

The Corporation of the Municipality of Brockton



By-Law 2026-023

Being a By-Law to Authorize the Signing of a Lease Agreement With His Majesty the King in Right of the Province of Ontario Represented by the Minister of Transportation for the Province of Ontario for the Use of MTO Patrol Yard (Walkerton) 320 Kincardine Highway/Highway 9 Walkerton.

Whereas the *Municipal Act, 2001, S.O. 2001, c. 25, Section 5(3)*, as amended, provides that a municipal power, including a municipality's capacity rights, powers and privileges under section 9; shall be exercised by By-Law;

And Whereas The Council for the Corporation of the Municipality of Brockton deems it expedient to enter into a Lease Agreement with His Majesty the King in Right of the Province of Ontario Represented by the Minister of Transportation for the Province of Ontario with respect to the use of the property known as MTO Patrol Yard, (Walkerton) 320 Kincardine Highway/Highway 9, ON, Municipality of Brockton, NOG 2V0. Geog. Twp. Brant Pt. Many Lots, RP 105, Town of Walkerton, comprising an area of 15,643 meters²;

Now Therefore the Council of the Corporation of the Municipality of Brockton enacts as follows;

- 1.0 That The Corporation of the Municipality of Brockton Council hereby enter into a lease agreement with His Majesty the King in Right of the Province of Ontario Represented by the Minister of Transportation for the Province of Ontario which is attached as "Schedule A" and forms part of this By-Law;
- 2.0 That the Clerk's authorization to execute the attached agreement, between the Corporation of the Municipality of Brockton, and His Majesty the King in Right of the Province of Ontario Represented by the Minister of Transportation for the Province of Ontario is hereby ratified. The Clerk shall also be authorized to make such minor amendments to finalize the Lease provided the main terms and conditions remain the same.
- 3.0 This By-Law shall come into full force and effect upon final passage.
- 4.0 This By-Law may be cited as the "MTO Yard Walkerton Lease Agreement By-Law".

Read, Enacted, Signed and Sealed this 10th day of March, 2026.

Mayor – Chris Peabody

Director of Legislative and Legal Services (Clerk) –
Fiona Hamilton

LAND LEASE

THIS LEASE is made in duplicate as of the 28th day of February, 2026.
BETWEEN:

**HIS MAJESTY THE KING in right of the
Province of Ontario represented by the
Minister of Transportation for the Province
of Ontario**

hereinafter called the "Minister"

AND: **THE CORPORATION OF THE MUNICIPALITY OF BROCKTON**

hereinafter called the "Tenant" —

ARTICLE 1: - LEASE SUMMARY

1.1 Lease Summary

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

- (a) Leased Lands: MTO Patrol Yard, (Walkerton) 320 Kincardine Highway/Highway 9, ON, Municipality of Brockton, N0G 2V0. Geog. Twp. Brant Pt. Many Lots, RP 105, Town of Walkerton, comprising an area of 15,643 meters², more or less, having the legal description set out hereto in "Schedule A".
- (b) Term: February 28, 2026 to May 1, 2029, subject to early termination.
- (c) Commencement Date: February 28, 2026
- (d) Expiry Date: May 1, 2029, subject to renewal as per Article 17.2.
- (e) Basic Rent: One Dollar (\$1) per annum, payable on the 28th of February.

- (f) Use of the Leased Lands permitted by this Lease: Per attached terms and Brockton proposal listed in "Schedule B".
- (g) Renewal Option: 2 renewal term(s) of 1 years each, exercisable upon six (6) months' notice to the Minister as provided herein:
- (h) Address for Service of Notice on Tenant:

Municipality of Brockton Municipal Office
100 Scott Street, PO Box 68
Walkerton,
ON N0G 2V0
Attention: Colleen Gillis
Director of Community Services
Telephone: 519-881-0625 ex:202

- (i) Address for Service of Notice on Minister and Payment of Rent:

Ministry of Transportation
1450 7th Ave E,
Owen Sound,
ON N4K 2Z1
Attention: Mark Brooks
Maintenance Contract Supervisor, Owen Sound
Telephone: (519) 372-4041

ARTICLE 2: - DEFINITIONS

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

2.1 "Additional Rent" - any and all sums of money or charges required to be paid by the Tenant under this Lease (except Basic Rent) whether or not the same are designated as "Rent" or "Additional Rent", and whether payable to the Minister or otherwise.

