreement shall terminate on the last day of the Extension Period.
6. This Agreement may be terminated at any time, upon both Parties agreeing in writing to terminate this Agreement, and the Parties agree that such termination shall be deemed to be effective sixty (60) days from the date of termination in order to allow the Parties to calculate all expenses to the effective date of the termination.

#### ***Lower Level – Term***

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7. This Agreement shall commence on December 2, 2020 (the “Lower Level Effective Date”) and shall continue for a period of five (5) years, ending on December 31, 2025 (hereinafter, the “**Lower Level Term**”). In addition to the termination and amendment provisions of this Agreement, either Party may, upon giving one hundred and twenty (120) days of written notice to the other party and without cause, terminate the Lower Level Term for any reason. In such event, this Lower Level Term shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date so specified were the date herein originally fixed, and the Parties shall remain liable for all obligations arising up to the date of such termination. Upon termination of the Lower Level Term by either Party hereto, the Parties shall be fully released to each other from all liability and obligations as they relate to the Lower Level.

***EarlyON Programming Space – Term***

8. Subject to the termination and amendment provisions of this Agreement, the Term of the EarlyON Programing Space on the Upper Level of the Property shall commence immediately following the completion of renovation on or about December 2, 2020, and shall continue for a period of five (5) years ending on December 31, 2025 (hereinafter, the “**EarlyON Programing Space Term**”).
9. At least six (6) months prior to the end of the Term, the Parties agree to meet to negotiate potential renewal terms. If no agreement is reached prior to the last day of the Term, the Agreement shall automatically terminate unless the Parties mutually agree in writing to extend the negotiation period for sixty (60) days (“**Extension Period**”). In the event renewal terms have not been agreed to by the Parties at the end of the Extension Period, the Agreement shall terminate on the last day of the Extension Period.
10. This Agreement may be terminated at any time, upon both Parties agreeing in writing to terminate this Agreement, and the Parties agree that such termination shall be deemed to be effective sixty (60) days from the date of termination in order to allow the Parties to calculate all expenses to the effective date of the termination.

**Right to Use**

***Upper Level (existing)***

- (a) The Landlord hereby grants to the Tenant the exclusive right to utilize approximately 1,916 square feet of the Property’s upper level with respect to library services (referred to in this Agreement as the “**Upper Level**”) inclusive of the main collections and library service space, staff room, library lobby, vestibule, M&E room, programming room, storage rooms, public

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service offices and washrooms, which are located on the upper level of the Library, as set out in the shaded portion of Schedule “B” attached hereto (referred to in this Agreement as the “**Rented Space**”), where the Tenant may operate an Enhanced Library for the Term of this Agreement.

### ***Lower Level***

- (b) The Landlord hereby grants to the Tenant the exclusive right to utilize the space comprising of 1,870 square feet of the library’s lower level, as identified as rooms, such as a program space, meeting rooms, storage/workspace, administrative and/or support services, and washrooms, as set out in Schedule “C” attached hereto (referred to in this Agreement as the “**Lower Level**”), where the Tenant may operate non-library services for the Term of this Agreement.

### ***EarlyON Programming Space***

- (c) In addition, the Landlord hereby grants to the Tenant the exclusive right to utilize the EarlyON Programming Space upon completion of the Renovation Project on December 2, 2020, comprising of 1,193 square feet on the library’s upper level, as identified as rooms, such as a programming room, offices, kitchenette and a universal washroom, as set out in Schedule “C” for the Term of this Agreement.

## **Payment**

### ***Upper Level Payment for Library Services***

11. The Tenant shall pay to the Landlord the rental rate applicable for an Enhanced Library as set out on Schedule “A” attached to this Agreement to operate an Enhanced Library on the Upper Level of the Library for the Term of this Agreement, for the base year 2020, calculated at 1,916 square feet, subject to an annual increase thereafter, if any, by way of Annual CPI Adjustment for Ontario as determined by Statistics Canada, together with any increases resulting from a revision or negotiation pursuant to the Lease Rate Policy (hereinafter, the “**Annual Payment**”).
12. In each year from the 2020 calendar year through the remainder of the Term, including any renewals thereof, the Payment shall be calculated and payable in quarterly instalments without demand on the fifteenth (15<sup>th</sup>) day of February, May, August and November of each year. In the event any payable date for a quarterly instalment during the course of the Term, including any renewals thereof, does not fall on a Business Day, such particular quarterly payment shall be deemed to be due on the next Business Day.

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13. Save as otherwise provided herein, the Parties acknowledge and agree that this Agreement is an all-inclusive lease agreement and that the annual Payment is inclusive of the lease payment, compensation for increased utility charges incurred by the Landlord due to the use of the Rented Space by the Tenant, authorized users, sub-tenant(s), and any and all other charges as set out herein.

***Lower Level Payment for Non-Library Services***

14. The Tenant shall pay to the Landlord a monthly rental rate at 70% of the rental rate applicable to an Enhanced Library as set out on Schedule "A" attached to this Agreement to operate non-library services on the Lower Level of the Library for the Term of this Agreement, for the base year 2020, calculated at 1,870 square feet, subject to an annual increase thereafter, if any, by way of Annual CPI Adjustment for Ontario as determined by Statistics Canada, together with any increases resulting from a revision or negotiations pursuant to the Lease Policy (hereinafter, the "**Monthly Payment**").
15. In each year from the 2020 calendar year through the remainder of the Term, including any renewals thereof, the Monthly Payment shall be calculated and payable in monthly instalments without demand on the fifteenth (15<sup>th</sup>) day of each month of each year. In the event any payable date for a monthly instalment during the course of the Term, including any renewals thereof, does not fall on a Business Day, such particular monthly payment shall be deemed to be due on the next Business Day.
16. Save as otherwise provided herein, the Parties acknowledge and agree that this Agreement is an all-inclusive lease agreement and that the Monthly Payment is inclusive of the lease payment, compensation for increased utility charges incurred by the Landlord due to the use of the Rented Space by the Tenant, authorized users, sub-tenant(s), and any and all other charges as set out herein.

