

**LEASE AGREEMENT**  
(the “**Lease**”)

Made effective as of the 1st day of January, 2024

**IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT**

**BETWEEN:**

**THE CORPORATION OF NORFOLK COUNTY**  
(Herein called the “**Lessor**”)

**AND**

**LYNNWOOD ARTS CENTRE**  
(Herein called the “**Lessee**”)

**WITNESSES** that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor by these presents does demise and lease unto the Lessee for the term and upon the conditions hereinafter set forth the lands and Premises being known municipally as 21 Lynnwood Avenue, Simcoe, Ontario (the “**Premises**”)

**1. TERM:**

**To have and to hold** the said Premises for and during the term of five (5) years to be computed from the 1<sup>st</sup> day of January, 2024 and ending on the 31<sup>st</sup> day of December, 2028 (herein called the “**Term**”).

**2. FINANCIAL ASSISTANCE & OPERATING TERMS:**

Schedule B attached hereto and forming a part of this Lease sets out certain provisions relating to financial assistance and operating requirements as agreed upon by the parties hereto (sometimes referred to as the “**Assistance Agreement**”). Any default under this Lease shall be deemed to be a default under such Assistance Agreement and vice versa.

**3. OVERHOLDING:**

If the Lessee remains in possession of the Premises after the expiration of the Term hereby demised, without the written consent of the Lessor, such holding over shall – if rent is accepted by the Lessor for any period after the expiration of

the Term or renewal term – create a tenancy from month to month at a monthly rental rate as established by the Lessor acting reasonably after consulting with professional realtors as to the then-current market rates for rent for similar properties, and otherwise on the same terms and conditions of this Lease, save and except for terms and conditions of this Lease that are only to apply during the Term, which includes (but is not necessarily limited to) the right of first refusal and the monetary assistance to be provided by the Lessor to the Lessee pursuant to the Assistance Agreement.

#### **4. RENT:**

The Lessee shall pay the sum of \$1.00 as the rent payable for the Term.

For greater certainty, and subject to paragraph 2 above, the provisions of this paragraph do not apply to any renewal term of this Lease, it being agreed that it be a condition of each renewal that the rent for each such term be agreed upon by the Lessor and the Lessee.

#### **5. LESSEE'S COVENANTS:**

Subject to paragraph 19 herein, the Lessee, covenants with the Lessor as follows:

1. Rent: To pay rent in the amount(s), on the date(s) and at the place(s) as required in accordance with this Lease;
2. Utility Charges: To pay all charges for telephone and internet. The Lessor will continue to pay all charges for electric, hydro, water, wastewater and natural gas used in connection with the Premises or the business carried on by the Lessee or any assignee or sub-tenant of the Lessee to be paid in accordance with the terms of the Assistance Agreement;
3. Other Charges: All charges for janitorial costs and any minor repairs and maintenance required on the Premises during the Term, to be paid in accordance with the Assistance Agreement;
4. Repair: To pay for any and all charges to repair any and all damage caused to the Building or Premises, due to the negligence or wilful misconduct of the Lessee. For greater certainty, and in accordance with the Assistance Agreement, any and all damages caused to the Building or Premises due to the negligence or wilful misconduct of the Lessee will be payable by the Lessee;
5. Use of Premises: The Lessee covenants that:

- a. It will use the Premises for such uses as authorized by its Letters Patent or other incorporating documents, a copy of which are attached hereto as Schedule A;
- b. It will use the Premises in accordance with the terms and provisions of the Assistance Agreement entered into by the parties hereto; and
- c. That it will not use the Premises for any other purpose without the prior written consent of the Lessor.