2.2 "Authority" - any governmental or quasi-governmental authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Leased Lands, and "Authorities" means all such authorities, agencies, bodies and departments.

2.3 "Basic Rent" - the annual rent payable by the Tenant pursuant to and in the manner set out in Section 5.2.

2.4 "Commencement Date" - the date referred to in Section 1.1(c).

2.5 “Environmental Contaminant” - means (i) any substance which, wherever it may found or whenever it is released, is likely to cause, at any time, material harm or degradation to property of any kind or any part thereof, or to the natural environmental or material risk to human health, and includes, without limitation, any flammables, explosive or improperly handled friable materials, radioactive materials, asbestos, lead paint, PCBs, fungal contaminants (including stachybotrys chartarum and other moulds), mercury and its compounds, dioxans and furans, chlordane (DDT), polychlorinated biphenyls, chlorofluorocarbons (CFCs), hydro-chlorofluorocarbons (HCFCs), volatile organic compounds (VOCs), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous or dangerous substances, toxic or noxious substances or related materials, products of waste, petroleum and petroleum products, and/or (ii) any substance declared to be hazardous or toxic under any environmental laws now or hereafter enacted or promulgated by any Authority.

2.6 “Expiry Date” - the date set out in Section 1.1(d).

2.7 “Improvements” - any excavations, buildings, erections, alterations, structures, fixtures, fences, improvements, facilities or other appurtenances from time to time and at any time located on or made in, on or to the Leased Lands.

2.8 “Leased Lands” - the lands identified in Section 1.1(a), having the legal description set out in Schedule “A” hereto.

2.9 “Prime Rate” - the rate of interest per annum from time to time publicly quoted by the Canadian chartered bank designated from time to time by the Minister as the reference rate of interest (commonly known as its “prime rate”) used by it to determine rates of interest chargeable in Canada on Canadian dollar demand loans to its commercial customers.

2.10 “Rent” - the aggregate of Basic Rent and Additional Rent.

2.11 “Rental Year” - a period of time for the first Rental Year commencing as of the Commencement Date and except for the purposes of Article 6 and its related Sections and Articles, ending on the 31st day of March of the calendar year immediately following the Commencement Date and, thereafter, each Rental Year shall consist of consecutive periods of twelve (12) calendar months ending in each case on March 31st, except in respect of the last Rental Year which shall terminate on the expiration or earlier termination of this Lease, as the case may be. For the purposes of Article 6 and related Sections and Articles, the Rental Year shall be the calendar year.

2.12 “Requirements of Law” - all applicable laws, statutes, regulations, requirements, by-laws, orders, notices to comply, rules, assessments, official plans and enactments of, and agreements with, all Authorities.

2.13 “Sales Taxes” - collectively and individually, all harmonized sales taxes, sales taxes, value-added taxes, multi-stage sales taxes, business transfer taxes and any other taxes imposed on the Tenant or the Minister in respect of the Rent payable by the Tenant under this Lease or in respect of the rental or use of the Leased Lands by the Tenant under this Lease.

2.14 “Stipulated Rate” - the rate of interest per annum that is the lesser of (a) five percentage points more than the Prime Rate, and (b) the maximum rate permitted by law.

2.15 “Taxes” - real property taxes, rates, duties and assessments (including local improvement taxes, rates and charges), impost charges or levies (referred to collectively as “real property taxes”), that are levied, rated, charged or assessed against the Leased Lands or any part of it from time to time by a taxing Authority, and any taxes or other amounts that are imposed instead of (including grants in lieu of Taxes), or in addition to, real property taxes whether similar or not, and whether in existence at the Commencement Date or not.

2.16 “Term” - the period of time referred to and described in Section 1.1(b) starting on the Commencement Date and terminating on the Expiry Date subject to earlier termination pursuant to the terms hereof.

2.17 “Utilities” - all gas, electricity, water, sewers, steam, septic systems, fuel oil, drains or drainage, power, signal equipment and other utilities or services used in or for the Leased Lands.

ARTICLE 3: - INTENT AND INTERPRETATION

3.1 Net Lease

This Lease is a completely net-net and carefree lease to the Minister, and except as expressly herein set out, the Minister is not responsible during the Term for any expense and obligation of any nature whatsoever arising from, relating to or affecting the Leased Lands or Improvements. Without limiting the generality of the foregoing, the Tenant shall be responsible for all costs, expenses and outlays of any nature or kind whatsoever relating to or affecting the Leased Lands and the Tenant's use thereof, save and except that expressly provided for herein as the Minister's obligation.