***EarlyON Programming Space***

17. The Tenant shall pay to the Landlord a monthly rental rate at 70% of the rental rate applicable to an Enhanced Library as set out on Schedule "A", to operate the EarlyON Programming Space on the additional upper level of the Property for the Term of this Agreement, for the base year 2020, calculated at 1,193 square feet, subject to an annual increase thereafter, if any, by way of Annual CPI Adjustment for Ontario as determined by Statistics Canada, together with any increases resulting from a revision or negotiations pursuant to the Lease Policy (hereinafter, the "**Monthly Payment**").

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18. In each year from the 2020 calendar year through the remainder of the Term, including any renewals thereof, the Monthly Payment shall be calculated and payable in monthly instalments without demand on the fifteenth (15<sup>th</sup>) day of each month of each year. In the event any payable date for a monthly instalment during the course of the Term, including any renewals thereof, does not fall on a Business Day, such particular monthly payment shall be deemed to be due on the next Business Day.
19. Save as otherwise provided herein, the Parties acknowledge and agree that this Agreement is an all-inclusive lease agreement and that the Monthly Payment is inclusive of lease payment, compensation for increased utility charges incurred by the Landlord due to the use of the Rented Space by the Tenant, authorized users, sub-tenant(s), and any and all other charges as set out herein.

#### **Specific Landlord and Tenant Covenants**

##### ***Maintenance and Repair of the Upper Level, Lower Level and EarlyON Programming Space of the Property***

20. The Landlord covenants to deliver the Rented Space of the Upper Level, Lower Level and EarlyON Programming Space of the Property to the Tenant in a state of good repair and cleanliness and warrants that upon delivery, the foundation, walls, structure and roof of the Rented Space and the heating, ventilation, air conditioning, mechanical, plumbing and electrical systems are in good working order required for the proposed use.
21. (a) The Landlord covenants that for the entirety of the Term and any renewals thereof, it shall maintain the Rented Space and Property in a good state of repair and cleanliness as provided herein. Without limiting the foregoing, the Landlord agrees that it shall ensure that the foundation, walls, structure and roof of the Rented Space and Property remain structurally sound and that the heating, ventilation, air conditioning, mechanical, plumbing and electrical systems serving the Rented Space is maintained in good and working condition and provide for reasonable conditions of temperature, humidity, sanitation and air quality.  
  
(b) Notwithstanding any other provision of this Lease, if the Rented Space, the boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Property, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees, sub-contractors or anyone permitted by it to be in or on the

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- Property by the Tenant, regular wear and tear excepted, the expense of the necessary repairs, replacements or alterations shall be borne entirely by the Tenant and paid to the Landlord forthwith on demand as additional rent. In the event that such repairs are undertaken by the Landlord as a result of negligence, carelessness or misuse by the Tenant, wear and tear excepted, the amount to be paid shall include a sum equal to fifteen percent (15%) thereof for overhead and such payment shall be made by the Tenant within a period of fifteen (15) days from Tenant's receipt of the invoice.
22. The Landlord covenants that for the entirety of the Term and any renewals thereof, it shall make all necessary repairs (including partial and/or full replacement) of the foundation, walls, structure and roof of the Rented Space and the heating, ventilation, air conditioning, mechanical, plumbing and electrical systems serving the Rented Space at its sole expense. The Landlord agrees that it shall make all reasonable efforts when conducting maintenance and repairs to do so in a fashion that minimizes disturbance and inconvenience to the Tenant and the general public.
  23. Subject to section 22 above and at no additional cost to the payment payable by the Tenant, the Landlord shall provide such interior cleaning services of the Rented Space necessary to keep the Rented Space in a state of cleanliness reasonably expected of a public library which at minimum, ensures safe usage by library patrons (hereinafter, collectively referred to as **"Cleaning Services"**).
  24. Without limiting the Landlord's responsibility with respect to section 24 above, Cleaning Services shall include vacuuming, floor cleaning, dusting, removal of trash, recycling and any other reasonable cleaning service necessary to meet its obligation set out in this Agreement.
  25. In furtherance of its obligation pursuant to section 21 of this Agreement, the Landlord agrees that it shall provide Cleaning Services each day the Library is open to the public.
  26. The Landlord shall provide to the Tenant a record of Cleaning Services at any time upon the request of the Tenant, and such record shall demonstrate when Cleaning Services were provided in the Rented Space. The Landlord shall retain such records in accordance with sections 254 and 255 of the *Municipal Act, 2001* RSO 2001, c. 25, as amended or replaced.
  27. Subject to the responsibility of the Landlord for providing Cleaning Services, as provided for in sections 21 through 24 above, the Tenant agrees that it will keep

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- the Rented Space in a neat and tidy condition when conducting its operations. Failure to do so may result in a notice being provided to the Tenant upon which the Tenant shall be provided a period of thirty (30) days to rectify the situation. Should the Tenant fail to take steps to rectify the situation, the Landlord shall charge as additional rent to the costs associated with having to perform any additional cleaning services directly as a result of the Tenant's failure to keep the Rented Space in a neat and tidy condition.
28. The Landlord covenants that for the entirety of the Term and any renewals thereof, it shall maintain and keep clean and tidy all outside grounds of the Property and will not allow garbage, waste or objectionable material to accumulate on the Property, including but not limited to the entrances to the Property, Library, parking lot, and sidewalks. At its sole expense for the duration of the Term, including any renewals thereof, the Landlord shall provide all lawn cutting, landscaping, snow and ice removal and all other ground maintenance services on the Property.
29. Notwithstanding the Landlord's obligations set out in section 29 above, the Tenant during the Term of this Lease and any renewals thereto shall be responsible for any maintenance, and care of the outdoor garden area and reading garden as shown on the attached Schedule "C" ("**Tenant's Outdoor Area**"). For clarification purposes, the Tenant's Outdoor Area shall be kept and maintained in a clean and tidy condition at all times. In the event that Tenant fails to appropriately maintain Tenant's Outdoor Area, the Landlord shall conduct the appropriate maintenance and cleaning with any such costs incurred as a result of such activities shall be charged by the Landlord on a time and materials basis to the Tenant.