The Lessee further covenants not to do or omit to do or permit to be done or omitted anything upon or in respect of the Premises the doing or omission of which (as the case may be) shall be or result in a nuisance, and in its use and occupation of the Premises and to comply with every law, by-law, ordinance, order, rule, regulation or requirement of any Federal, Provincial, or Municipal government or any department, commission, board or officer thereof, including, without limitation, the terms and requirements of By-Law 78-36 which designated the building on the Premises (the "**Building**") as a heritage building;

6. Access to Premises: Only such individuals as are designated by the Chair Person of the Lessee in writing to the Lessor shall possess keys or security codes for the Premises and keys / codes shall be issued to a maximum of 12 individuals so designated. Each individual having a key or security code for the Premises shall also have an individual alarm code as assigned by the Lessor. The Lessee shall immediately advise the Lessor in the event that possession of any key and alarm code is being withdrawn from any designated individual and the Lessor may forthwith terminate such alarm code for that individual. If additional keys are required by the Lessee, they can be made available upon a mutual agreement with the Lessor;
7. Waste and Damage: Not to make or suffer any waste or cause or allow to be caused any damage, disfiguration or injury to the Premises or the fixtures and equipment thereof or permit or suffer any overloading of the floors thereof; and not to use or permit to be used any part of the Premises for any dangerous, noxious or offensive trade, business or other activity; and not to cause or maintain any nuisance in, at or on the Premises;
8. Indemnity: To indemnify the Lessor from any and all liabilities, damages, costs, claims, suits or actions growing out of:
  - a. Any breach, violation, or non-performance of any covenant or proviso hereof (including those contained in the Assistance

Agreement) on the part of the Lessee or those for whom the Lessee is in law responsible;

- b. Any damage to property occasioned by the use and occupation of the Premises by the Lessee or those for whom the Lessee is in law responsible; or
- c. Any injury to person or persons, including death resulting at any time therefrom, occurring in, on or about the Premises and on the roads or sidewalks adjacent thereto arising due to the use and occupation of the Premises by the Lessee or those for whom the Lessee is in law responsible.

Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death occurring during the Term of this Lease or any renewal thereof shall survive any termination of this Lease, anything in this Lease to the contrary notwithstanding; provided, however, that such indemnification shall in no event extend to the direct results of the negligent reckless or wilful conduct of the Lessor, its agents, employees or representatives;

- 9. Hours of Operation: The Lessee shall be entitled to operate and/or use the Premises 24-hours a day and on any day;
- 10. Surrender of Premises: That the Lessee will at the expiration or sooner termination of the Lease, peaceably surrender and yield up unto the Lessor the Premises which shall be in a condition as stipulated in Sections 5(5) and 23 on the part of the Lessee;
- 11. Alterations & Capital Improvements: That the Lessee shall only be entitled to effect alterations to the Premises with the Lessor's prior written approval of plans and specifications for such alterations and capital improvements, which approval shall not be unreasonably withheld. Such alterations or capital improvements shall always be in compliance with all applicable legislation, including, without limitation, the requirements to maintain the heritage designation of the Building upon the Premises. The Lessee shall also obtain the Lessor's prior written approval to the specifications, design, location and method of installation of all signs or advertisements unless such signs or advertisements are within the Premises of the Lessee which consent shall not be unreasonably withheld. The Lessee agrees to effect such alterations and capital improvements in good and workmanlike manner under the supervision of the Lessor and to be paid in accordance with the terms of the Assistance Agreement;

12. Assignment: Not to assign or sublet without the prior written consent of the Lessor, which consent may be arbitrarily refused by the Lessor in its sole and unfettered discretion, and which consent, if granted, shall be conditional upon receipt by the Lessor of a copy of the fully-executed sublease or assignment along with a certificate of insurance confirming coverages by the sub-lessee or assignee in accordance with the requirements of this Lease;
13. Nuisance: Not to carry on upon the said premises any business that may be deemed a nuisance;
14. Re-entry: Provide and permit for re-entry by the Lessor on non-payment of rent or non-performance of covenants;
15. Regulations: To comply with and conform to all municipal by-laws and regulations and with all orders, rules and regulations of any other authority having jurisdiction therein respecting all structures, facilities, goods and other property on the demised Premises and the Lessee's use of the demised Premises;
16. Insurance: The Lessee shall at its expense obtain and keep in force, during the Term, Commercial General Liability insurance satisfactory to the Lessor and underwritten by an insurer licensed to conduct business in the Province of Ontario. The policy shall provide coverage for Bodily Injury, Property Damage, and Personal Injury and shall include but not be limited to:
  - a) A limit of liability of not less than \$5,000,000.00 per occurrence;
  - b) The inclusion of The Corporation of Norfolk County as an additional insured with respect to the operations of the Named Insured;
  - c) The policy shall contain a provision for cross liability and severability of interest in respect of the Named Insured;
  - d) Contractual Liability;
  - e) Hostile Fire;
  - f) Tenant's Legal Liability Insurance;
  - g) All risks property insurance in an amount equal to the full replacement cost of property of every description and kind owned by the lessee or for which the lessee is legally responsible, and which is located on or about the Premises, including, without limitation, anything in the nature of a Leasehold improvement.