ARTICLE 4: - GRANT AND TERM

4.1 Leased Lands

The Minister leases to the Tenant, and the Tenant leases from the Minister, the Leased Lands in its currently existing and "as is" condition, and without any representation, warranty, covenant or condition as to title, fitness for purpose or use, zoning, physical condition, environmental condition, soil condition, quality or the extent, capacity or suitability of any Utilities serving the Leased Lands for and during the Term, commencing on the Commencement Date. The Tenant acknowledges and agrees that it accepts the title to the Leased Lands and is subject to such encumbrances as may exist on registered title or at law.

4.2 Easements

The Minister and Tenant agree that the Minister and its authorized agents or servants shall have the right to grant easements and perform works of any nature and kind on the Leased Lands; provided that the installation and construction related to such easements and works will not materially interfere with the normal use and operation of the Leased Lands by the Tenant. The Minister will repair or reinstate that portion of the Leased Lands affected by such installation and construction to a condition equivalent to that condition existing immediately prior to the commencement of such construction and installation.

4.3 Quiet Enjoyment

The Minister covenants with the Tenant that upon the Tenant paying the Rent and performing and observing all of its obligations contained in this Lease, the Tenant shall peaceably hold and enjoy the Leased Lands for the Term.

ARTICLE 5: - RENT

5.1 Covenant to Pay

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

5.2 Basic Rent

- (a) The Tenant shall pay from and after the Commencement Date to Ministry of Transportation at the address set out in Section 1.1(j), or at such other place designated by the Minister, as Basic Rent, the annual amount payable in equal and consecutive monthly instalments as set out in Section 1.1(e) in advance on the first day of each calendar month during the Term, based upon the annual rental rate set out in Section 1.1(e).
- (b) If the Commencement Date is on a day other than the first day of a calendar month, the Tenant shall pay, upon the Commencement Date, a portion of the Basic Rent pro-rated on a per diem basis from the

Commencement Date to the end of the month in which the Commencement Date occurs.

5.3 Sales Taxes

In addition to the Rent payable hereunder, the Tenant will pay to the Minister (acting as agent for the taxing authority if applicable) or directly to the taxing authority (if required by the applicable legislation) the full amount of all Sales Taxes. Sales Taxes so payable by the Tenant (i) will be calculated and paid in accordance with the applicable legislation; and (ii) despite anything else in this Lease, will be considered not to be Rent, but the Minister will have all of the same remedies for and rights of recovery with respect to such amounts as it has for non-payment of Rent under this Lease or at law.

5.4 Overdue Rent

If the Tenant defaults in the payment of Rent, the unpaid Rent shall bear, and the Tenant shall pay to the Minister, interest from the due date to the date of payment at the Stipulated Rate in force on the due date pursuant to the Financial Administration Act, R.S.O. 1990, c. F.12.

ARTICLE 6: - TAXES

6.1 Taxes Payable by the Tenant

Commencing on the Commencement Date and thereafter throughout the Term, the Tenant shall pay as Additional Rent to the taxing Authority, or if required by the Minister, to the Minister all Taxes, when due, for each Rental Year. To the extent of Taxes received by the Minister from the Tenant, the Minister shall pay same to the taxing Authority. The Tenant, upon request by the Minister, shall promptly provide the Minister with a true copy of all paid bills for Taxes.

6.2 Determination of Tenant's Taxes

The Tenant's obligation to pay Taxes shall be determined on the basis of a separate bill, if available. If the relevant taxing Authority does not issue a separate bill for the Leased Lands, then the Tenant's obligation in respect thereof shall be calculated by the Minister, according to the Minister's reasonable allocation thereof. The Tenant shall be solely responsible for any increase in Taxes resulting from any act or election of the Tenant or from any use of or Improvements in or to the Leased Lands. Any amounts payable by the Tenant on account of Taxes shall be adjusted on a per diem basis in respect of any period not falling wholly within the Term.

6.3 Business Taxes

The Tenant shall pay to the relevant taxing Authority as and when the same are due and payable all taxes charged in respect of any business conducted on, or any use or occupancy of, the Leased Lands.

ARTICLE 7: - ENVIRONMENTAL CONTAMINATION

7.1 No Environmental Contaminant

The Tenant shall not permit the presence of any Environmental Contaminant on the Leased Lands, except if such is required for the Tenant's use of the Leased Lands permitted hereby, and then only if the Tenant is in strict compliance with the requirements of all relevant Authorities, including without limitation, environmental, land use, occupational health and safety laws, regulations, requirements, permits and by-laws, and the Tenant obtains the prior written consent of the Minister.