***Quiet Enjoyment and Access***

30. (a) The Landlord covenants that for the entirety of the Term and any renewals thereof, it shall provide the Tenant with quiet enjoyment of the Rented Space to further the delivery of its Enhanced Library Services on the Property's Upper Level, Non-Library Services on the Property's Lower Level and EarlyON Programming Space, and allow the Tenant to access and occupy the Rented Space at any time or hour desired by the Tenant, subject to any security measures required by the Landlord.
- (b) The Tenant covenants that the Landlord may peaceably and quietly hold, use and enjoy the Property (excluding the Rented Space) during the Term without any unreasonable hindrance, interference, nuisance or interruption by the Tenant, the Tenant's Community Partners or by any other person allowed access to the Property, through or under the Tenant.

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***Inspection and Notification of Accidents/Defects***

31. The Tenant covenants to permit the Landlord to enter into and view the state of repair of the Rented Space at any reasonable time.
32. The Tenant covenants that its employees shall give the Landlord reasonable notice of any accident, damage to or other defect on the Property that it obtains knowledge of with respect to:
  - (a) the foundation, walls, structure and/or Connections of the Rented Space;
  - (b) the heating, ventilation, air conditioning, mechanical, plumbing and electrical systems serving the Rented Space; and/or
  - (c) the water supply/quality, sewage, waste disposal, drainage, temperature, and/or air quality at the Rented Space.

***Utilities, Water and Municipal Taxes***

33. The Landlord covenants that it shall provide, pay for and maintain at its sole expense for the entirety of the Term and any renewals thereof, all heat, electricity, water, gas and light required for the Tenant to conduct its operations in the Rented Space, including the costs of any installation, maintenance, service or work necessary to supply the utilities to the Rented Space.
34. The Landlord covenants that for the entirety of the Term and any renewals thereof, the Landlord shall provide safe drinkable water to all taps/faucets within the Rented Space.

***Connections and Utilization Thereof***

35. (a) The Landlord covenants that for the entirety of the Term and any renewals thereof, it shall provide cat5e cabling within the structure (walls) of the Rented Space which provides a minimum of 100 megabits (Mb) per second of bandwidth to switch or router and is accessible to the Tenant from the inside the Rented Space (hereinafter referred to as “**Connections**”) for the exclusive use of the Tenant for its phones/fax/networks etc.
- (b) The Tenant agrees that it shall be fully responsible, independent of the Landlord, to pay the any and all costs, fees and charges incurred in order to utilize the Connections provided by the Landlord. Such costs, fees and charges shall include without limitation, the cost of servicing, internet line(s) and phone

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lines(s).

### ***Furnishings***

36. The Tenant at all times throughout the Term shall be fully responsible for its own furnishings with respect to the Rented Space, including but not limited to the supply office, board room, storage room, furniture, equipment and supplies, however, the Landlord shall supply all rest rooms.

### ***Alterations, Installations and Trade Fixtures***

37. During the Term and any renewals thereof, the Tenant may make cosmetic alterations (i.e. paint, carpet, tile, etc.) to the Rented Space that do not involve changes to the structure of the Rented Space or to the heating, ventilation, air conditioning, mechanical, plumbing, electrical systems and Connections serving the Rented Space at its sole discretion without the written consent of the Landlord and any such cosmetic alterations shall be at the sole cost and expense of the Tenant. Notice of such cosmetic alterations including the timing of the completion of the any cosmetic alterations shall be provided to the Landlord in writing prior to commencing the cosmetic alterations.
38. Prior to the Tenant taking possession of the Rented Space, the Tenant shall install on the Upper Level shelving for library operations, which shall be deemed to be the property of the Tenant and to be Trade Fixtures. During the Term and any renewals thereof, the Tenant may install such additional Trade Fixtures in its sole and absolute discretion as it sees fit. At the termination of this Agreement or any renewals thereof, the Tenant shall have the right to remove any and all Trade Fixtures. The Tenant acknowledges and agrees that in the event it removes Trade Fixtures, either during the Term or following the termination of this Agreement, it shall compensate and make whole the Landlord for any damages caused to the Rented Space as a result of installation and removal of Trade Fixtures.

### ***Staffing***

39. The Tenant shall be fully responsible for all staffing costs for its operations in the Rented Space. All persons employed by the Tenant in connection with the Tenant's operations shall be employees of the Tenant for all purposes and the Municipality shall under no circumstances be deemed the employer of any staff members employed by the Tenant. The Tenant and Landlord agree that each of them shall at their own cost and expense, maintain worker's compensation coverage, unemployment compensation coverage and other like statutorily required coverage with respect to their own respective employees. Nothing contained in this Lease Agreement shall be construed by the parties hereto nor

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by any third party as creating the relationship of principal and agent or of a partnership or of a joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rental nor any other provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of landlord and Lessee.

***Compliance with Law***

40. The Tenant agrees that at all times during the Term and any renewals thereof, it shall comply with all federal, provincial and municipal laws, statutes, regulations, by-laws and policies.

***Authorized Usage, Sub-letting and Assignment***

41. (a) Subject to the terms herein, the Tenant may at its sole discretion provide the Rented Space for use by its Community Partners.

(b) Usage of the Rented Space other than to Community Partners shall be in accordance with the Middlesex County Library Board Policy and in compliance with all of the Municipality's policies and practices.

(c) The Tenant may assign its rights and obligations under this Agreement to other governmental agencies or not-for-profit and charitable organizations upon obtaining the prior written consent of the Landlord, provided that the amount to be paid by the assignee shall not be in excess of the amount paid by the Tenant.

42. The Tenant acknowledges and agrees that in the event it authorizes users to use a portion of the Rented Space or sub-lets a portion of the Rented Space in accordance with this Lease Agreement, and the Tenant shall remain bound by all obligations pursuant to this Agreement for the balance of the Term and any renewals thereof.