The Lessee's insurance shall be primary coverage and not additional to and shall not seek contribution from any other insurance policies available to the municipality.

The Lessee shall provide, together with its executed copy of this Lease, certificate(s) of insurance or certified copy(ies) of the above referred to policies, satisfactory to the Lessor. Provided that if a certificate is provided, all requirements as above set forth must be shown on the said certificate and notwithstanding the provision of any certificate, the Lessor may require that the Lessee provide a certified copy of the policy, if required.

The Lessee shall further forthwith provide evidence of the continuance of said insurance at each policy renewal date, or as may be requested by the Lessor from time to time, for the duration of the Lease.

The Lessee should provide 30 days prior written notice to the Lessor of any alteration, cancellation or change in policy terms, which reduces coverage or amends the provisions stated above.

**Sublet Insurance:**

All potential renters / sub-tenants of the Premises are subject to the above insurance requirements and must provide certificate(s) of insurance providing evidence of the above noted coverages to the Lessee. In addition, any renters / sub-tenants that will be serving alcohol on the premises must secure Host Liquor Liability coverage under the Commercial General Liability Policy, and/or a Party Alcohol Liability Insurance Policy with a minimum limit of \$2,000,000 per occurrence and underwritten by an insurer licensed to conduct business in the Province of Ontario. The Corporation of Norfolk County shall be added as an additional insured.

18. Operating Grant Use: The operating grant, as set out in the Assistance Agreement, shall not be used by the Lessee towards capital works, Building/Premises maintenance or any indemnification obligations of the Lessee. The Lessee will be in default of this Lease in the event the operating grant is applied towards any of the foregoing uses.

**6. LESSOR'S COVENANTS:**

1. The Lessor covenants with the Lessee for quiet enjoyment. The Lessor may use the Premises from time to time on a rent-free basis during the Term and any renewals thereof for special events and activities as long as the Lessor provides 30 days' written notice to the Lessee and the Lessee has not already scheduled an event or activity for the same date(s) and time(s). The Lessor shall be responsible for all expenses incurred, including staffing and insurance coverage, with respect to

such event or activity and the Lessor shall be entitled to retain any revenue generated by such event or activity.

2. The Lessor shall not charge the Lessee in respect of any taxes, rates (including local improvement rates), duties, assessments, and taxes-in-lieu (hereinafter called the "**Taxes**") that may be levied, rated, charged or assessed against the Premises, insofar as the Lessee is not in default of any term or provision of this Lease or the Assistance Agreement. For greater certainty, Taxes shall be payable, by the Lessee to the Lessor, should the Lessee be in default of any term or provision of this Lease and/or the Assistance Agreement
3. The Lessor shall provide and keep in force Property insurance on a replacement cost basis for the Building(s) against fire and such other perils.
4. The Lessor shall undertake routine maintenance of the site in accordance with the Lessor's established level of service. The Lessor shall review and respond to additional maintenance requests by the Lessee in accordance with this Lease.
5. The Lessor covenants and agrees to keep all of the heating, air conditioning, electrical service, water services and plumbing equipment in good repair and condition, subject to Section 5(4) herein. The Lessor shall undertake and direct all such repairs and costs for repairs in accordance with any provisions of the Assistance Agreement.