7.2 Minister to Notify the Tenant of Environmental Contaminant

The Minister shall notify the Tenant as soon as reasonably practical in the event that the Minister receives notice of any violation of any environmental law or that any order of an administrative tribunal or any Authority is made or is proposed to be made against the Minister in respect of any Environmental Contaminant in, on or near the Leased Lands, and shall notify the Tenant upon becoming aware of any discharge, release or discovery of any Environmental Contaminant in or on any part of the Leased Lands. The Minister shall have no liability or obligation with respect to any such violation, order, discharge, release or discovery except as may be expressly provided elsewhere in this Lease.

7.3 Tenant to Notify the Minister of Environmental Contaminant

The Tenant shall notify the Minister as soon as reasonably practical in the event that the Tenant receives notice of any violation of any environmental law or that any order of an administrative tribunal or any Authority is made or is proposed to be made against the Tenant in respect of any Environmental Contaminant in, on or near the Leased Lands, and shall notify the Minister immediately upon becoming aware of any discharge, release or discovery of any Environmental Contaminant in or on any part of the Leased Lands.

ARTICLE 8: - UTILITIES AND HEATING, VENTILATING AND AIR-CONDITIONING

8.1 Utilities

The Tenant shall pay for all costs related to the installation of any Utilities to serve the Leased Lands and the cost of Utilities provided to or for the Leased Lands, based on separate meters, directly to the billing Utilities company, and for all work or services performed, and equipment, systems and facilities supplied, by any corporation or commission or firm in respect of any of the Utilities.

8.2 Interruption of Supply of Utilities

The Minister is not liable for the interruption or cessation of, or failure in the supply of Utilities, services or systems in, to or serving the Leased Lands, unless the interruption, cessation or failure is caused by the Minister's gross negligence or wilful misconduct or that of those for whom it is in law responsible.

ARTICLE 9: - USE OF THE LEASED LANDS

9.1 Use of the Leased Lands

The Tenant shall use the Leased Lands solely for the purpose stated in Section 1.1(f), in a first class and reputable manner, and shall not use or permit the use of the Leased Lands for any other purpose whatsoever. Notwithstanding any other provision herein, no underground storage tanks shall be installed in the Leased Lands and the Leased Lands shall not be used for any outdoor storage of any materials.

Tenant's Fixtures and Improvements

The Tenant shall install and maintain in the Leased Lands at all times during the Term, Improvements and first-class trade fixtures, including furnishings and equipment, adequate and appropriate for the business to be conducted on the Leased Lands, all of which shall be kept in good order and condition. The Tenant shall not remove any trade fixtures or other contents from the Leased Lands during the Term except in the ordinary course of business or for the purpose of replacing them with others at least equal in value and function to those being removed.

9.2 Signs

The Tenant shall not erect, install or display any sign or display on or visible from the exterior of the Leased Lands without the prior written approval of the Minister, which shall not be unreasonably withheld, and subject to compliance with the requirements of all Authorities and at the Tenant's sole cost and expense.

9.3 Waste Removal

- (a) The Tenant shall not allow any garbage or any objectionable material to accumulate in or about the Leased Lands, in accordance with the reasonable requirements of the Minister from time to time.

- (b) The Tenant shall comply with the Minister's waste management program in force from time to time.

9.4 No Waste or Overloading

The Tenant shall not cause or permit any waste or damage to the Leased Lands or Improvements, fixtures or equipment therein or permit any overloading of the floors thereof and shall not use or permit to be used any part of the Leased Lands for any dangerous, noxious or offensive activity and shall not do or bring anything or permit anything to be done or brought on or about the Leased Lands which may reasonably be deemed to be hazardous or a nuisance.

9.5 Compliance with Laws

The Tenant shall be solely responsible for obtaining from all Authorities all necessary permits, licenses and approvals to permit the Tenant to occupy the Leased Lands and conduct its business thereon. The Tenant shall comply at its own expense with all Requirements of Law applicable to the Leased Lands and the Tenant's use and occupation thereof and without limitation with respect to the use, sanitation, and access of Utilities, services and facilities in and to the Leased Lands, the condition and occupation of the Leased Lands, and all Improvements, fixtures, equipment and contents thereof. The Tenant shall not apply to rezone any portion of the Leased Lands without the Minister's prior written approval which may be arbitrarily withheld.