**Liability, Indemnification and Insurance**

***Landlord Responsible for the Property (Other than the Rented Space), its Operations and its Employees***

43. In addition to and without limiting any other provision of this Agreement, the Landlord covenants that it shall be fully responsible for the following:

- (a) any portion of the Library or the Property that is not considered part of the Rented Space, including but not limited to the Library and parking lot;

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- (b) its own municipal operations/activities;
  - (c) its own employees, Councillors, officers, directors, agents and consultants engaging in the furtherance of their municipal duties, wherever situate.
44. The Landlord hereby agrees to release, indemnify, defend and hold harmless the Tenant, including each their respective members, employees, sub-tenant(s), Councillors, officers, directors, representatives, agents, legal counsel and consultants (as applicable) from and against any and all claims, causes of action, demands, losses, costs, charges, fees, expenses, duties, dues, accounts, covenants, or other proceedings of every kind or nature whatsoever at law or in equity brought against, suffered by or imposed which arise out of or are related to any loss, damage or injury to any person or property (including injury resulting in death) which:
- (a) occurs on any portion of the Library or Property that does not make up the Rented Space (including but not limited to the Library); and/or
  - (b) is caused by the actions of its own employees, Councillors, officers, directors, agents and consultants, wherever situate, acting in the course of their municipal duties and/or performing obligations required to be performed pursuant to this Agreement;

save and except those which:

- (i) occur in the Rented Space and do not involve a Landlord employee acting in the course of his/her municipal duties and/or performing obligations required to be performed pursuant to this Agreement;
- (ii) are caused by the Tenant's own employees, members, officers, directors, agents, representatives and consultants engaging in the furtherance of its operations;
- (iii) are caused by the operations of the Tenant or any of its Community Partners, authorized users, sub-tenant(s) or employees thereof in the furtherance of the operations of the Tenant or any of its Community Partners, authorized users or sub-tenant(s);
- (iv) are sustained by either the Tenant's or the Tenant's sub-contractor(s)'

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employees during the course of their employment which are covered by WSIB coverage; and/or

- (v) are caused by the negligence or willful conduct of the Tenant, its Community Partners, authorized users, sub-tenant(s) or by those for whom the Tenant is at law responsible.

***Landlord's Insurance Coverage***

45. The Landlord agrees that it shall at its own expense, obtain and maintain in full force and effect during each year of this Agreement and any renewal thereof and for an additional three (3) years following the termination of this Agreement or any renewal thereof, the following policies of insurance coverage:

- (a) Commercial General Liability Insurance ("CGL") on an occurrence basis insuring against damages to persons (personal injury, including death) and property, contractual liability, employer's liability, and employee benefits liability with a limit of not less than five million dollars (\$5,000,000.00) per occurrence or such greater amount that any Party may from time to time request and/or reasonably require. The CGL shall:
  - (i) include the Tenant and the County as additional insured;
  - (ii) contain a cross-liability clause;
  - (iii) contain a severability of interests' clause endorsement;
  - (iv) contain a clause including contractual liability coverage arising out of this Agreement; and shall
  - (v) not be subject to a deductible limit in excess of twenty-five thousand dollars (\$25,000.00) unless otherwise agreed to by the Parties in writing. In the event the Parties agree in writing to a higher acceptable deductible limit, the Parties shall forthwith cause this Agreement to be amended accordingly.

The above noted CGL shall include a provision that if cancelled or changed in any manner that would affect the Parties as outlined in the coverage specified, the insurer will endeavor to provide thirty (30) days of prior written notice by mail or facsimile transmission to the Parties.

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*Initials*



- (b) Errors and Omissions coverage for potential errors and omissions arising from the operations of its employees (including employee benefits liability) in an amount not less than five million dollars (\$5,000,000.00) exclusive of interest and legal costs, underwritten by an insurer licensed to conduct business in the Province of Ontario, which includes the Tenant and County as additional insured.
- (c) A certificate of insurance evidencing the effective status of the coverage is to be provided by the Landlord at the commencement of the term of this Agreement and at the commencement of any renewal period. The insurance shall be maintained for an additional three (3) years following the termination of this Agreement and any renewals thereof. The Landlord shall advise the Tenant of any changes to the insurance and shall provide a certificate with respect to any such changes. In the event the insurance policy contains an insured vs. insured exclusion, the exclusion must be amended to allow for claims against the named insured by the additional insured. If the insurance policy is to be cancelled or non-renewed for any reason, ninety (90) days of notice of said cancellation or non-renewal must be provided to the Tenant and the County. The post-termination insurance covenants above shall survive the termination of this Agreement.

***Tenant Responsible for Rented Space and its Operations, Employees, Authorized Users and Sub-tenants***

46. In addition to and without limiting any other provision of this Agreement, the Tenant covenants that it shall be fully responsible for the following:

- (a) the Rented Space, except for the actions of the employees of the Landlord in the Rented Space in furtherance of their municipal duties, landlord duties, and/or duties required to be performed pursuant to this Agreement;
- (b) its operations/activities;
- (c) its own employees, members, officers, directors, agents, representatives and consultants engaging in the furtherance of its operations; and

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(d) the operations and actions of any of its Community Partners, authorized users and sub-tenant(s).

47. The Tenant hereby agrees to release, indemnify, defend and hold harmless the Landlord, including each of its respective employees, Councillors, officers, directors, representatives, agents, legal counsel and consultants from and against any and all claims, causes of action, demands, losses, costs, charges, fees, expenses, duties, dues, accounts, covenants, or other proceedings of every kind or nature whatsoever at law or in equity brought against, suffered by or imposed which arise out of or are related to any loss, damage or injury to any person or property (including injury resulting in death) which:

- a. occurs on the Property; and
- b. is caused by its own employees, members, officers, directors, sub-tenants, agents, Community Partners, authorized users, and representatives or consultants in the course of their duties for the Tenant;

save and except those which:

- i. are caused by the Landlord's employees, Councillors, officers, directors, agents and consultants, wherever situate, in the course of their municipal duties and/or while performing duties required to be performed pursuant to this Agreement;
- ii. involve injuries to Landlord's employees engaged in the course of their employment for the Landlord, which are covered by WSIB; and/or
- iii. are caused by the willful or negligent conduct of the Landlord.