## **7. DAMAGE TO BUILDING:**

Provided that if during the Term the Premises shall be damaged or destroyed, then the following provisions shall have effect:

1. If, in the opinion of the Lessor, the Premises shall be so badly damaged so as to render the Premises unfit for the Lessee's use and occupancy and shall be incapable, with reasonable diligence, of being repaired within 180 days from the happening of such damage then either the Lessor or the Lessee may declare the Term to be forthwith terminated and in such event the insurance proceeds actually received shall be utilized by the Lessor in such manner as it sees fit, and the Lessee shall immediately surrender the Premises to the Lessor and shall pay rent only to the time of such injury, and the Lessor may re-enter and repossess the Premises discharged of this Lease and may remove all persons and appurtenances therefrom;

2. If, in the opinion of the Lessor, the Premises shall be capable, with reasonable diligence of being repaired and rendered fit for the Lessee's use and occupation within 180 days from the happening of such damage as aforesaid but the Lessee is unwilling to effect such repair then the Lessor may declare the Term to be forthwith terminated and in such event the Lessee shall immediately surrender the Premises to the Lessor and shall pay rent only to the time of such damage or destruction, and the Lessor may re-enter and repossess the Premises discharged of this Lease and may remove all persons therefrom.

#### **8. DAMAGE TO PROPERTY:**

The Lessor shall not be liable nor responsible in any way for any loss of or damage or injury to any property belonging to the Lessee or to employees of the Lessee or to any other person while such property is in or upon the Premises unless such loss, damage or injury shall have been caused by the negligence or wilful acts or omissions of the Lessor or those for whom the Lessor is in law responsible but notwithstanding the foregoing, in no event shall the Lessor be liable for any damage to any such property caused by steam, water, rain or snow which may leak into, issue or flow from any part of the Premises or from the water, steam or drainage pipes or plumbing works of the Premises or from any other place or quarter or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring or for any damage caused by anything done or omitted by any other tenant. The Lessee covenants to indemnify and save harmless the Lessor against and from all loss, costs, claims or demands in respect of any injuries, loss or damage referred to in this clause.

#### **9. FIXTURE REMOVAL BY LESSOR: Intentionally Deleted**

#### **10. DEFAULT OF LESSEE:**

Provided, and it is hereby expressly agreed, that (i) if and whenever the rent hereby reserved, or any part thereof, shall be unpaid for 15 days after any of the days on which it ought to have been paid although no formal demand shall have been made therefore; or (ii) in case of the breach, non-observance or non-performance of any of the covenants or agreement contained in this Lease or referred to on the part of the Lessee to be observed and performed and the Lessee shall fail to cure such breach, non-observance or non-performance within 30 days after notice of such default is given to the Lessee by the Lessor or, (iii) if such default is of a nature that it cannot be cured within the said 30 days after such notice; or (iv) in case the Premises shall be vacated or remain unoccupied; or (v) in the case the Term shall be taken in execution or attachment for any cause whatever, then and in each such case; or (vi) if the Lessee has failed to

comply with any term or obligation of the Assistance Agreement which default has not been cured in accordance with the terms set out therein, it shall be lawful for the Lessor at any time thereafter to exercise any of the remedies contained herein, which shall include, but not be limited to, re-entering into and upon the Premises or any part thereof in the name of the whole and the same to have again, repossess and enjoy as of its former estate, anything herein contained to the contrary notwithstanding.

#### **11. BANKRUPTCY, ETC:**

Provided further that in the case the Premises shall remain vacant or not be used for a period of 15 days or be used by any person other than the Lessee or for any purpose other than that as herein provided, without the written consent of the Lessor, or in case the Term or any of the goods and chattels of the Lessee shall be at any time seized in execution or attachment by any creditor of the Lessee or the Lessee shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any statute or legislation now or hereafter in force for bankrupt or insolvent debtors or an order shall be made for the winding-up of the Lessee, then in any such case this Lease shall, at the option of the Lessor, cease and determine and the Term shall immediately become forfeited and void and the then current month's rent and the next ensuing three month's rent shall immediately become due and payable and the Lessor may re-enter and take possession of the Premises as though the Lessee or other occupant or occupants of the Premises was or were holding over after the expiration of the Term without any right whatever, but the Lessee shall continue to be liable to the Lessor for the rent hereby reserved for the balance of the Term.

#### **12. DISTRESS:**

The Lessee waives and renounces the benefit of any present or future statute taking away or limiting the Lessor's right of distress and covenants and agrees that notwithstanding any such statute none of the goods and chattels of the Lessee or of any other persons in or upon the Premises at any time during the Term shall be exempt from levy by distress for rent in arrears.