ARTICLE 10: - INSURANCE AND INDEMNITY

10.1 Tenant's Insurance

- (a) The Tenant shall, during and throughout the entire Term, at its sole cost and expense, take out and keep in full force and effect the following insurance with the Minister added as named insured as its interest may appear:
 - (i) comprehensive general liability insurance on an occurrence basis with respect to any use and occupancy of or things in the Leased Lands, and with respect to the use and occupancy of any other part of the Leased Lands by the Tenant or any of its servants, agents, employees, invitees, licensees, subtenants, contractors or persons for whom the Tenant is in law responsible, with coverage for any occurrence of not less than five million dollars (\$5,000,000.00) or such higher amount as Minister may reasonably require; and

- (ii) any other form of insurance as the Minister acting reasonably requires from time to time in the form, amounts and for insurance risks against which a prudent tenant would insure.
- (b) Each of the Tenant's insurance policies shall contain:
 - (i) a waiver by the insurer of any rights of subrogation to which such insurer might otherwise be entitled against the Minister or any person for whom the Minister is in law responsible;
 - (ii) an undertaking by the insurer that no material change adverse to the Minister or the Tenant will be made, and the policy will not lapse or be terminated, except after not less than thirty (30) days' written notice to Minister; and
 - (iii) a severability of interests' clause, a cross-liability clause and a stated amount for a co-insurance endorsement.
- (c) The Tenant shall ensure that the Minister shall at all times be in possession of certificates of the Tenant's insurance policies executed by the underwriting insurance company which are in good standing and in compliance with the Tenant's obligations hereunder.
- (d) If the Tenant fails to maintain in force, or pay any premiums for, any insurance required to be maintained by the Tenant hereunder, or if the Tenant fails from time to time to deliver to the Minister satisfactory proof of the good standing of any such insurance or the payment of premiums therefor, then the Minister, without prejudice to any of its other rights and remedies hereunder, shall have the right, but not the obligation, to effect such insurance on behalf of the Tenant and the cost thereof and all other reasonable expenses incurred by the Minister in that regard shall be paid by the Tenant to the Minister as Additional Rent forthwith upon demand.

10.2 Minister's Non-Liability

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

10.3 Indemnification of the Minister

The Tenant shall indemnify and save harmless the Minister and each of its directors, officers, agents, employees, contractors and appointees and those for whom the Minister is in law responsible from and against any and all losses, claims, actions, damages, liabilities and expenses in connection with loss of life, personal injury, damage to property or any other loss, damage or injury whatsoever arising from or out of this Lease, or any breach, violation or non-observance by the Tenant of any of its covenants and obligations under this Lease, or any occurrence in the Leased Lands, or the occupancy or use by the Tenant of the Leased Lands, or any part thereof. If the Minister shall be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Minister harmless and shall pay all costs, expenses and legal fees incurred or paid by the Minister in connection with such litigation. The Tenant shall also pay all costs, expenses and legal fees (on a solicitor and his client basis) that may be incurred or paid by the Minister in enforcing the terms, covenants and conditions in this Lease.

ARTICLE 11: - MAINTENANCE, REPAIRS AND IMPROVEMENTS

11.1 Maintenance and Repairs by the Tenant

Without limiting any other obligations of the Tenant under this Lease, the Tenant shall at all times during the Term, at its sole cost and expense, keep, maintain, operate, repair, replace and manage the Leased Lands and Improvements in a clean and first class manner as would a prudent owner of similar property and shall make all needed repairs and replacements in a good and workmanlike manner with due diligence, in accordance with this Lease and all Requirements of Law, notwithstanding that the expiration or sooner determination of the Lease may be anticipated. All such activities to be performed hereunder are referred to as "Maintenance Activities".

11.2 Minister's Approval of the Tenant's Improvements

- (a) The Tenant shall not make or install any Improvements to or conduct any Maintenance Activities on the Leased Lands without the Minister's written consent, which, subject to compliance with the aforesaid Class EA, shall not be unreasonably withheld.
- (b) With its request for consent, the Tenant shall submit to the Minister details of the proposed Maintenance Activities or Improvements, including plans and specifications prepared by qualified architects or engineers.
- (c) Maintenance Activities and Improvements shall be completed at the Tenant's expense in accordance with the plans and specifications approved in writing by Minister in a good and workmanlike manner, and

in compliance with all laws, the Minister's reasonable requirements, and other requirements of the applicable Authority. The Tenant shall, prior to commencing the Improvements obtain at its expense all necessary permits and licenses from the applicable Authority.