***Tenant's Insurance Coverage***

48. The Tenant agrees that it shall at its own expense, obtain and maintain in full force and effect during each year of this Agreement and any renewal thereof, and for an additional three (3) years following the termination of this Agreement or any renewal thereof, the following policies of insurance coverage:

- a. Commercial General Liability Insurance ("CGL") on an occurrence basis insuring against damages to persons (personal injury, including death) and property, contractual liability, employer's liability, and employee benefits liability with a limit of not less than five million dollars

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*Initials*

(\$5,000,000.00) per occurrence or such greater amount that any Party may from time to time request and/or reasonably require. The CGL shall:

- include the Landlord as additional insured;
- contain a cross-liability clause;
- contain a severability of interests' clause endorsement;
- contain a clause including contractual liability coverage arising out of this Agreement;
- contain tenant's liability (all risks) coverage for all obligations pursuant to the Rental Agreement; and shall
- not be subject to a deductible limit in excess of twenty-five thousand dollars (\$25,000.00) unless otherwise agreed to by the Parties in writing. In the event the Parties agree in writing to a higher acceptable deductible limit, the Parties shall forthwith cause this Agreement to be amended accordingly.

The above noted CGL shall include a provision that if cancelled or changed in any manner that would affect the Parties as outlined in the coverage specified, the insurer will endeavor to provide thirty (30) days of prior written notice by mail or facsimile transmission to the Parties.

- b. Errors and Omissions coverage for potential errors and omissions arising from the operations of its employees (including employee benefits liability) in an amount not less than five million dollars (\$5,000,000.00) exclusive of interest and legal costs, underwritten by an insurer licensed to conduct business in the Province of Ontario, which includes the Landlord as additional insured.
- c. A certificate of insurance evidencing the effective status of the coverage is to be provided by the Tenant at the commencement of the term of this Agreement and at the commencement of any renewal period. The insurance shall be maintained for an additional three (3) years following the termination of this Agreement and any renewals thereof. The Tenant shall advise the Landlord of any changes to the insurance and shall provide a certificate with respect to any such changes. In the event the insurance policy contains an insured vs. insured exclusion, the

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exclusion must be amended to allow for claims against the named insured by the additional insured. If the insurance policy is to be cancelled or non-renewed for any reason, ninety (90) days of notice of said cancellation or non-renewal must be provided to the Landlord. The post-termination insurance covenants above shall survive the termination of this Agreement.

### ***Proof of Insurance***

49. The Landlord and the Tenant agree that they will provide each other and the County with proof of insurance, identifying all lines of coverage required by this Agreement by means of Certificate(s) of Insurance in a form satisfactory to the Parties each year, or ten(10) days prior to renewal of each insurance policy, and for an additional three (3) years following the termination of this Agreement and any renewals thereof.
50. In addition to and without limiting the foregoing, the Landlord and the Tenant shall at any time requested by any Party, provide another Party with proof of insurance. The Parties further agree that they shall not change, amend or cancel the insurance policies of this Agreement during the term of this Agreement or any renewals thereof without the written consent of the Parties to this Agreement.

### **Termination**

51. In the event of termination pursuant to this Agreement including but not limited to sections 5, 6, 9 and 10 (expiry), section 53 (cessation of existence), section 55(a) (damage), or section 56 (insufficient insurance proceeds) of this Agreement, any monies owing to the Landlord that have not been paid shall forthwith be paid to the Landlord prior to the date of the said termination. Further, in the event there are any monies for services paid by the Tenant for occupancy which has not been provided by the Landlord, such monies shall be returned forthwith by the Tenant to the Landlord.
52. In the event the Landlord dissolves as a corporation, this Agreement shall terminate as of the date the Landlord ceases operation as a corporation. The Tenant and the Landlord each covenant to inform each other as soon as either has knowledge that either the dissolution of the Tenant as a local board or the cessation of operations of the Landlord is either being considered and/or has any semblance of likelihood.
53. Upon termination of this Agreement, the Tenant agrees to forthwith remove its permitted chattels and Trade Fixtures and vacate the Rented Space, leaving it in good repair, reasonable wear and tear excepted.

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### **Damage by Fire or Elements**

54. If during the Term of this Agreement or any renewal thereof, the Rented Space is destroyed or damaged by fire or the elements and other termination provisions contained in this Agreement have either not been invoked or have not become effective, the following provisions shall have effect:
- a. If the Rented Space is so badly damaged that in the opinion of the Landlord's architect or professional engineer it is unfit for occupancy and is incapable of being repaired with reasonable diligence within 180 days of the occurrence of such damage, then at the option of the Tenant, the Term shall cease from the date that such damage or destruction occurred. In the event the aforementioned option is exercised by the Tenant, the Tenant shall immediately surrender possession of the Rented Space to the Landlord and the Landlord shall refund any monies paid by the Tenant for occupancy which is not provided by the Landlord.
  - b. If the Rented Space is capable with reasonable diligence, in the opinion of the Landlord's architect or professional engineer, of being repaired and made fit for occupancy within 180 days from the occurrence of such damage, the Landlord shall repair the damage with all reasonable speed. Payment for the time period when the process of repair is ongoing shall not be owed by the Tenant to the Landlord and if already paid by the Tenant for the repair period, shall be refunded to the Tenant. Regular payment by the Tenant to the Landlord shall re-commence immediately after such repairs are completed.

### **Insurance Proceeds**

55. Notwithstanding section 47, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Property, Library or the Rented Space, or are not payable to or received by the Landlord, or in the event that any person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary approvals and permits to rebuild the Library and Property or the Rented Space, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Rented Space to the Landlord.

### **Notices**

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56. Any Communication shall be in writing and may be delivered:

- a. personally, or by courier;
- b. by prepaid registered mail; or
- c. by facsimile; or
- d. by email or equivalent electronic means of transmission, if a hard copy of the Communication is delivered by one of the three methods of delivery referred to above.