#### **13. RIGHT OF RE-ENTRY:**

The Lessee further covenants and agrees that upon the Lessor becoming entitled to re-enter the Premises under any of the provisions of this Lease, the Lessor, in addition to all other rights, shall have the right to enter the Premises as the agent of the Lessee, either by force or otherwise, without being liable for any prosecution therefore and to re-let the Premises, as the agent of the Lessee, and to receive the rent therefore and, as the agent of the Lessee, to take possession of any chattels or other property on the Premises and to sell the same at public or private sale with or without notice and to apply the proceeds of such sale and

any rent derived from re-letting the Premises upon account of the rent hereby reserved, and the Lessee shall be liable to the Lessor for the deficiency, if any.

#### **14. RIGHT OF TERMINATION:**

The Lessee further covenants and agrees that upon the Lessor becoming entitled to re-enter upon the Premises under any of the provisions of this Lease, the Lessor, in addition to all other rights, shall have the right to terminate forthwith this Lease and the Term by sending notice in writing of its intention so to do, and thereupon rent and any other payments for which the Lessee is liable under this Lease shall be computed, apportioned and paid in full to the date of such termination of this Lease, and the Lessee shall immediately deliver up possession of the same.

#### **15. NON-WAIVER:**

Any condoning, waiving, excusing or overlooking by the Lessor or the Lessee as the case may be, of any default, breach or non-observance by the other at any time or times in respect of any covenant, proviso or condition herein contained, shall not operate as a waiver of the Lessor's rights or the Lessee's rights, as the case may be, hereunder in respect of any subsequent default, breach or non-observance, nor so as to defeat or affect in any way the rights of the Lessor or the lessee, as the case may be, herein in respect of any such subsequent default or breach.

#### **16. LESSOR MAY PERFORM COVENANTS:**

If the Lessee shall fail to perform any of the covenants or obligations of the Lessee under or in respect of this Lease the Lessor may from time to time, at its discretion, perform or cause to be performed any of such covenants obligations, or any part thereof and for such purpose may do such things as may be requisite, including without limiting the foregoing, may enter upon the Premises and do such things upon or in respect of the Premises or any part thereof as the Lessor may consider requisite or necessary. All expenses incurred and expenditure made by or on behalf of the Lessor under this paragraph shall be forthwith paid by the Lessee on demand and if not so paid shall bear interest at 1.25% per month (15.0% per annum) from the date the same were incurred or made.

#### **17. ASSIGNMENT BY LESSOR:**

It is specifically understood and agreed that the Lessor may assign this Lease and to the extent the assignee has assumed the covenants and obligations of the Lessor hereunder, the Lessor shall without further written agreement be freed and relieved of liability upon such covenants and obligations.

#### **18. ALL PAYMENTS COLLECTED AS RENT:**

The Lessee acknowledges that in addition to the basic rent of \$1.00 that is payable, all additional amounts required to be paid by it hereunder or pursuant to the Assistance Agreement shall be collected as rent and in the event of default all remedies available to the Lessor for non-payment of rent shall apply.

#### **19. PAYMENT OF CHARGES:**

The parties hereto acknowledge and agree that the Lessor has in place a system whereby all utility and other bills relating to the Premises, including service contracts for security, snow removal, floor mat cleaning, elevator maintenance, pest control, roof drain cleaning and fire systems maintenance are received by the Lessor for payment. The Lessor shall make such payments and charge the amounts paid against the amounts designated within the Assistance Agreement, providing a quarterly report as to such payments to the Lessee during the Term and any renewals. At such time or times as the payments required to be made are in excess of the Assistance Agreement in place, the Lessor shall provide an invoice to the Lessee for such excess amounts and the Lessee shall pay such invoice within 30 days of the date of issuance of such invoice.

#### **20. NOTICE:**

Any notice or request herein provided for or given hereunder if given by the Lessor to the Lessee shall be sufficiently given if mailed by prepaid post addressed to the Lessee at the Premises, and any notice or request herein provided for or given hereunder if given by the Lessee to the Lessor shall be sufficiently given if mailed as aforesaid addressed to the Lessor at 50 Colborne Street South, Simcoe, Ontario, N3Y 4H2, to the attention of the Clerk. Any notice mailed as aforesaid shall be conclusively deemed to have been given on the third business day following the day on which it was so mailed. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice the address therein specified shall be deemed to be the address of such party for the purpose of giving such notices or requests thereafter.

In the event of a postal strike in progress, notice shall be given only by personal services upon the parties hereto.

#### **21. CAPTIONS:**

The captions appearing in the Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope of meaning of this Lease or any of its provisions.

#### **22. REGISTRATION:**

The Lessee covenants and agrees with the Lessor that the Lessee will not register this Lease in this form in the Land Registry Office. A notice of Lease, approved as to form by the Lessor describing the parties, the Premises and the Term may be registered by the Lessee in the property Land Registry Office, with a copy of the registered notice being provided to the Lessor. Upon the termination of this Lease for any reason whatsoever, the Lessee hereby appoints the Lessor as its lawful attorney to execute and register such documentation as may be required in order to remove any Notice from title that the Lessee may have previously registered. A Declaration by the Clerk of the Lessor confirming the termination of this Lease shall be sufficient evidence of such termination or expiration for all purposes.

### **23. LESSEE'S RIGHTS ON TERMINATION:**

As the Building is owned by the Lessor, the Lessee may at the termination of the Lease remove all of its fixtures and appurtenances from the site, and the Premises shall be returned to its original condition, solely at the cost of the Lessee. All items left on the Premises after the termination of the Lease shall become the property of the Lessor.

### **24. SUBORDINATION AND ATTORNMENT:**

At the option of the Lessor, this Lease and all rights of the Lessee hereunder shall be subject and subordinate to any and all mortgages now or at any time hereafter existing (including all charges and deeds of trust and mortgage securing bonds and all instruments supplemental thereto) which may now or at any time hereafter affect the Premises in whole or in part.

### **25. ESTOPPEL CERTIFICATE:**

The Lessee shall, upon request of the Lessor, deliver to the Lessor in a form supplied by the Lessor a certificate certifying (if such be the case) that the Lease is in full force and effect, and such other information as may be reasonably required by the Lessor with respect to this Lease.

### **26. GOVERNING LAW:**

This Lease shall be construed and enforced in accordance with the laws of the Province of Ontario and of Canada applicable therein.

### **27. ENTIRE AGREEMENT:**

This Lease embodies the entire agreement of the parties with regard to the matters herein and no other agreement shall be deemed to exist except as entered into in writing by both parties to this agreement. For greater certainty, all prior agreements entered into by the parties hereto shall be null and void and of no force or effect

save and except for the Assistance Agreement.

#### **28. GRANT ASSISTANCE:**

The Lessor shall provide support and commitment with respect to any grant submissions made by the Lessee for any building or site improvements within the County's Building Condition Assessments and/or 10 year Capital Forecast. The grant submissions may be made by the Lessee, in partnership or with the knowledge of the Lessor.

#### **29. RIGHT OF FIRST REFUSAL:**

Should the Lessor wish to sell the Premises, either during the Term or earlier in the event of a default on the part of the Lessee, such default being with respect to either this Lease or the Assistance Agreement, the Lessee shall have the first right of refusal to acquire the Premises for the sum of \$288,000.00, payable in full at the time when the title for the Premises is to be transferred to the Lessee, plus any additional amounts owing by the Lessee to the Lessor, if and as applicable. The Lessee shall have 60 days from the date of receipt of a notice from the Lessor that the Lessor wishes to sell the Premises within which to exercise its right to acquire the Premises and the closing date for such transfer of title to the Lessee shall be within 30 days after the date of such exercise of the first right of refusal. Such acquisition shall be on an "as is where is" basis and the Lessee shall accept title to the Premises as may be the case at the time of exercise, save and except that the Lessor shall be required to remove any charge or mortgage from title that the Lessor registered on title previously. In the event that the Lessee fails to exercise such first right of refusal in accordance with the provisions herein, the Lessor shall be at liberty to sell the Premises to any other third party on whatever terms the Lessor considers advisable. The parties acknowledge that this right of first refusal shall expire in the event the Lessor does not deliver a notice indicating its intention of selling the Premises during the Term or in the event the Lessee does not exercise its right to acquire the Premises upon receiving a notice from the Lessor during the Term.