57. Any Communication shall be delivered to the persons and addresses as follows:

**to the Landlord at:**

The Municipality of Middlesex Centre  
10227 Ilderton Road, R.R. #2  
Ilderton, ON N0M 2A0  
Attention: Municipal Clerk  
Tel. No.: 519-666-0190  
Fax: 519-666-0271

**to the Tenant at:**

The Middlesex County Library  
Board Administration Offices  
399 Ridout Street North  
London, Ontario N6A 2P1  
Attention: Chief Executive  
Officer

Tel. No.: (519) 434-7321 x2338  
Facsimile No.: (519) 434-0638

**to the County at:**

The Corporation of the County of Middlesex  
Administration Offices  
399 Ridout Street North  
London, Ontario N6A 2P1  
Attention: County Clerk

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*Initials*

Tel. No.: (519) 434-7321 x2250  
Facsimile No.: (519) 434-0638

or to any other address as any Party may at any time advise the other by Communication given or made in accordance with this section.

58. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 4:00 p.m. (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

#### **Further Assurances**

59. The Parties hereto at all times warrant that they shall do, execute, acknowledge, deliver and/or cause to be done such other acts, agreements and other documents as may be reasonably required or desirable to give effect to the terms of this Agreement.

#### **Amendment and Waiver**

60. No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any section of this Agreement is binding unless it is in writing and executed by the Parties to be bound. No waiver of, failure to exercise, or delay in exercising any section of this Agreement constitutes a waiver of any other section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.
61. The Parties agree and warrant that in the event this Agreement is renewed, amended

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*Initials*

or replaced, such amendments or replacement shall be worded to take full force and effect on the 1<sup>st</sup> day of January for the year in which the amendment or new agreement is made.

#### **Enurement**

62. This Agreement enure to the benefit of and is binding upon the Parties and their respective Councils, members, administrators, employees, successors, employees, agents, representatives, consultants and permitted assigns.

#### **Dispute Resolution**

63. Any disputes arising under the terms and conditions of this Agreement shall be dealt with in the manner set out as follows: (i) Upon written request to resolve any disputes arising from this Agreement which is sent by one Party to another, the Parties hereby agree to resolve all disputes pursuant to this section; (ii) Upon receipt by the receiving Party of a written request to resolve disputes, the Parties shall first attempt to resolve all disputes by way of formal negotiation between the Parties and their appointed representatives. If the disputes cannot be settled within thirty (30) days from the receipt of the written request to resolve disputes by the receiving Party, then the Parties shall enter into a structured negotiation on a without prejudice basis with the assistance of a mediator appointed by them. (iii) If the disputes cannot be settled within ninety (90) days from the receipt of written request to resolve disputes by the receiving Party, or such longer period as may be agreed to by the Parties, the Parties shall, refer the matter forthwith to an arbitration which shall finally resolve the dispute(s). The aforementioned arbitration shall be conducted in accordance with the *Ontario Arbitration Act, 1991*, c 17, as amended.

#### **Release and Estoppel**

64. Forthwith upon the Parties entering into this Agreement, the Landlord shall not call into question, directly or indirectly, in any proceedings whatsoever, in law or in equity, or before any administrative tribunal, the right of the Landlord to enter into this Agreement or to enforce each and every covenant and condition herein contained and this Agreement shall be pleaded as an estoppel against the Landlord in such proceeding.

#### **Entire Agreement**

65. This Agreement, including its schedules, constitutes the entire agreement between the Parties with respect to the renting of the Rental Space and associated potential liability. This Agreement, inclusive of its schedules, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties and the Parties hereby acknowledge that there are no representations, warranties or other agreements

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between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement and its schedules. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement. Except as amended herein, the terms of this Agreement shall remain in full force and effect.

#### **Voluntary Enforceable Agreement**

66. The Parties warrant that this Agreement is voluntary and that each Party has had an opportunity to seek the advice of separate and independent legal counsel with respect to this Agreement.
67. The Landlord and the Tenant agree that they have the legal right and ability to enforce the said provisions of this Agreement hereunder against each other and both the Landlord or the Tenant are estopped from pleading or asserting otherwise in any action or proceeding.

#### **Counterparts**

68. This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

#### **Severability**

69. Each section of this Agreement is distinct and severable. If any section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that section, in whole or in part, will not affect:
  - a. the legality, validity or enforceability of the remaining sections of this Agreement, in whole or in part; or
  - b. the legality, validity or enforceability of that section, in whole or in part, in any other jurisdiction.

#### **Obligations as Covenants**

70. Each obligation of the Municipality or the Lessee expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all

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purposes.

### **Interpretation**

71. The words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine and neutral gender and vice versa, and words importing persons shall include firms and corporations and vice versa.
72. Unless the context otherwise requires, the word "Municipality" and the word "Tenant" or "Library" wherever used herein shall be construed to include heirs, executors, administrators, successors and assigns of the Municipality and Tenant, respectively.

### **Governing Law**

73. This Agreement is governed by and is to be construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable in that Province.

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**IN WITNESS WHEREOF** the Parties have hereunto set their hands and seals this on the date(s) noted below and agree that this Agreement shall be effective on the date set out at the top of page one (1) of this Agreement.

**THE MUNICIPALITY OF MIDDLESEX CENTRE**

Date: \_\_\_\_\_

Address:

Attn: Municipal Clerk  
10227 Ilderton Road  
R.R. #2 Ilderton, ON N0M 2A0

Per: \_\_\_\_\_

Aina DeViet, Mayor

Per: \_\_\_\_\_

\_\_\_\_\_, Clerk  
*We have authority to bind the Corporation*

**THE MIDDLESEX COUNTY LIBRARY BOARD**

Date: \_\_\_\_\_

Address:

Attn: Chief Executive Officer  
399 Ridout Street North  
London, ON N6A 2P1

Per: \_\_\_\_\_

Chair

Per: \_\_\_\_\_

Chief Executive Officer  
*We have authority to bind the Corporation*

**THE CORPORATION OF THE COUNTY OF MIDDLESEX**

Date: \_\_\_\_\_

Address:

Attn: County Clerk  
399 Ridout Street North  
London, ON N6A 2P1

Per: \_\_\_\_\_

Warden

Per: \_\_\_\_\_

Kathleen Bunting, Clerk  
*We have authority to bind the Corporation*

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***SCHEDULE "A"***

**Three-Tier Lease Rate For County Library Services**

LEASE RATES

- 1) The Library Board will pay Basic facilities \$7.00 per square foot (2019)
- 2) The Library Board will pay Enhanced facilities \$8.03 per square foot (2019)
- 3) The Library Board will pay Comprehensive facilities \$11.06 per square foot (2019)

Rates for all Library facilities will be negotiated with appropriate terms that will allow the County to increase fees annually. As a minimum standard, rent increases will be negotiated as annual fixed step increase in line with the Consumer Price Index for Ontario.