#### **30. NUMBER, GENDER, HEADINGS, CURRENCY:**

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and vice versa. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease. All references to dollar amounts in this Lease (including any and all schedules) are expressed in Canadian currency.

#### **31. SEVERABILITY:**

Should any Article or Section or Schedule or part or parts of an Article or Section

or Schedule in this Lease be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding upon the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease.

**32. COUNTERPARTS:**

This Lease may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, whether by telecopy or otherwise, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

**33. ENUREMENT:**

This Lease shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, successors and permitted assigns.

**[Signature Page Follows]**

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Effective as of the date set out on the first page of the Lease, the parties hereto have executed these presents.

**THE CORPORATION OF NORFOLK COUNTY**

*Amy Martin*

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Amy Martin - Mayor

*Genevieve Scharback*

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Genevieve Scharback - Clerk

**LYNNWOOD ARTS CENTRE**

*Stephen Nunn*

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Per: Stephen Nunn,  
Title: Board Chair, Lynnwood Arts Centre

*Brian Davis*

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Witness

**Schedule A**

**Lessee's Incorporation Documents**

[To be attached]

## Schedule B

### Financial Assistance & Operating Terms (The “Assistance Agreement”)

The Lessor (for the purposes of the Assistance Agreement, referred to as the “**County**”) and Lessee (for the purposes of the Assistance Agreement, referred to as “**Lynnwood**”) mutually agree that the following terms shall form part of the Lease to which this Schedule is attached and these terms shall be governed by all applicable provisions set out in the Lease:

1. The County may pay to Lynnwood a stated amount in any year, to assist Lynnwood with the payment of utilities expenses and for maintenance of the Premises. The sum of \$9,100.00 shall be paid for utilities (being hydro, water and waste water and natural gas) for each year that the Lease remains in force and the sum of \$37,400.00 shall be paid for maintenance of the Premises for each year that the Lease remains in force, consisting of contracted services, interdepartmental charges and for maintenance and repairs, which amounts shall not include (a) payment for any and all damages caused to the Building or Premises due to the negligence or wilful misconduct of Lynnwood, or (b) payment for capital works. An annual inflationary amount equivalent to the Consumer Price Index – as published by Statistics Canada (or by any successor thereof) – shall be added to those amounts at each anniversary of the Lease until its expiration or earlier termination. It shall be the responsibility of Lynnwood to pay any amounts incurred in excess of these budgeted amounts in any year. Payments to Lynnwood shall be made in three equal instalments, on March 31<sup>st</sup>, June 30<sup>th</sup> and September 30<sup>th</sup> each year; in the event any such date is not a business day (being a day other than a Saturday, Sunday or a statutory holiday in the Province of Ontario or any other day on which the principal chartered banks located in the Province of Ontario are not open for business during normal business hours) payment will be made on the immediately following business day.
2. The County shall cover the cost of snow removal of the Premises. For greater certainty, the cost of snow removal shall not be an expense item that will comprise part of the County’s budgeted payment of \$37,400.00 (subject to inflationary adjustments) towards maintenance of the Premises, as set out in Section 1.
3. The County shall also pay to Lynnwood the sum of \$50,000.00 as an operating grant for the year 2024, and such operating grant shall be reduced by the sum of \$10,000.00 per annum for each subsequent year that the Lease is in force. Starting in 2025, the sum of \$40,000 as an operating grant would be provided, \$30,000 in 2026 and thus forth. Payments to Lynnwood shall be made in three equal instalments, on March 31<sup>st</sup>, June 30<sup>th</sup> and September 30<sup>th</sup> each year.

4. Lynnwood shall display public acknowledgement as to the funding support provided by the County with respect to all printed or promotional materials, including brochures, pamphlets and clothing and with respect to all social media publications, all press releases, all websites and applications, all photos and videos, at all special events and with respect to all tickets or invitations that are issued. Signage confirming the funding support shall be displayed in a prominent position within the Building. Verbal acknowledgement shall be provided at all events. The County will provide Lynnwood with a high resolution logo to be used for print and online purposes and will work directly with Lynnwood in respect to the approved text for all recognition purposes.
5. A schedule of necessary capital works shall be established by the parties hereto. The cost of all such necessary capital works, including all contingencies, cost overruns and additional expenses related to such capital works, shall be apportioned so that a minimum of 60% of such costs shall be paid by Lynnwood, but only when funds for all above mentioned expenses have been secured by Lynnwood. The County, in consultation with Lynnwood shall have the final determination as to what capital works may be considered as being necessary. Any capital works will be subject to the County's Procurement Policy. The capital works are not intended to be tendered until such time as the funding "approvals" have been secured. The County may then proceed with the works with Lynnwood to be invoiced upon funding "receipt".
6. Lynnwood will source capital funding by forwarding grant submissions to relevant funders. Lynnwood will communicate to the Lessor on all applications in process, declined applications, and successful applications. Funding through this source will be provided to Lynnwood who will then forward confirmation of all relevant capital funding secured through this method to the County. The timing of funds will be contingent upon the processes of each funding source. Lynnwood will provide a schedule of payment when a grant has successfully been awarded, which will include timing of payments, amount of each payment, and all relevant details to be finalized with the County. Projects will commence (commitments to contractors) once the first payment has been received to the County.
7. Should a budget amendment be required to award a bid related to any capital works, notification will be provided to Lynnwood, and Lynnwood and the County will work in collaboration to determine if additional funding is required and the scope of the project may be adjusted to reflect the amount of funding required and the amount of funding secured. Should a project change order be proposed for any capital works that is over budget, the County and Lynnwood will provide each with written confirmation prior to any additional funds being spent on the project.

8. A reconciliation of actual costs will be completed upon project completion (on a project by project basis), and all funds secured by Lynnwood for capital projects will be specific to those capital projects, renovations, and upgrades. Funding must be used for those specific projects in accordance with each funding application's guidelines, rules, and regulations. Any funds that are not used for each specific project, must be returned to the granting organizations that provided those funds.
9. Lynnwood is responsible for seeking out funders for capital expenditures and projects and costs involved in sourcing those grants. In some instances, municipalities and/or the building owner must apply for funding, as pertaining to the guidelines of certain funders. In this instance, Lynnwood will work with the County and support the County with those applications.
10. Any other capital improvements contemplated by Lynnwood to the Building or the Premises, shall be at the sole expense of Lynnwood and shall require the prior written consent of the County prior to undertaking such capital improvements along with the issuance of a Heritage Permit if applicable. All heritage features of the Building shall be preserved.
11. Any default by Lynnwood with respect to the terms within this schedule shall be deemed to be a default with respect to the Lease. The County shall not be required to make any payments during the period of such default.
12. On an annual basis, the County will require that Lynnwood deliver its annual financial statement, prepared at a review level by an auditor, which shall be delivered within 5 months of Lynnwood's fiscal year end. The County may review the financial records of Lynnwood at any time to satisfy itself that the payments made to Lynnwood have been disbursed as intended.
13. Lynnwood covenants and agrees: (1) that in each calendar year, the Building shall be open to the public for a cumulative minimum of 960 hours per calendar year, (2) that there will be a minimum of 20 programs, exhibits and/or events (which shall include a minimum of 5 dedicated programs) open to the public including availability on weekends for each calendar year, and (3) that a minimum of 4,500 total attendees be targeted for each calendar year. Lynnwood shall confirm compliance with these provisions for a particular year by January 31<sup>st</sup> of the following year and the County may also review Lynnwood's records to confirm compliance should the County wish to do so.
14. In the event that Lynnwood fails to comply with any term herein, such failure shall be a default and the County may terminate the Lease forthwith, or exercise any of its remedies as set out in the Lease, after giving Lynnwood a period of 30 days by written notice in order to cure such default.

15. This Assistance Agreement is for a period up to December 31, 2028, unless the Lease or this Assistance Agreement is terminated earlier, in which case the termination date will be the period on which this Assistance Agreement shall expire. The parties do not have any obligations beyond the time period.