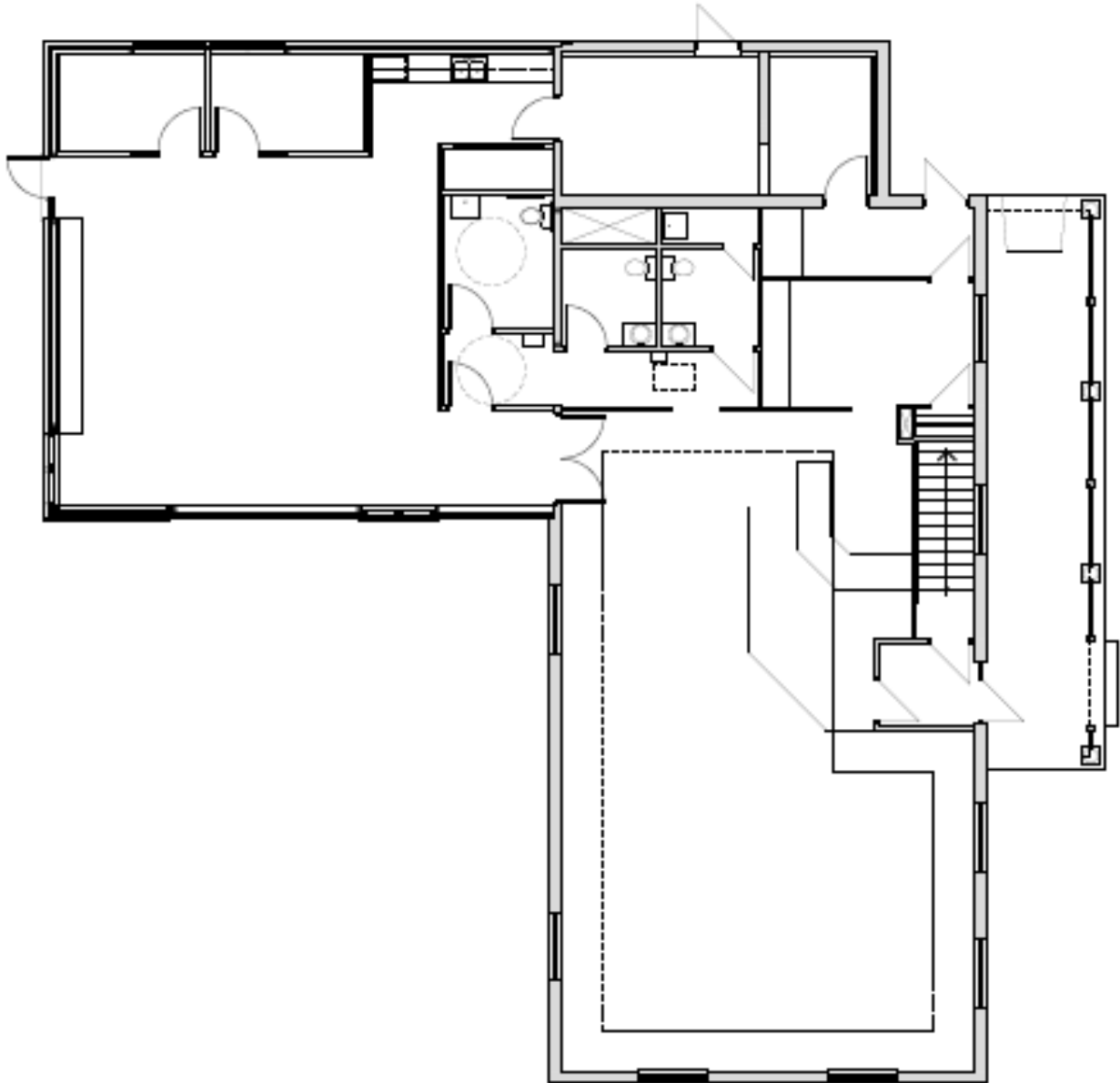
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**SCHEDULE "B"**

**Sketch of**  
**Rented Space**

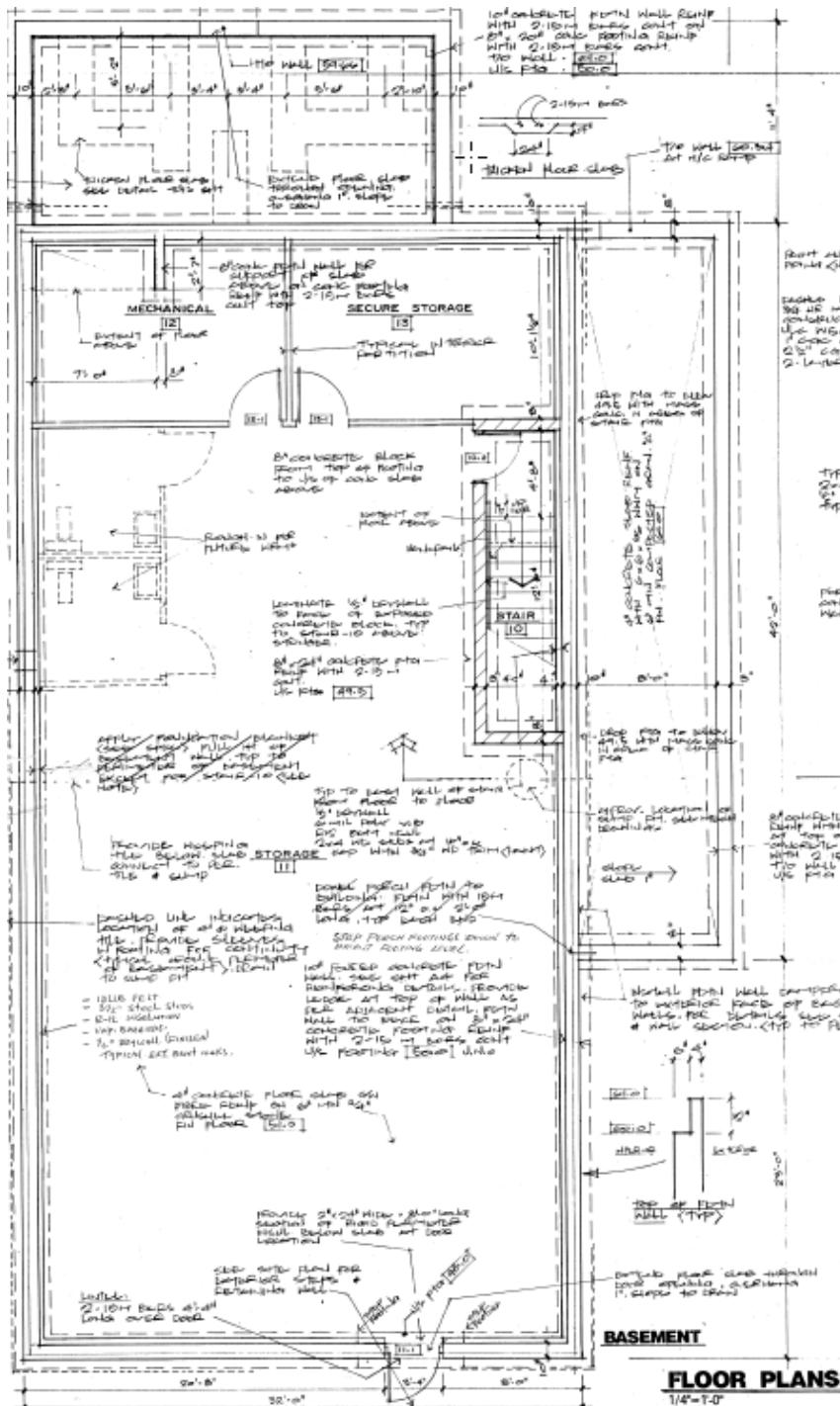
Upper Level



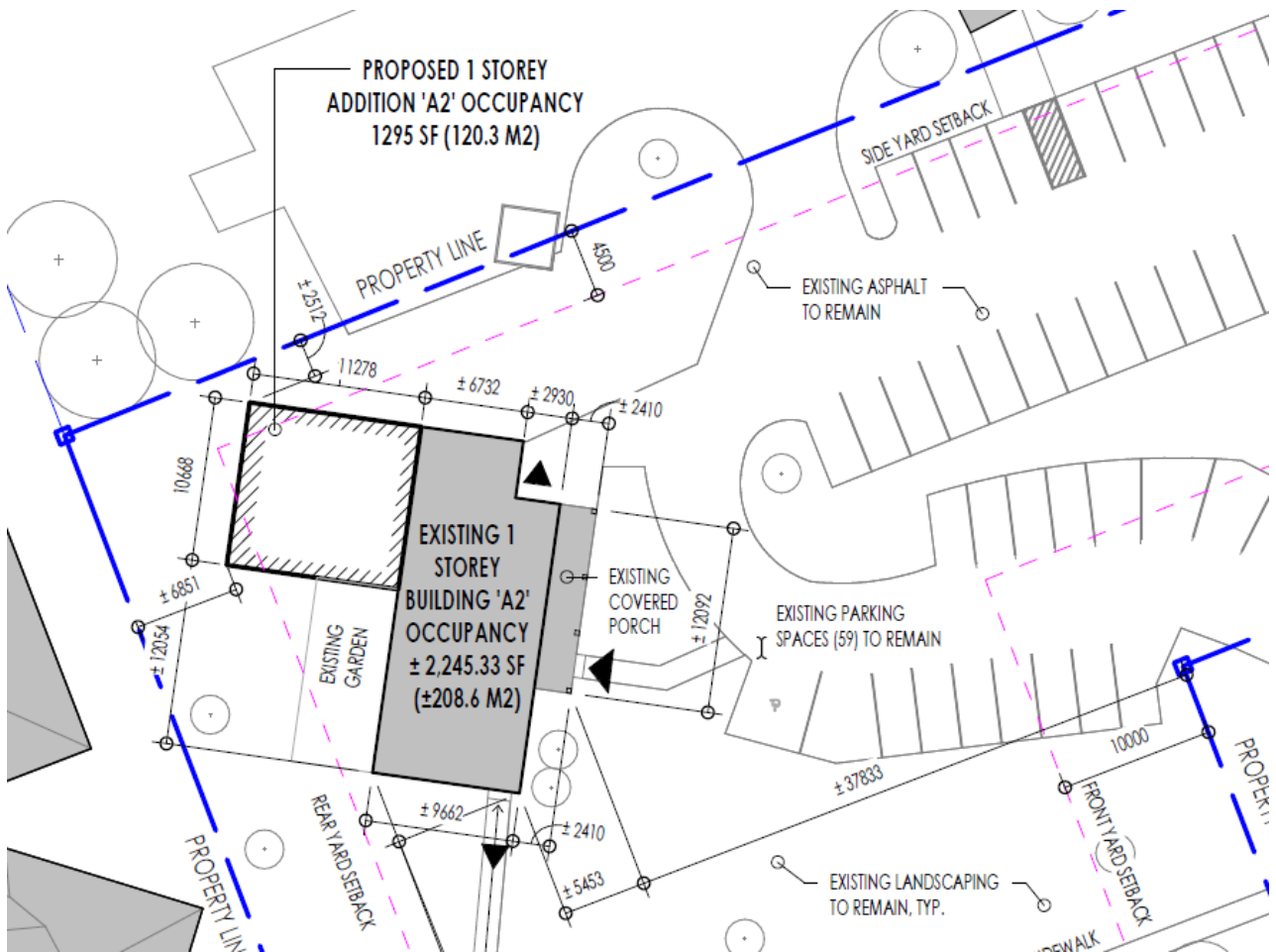
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## Basement



### Sketch of the Tenant's Outdoor Area



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