- (d) If Tenant performs any such Maintenance Activities or Improvements without compliance with all the foregoing provisions of this Section 11.2, the Minister shall have the right to require the Tenant to remove such Improvements forthwith, at the Tenant's expense, and to restore the Leased Lands to their prior condition.

11.3 Repair According to Minister's Notice

The Minister or any persons designated by it shall have the right upon prior advice, during regular business hours to enter the Leased Lands at any reasonable time to view the state of repair and condition of the Leased Lands and Improvements, and the Tenant shall promptly perform, any maintenance, repairs or replacements according to the Minister's reasonable requirements, stipulated in a written notice, if required pursuant to the Tenant's obligations hereunder.

11.4 Notice by Tenant

The Tenant shall give immediate notice to the Minister of any accident, defect or damage in any part of the Leased Lands or Improvements which comes to the attention of the Tenant or any of its employees or contractors, notwithstanding the fact that Minister may not have any obligation in respect of the same.

11.5 Ownership of Improvements

Subject to Sections 12.2 and 12.3 hereof, all Improvements shall immediately become the property of Minister upon the expiry or earlier termination of the Lease (as the same may be renewed from time to time), but without the Minister thereby having or accepting any responsibility in respect of the maintenance, repair or replacement thereof.

11.6 Construction Liens

The Tenant shall make all payments and take all steps as may be necessary to ensure that no lien is registered against the Leased Lands as a result of any work, services or materials supplied to the Tenant, or the Leased Lands on the Tenant's behalf. The Tenant shall cause any such registrations to be discharged or vacated immediately after notice from the Minister, or within ten (10) days after registration, whichever is earlier. The Tenant shall indemnify and save harmless the Minister from and against any liabilities, claims, liens, damages, costs and expenses, including legal expenses, arising in connection with any work, services or material supplied to the Tenant or the Leased Lands on the Tenant's behalf. If the Tenant fails to cause any such registration to be discharged or vacated as aforesaid then, in addition to any other rights of the Minister, the Minister may, but shall not be obligated to,

discharge the same by paying the amount claimed into court, and the amounts so paid and all costs incurred by the Minister, including legal fees and disbursements, shall be paid by the Tenant to the Minister as Additional Rent forthwith upon demand.

ARTICLE 12: - END OF TERM

12.1 Vacating of Possession

Forthwith upon the expiry or earlier termination of the Term, the Tenant shall deliver to the Minister vacant possession of the Leased Lands leaving the Leased Lands in the state of maintenance and repair in which the Tenant is required to keep them during the Term.

12.2 Removal of Trade Fixtures

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

12.3 Removal of Alterations and Improvements

At the expiry or earlier termination of the Term, the Tenant shall remove any or all Improvements, as required by Minister and in so doing shall restore the Leased Lands to their condition prior to the installation and removal of such Alterations and Improvements.

12.4 Overholding by Tenant

If the Tenant remains in possession of all or any part of the Leased Lands after the expiry of the Term with the consent of the Minister but without any further written agreement, this Lease shall not be deemed thereby to have been renewed and the Tenant shall be deemed to be occupying the Leased Lands as a monthly tenant on the same terms and conditions set forth in this Lease insofar as they are applicable to a monthly tenancy except the monthly Basic Rent shall be twice the monthly Basic Rent payable during the last twelve months of the Term, or renewal term, as the case may be.

12.5 Pre-Termination Site Assessment

The Minister may require, at its option and at the Tenant's sole cost and expense, that the Tenant provide independent third-party evidence that the Tenant has not caused any contamination of the Leased Lands, including the delivery of a Phase II Environmental Site Assessment prepared by a reputable environmental consultant approved in writing by the Minister.

ARTICLE 13: - DAMAGE AND DESTRUCTION

13.1 General

If, during the Term, the Leased Lands, or any part thereof, or any Improvement, or any part thereof, is destroyed or damaged by any cause whatsoever so as to render the Leased Lands substantially or wholly unfit for occupancy by the Tenant, then and so often as the same shall happen, the Minister shall cause all monies received by it in respect of any insurance as aforesaid to be forthwith paid out in rebuilding and reinstating the said Leased Lands and fixtures to a state and condition similar to their former state and condition, to the extent that the insurance money may permit and the availability and cost of labour and materials will allow. The aforesaid monies shall be applied to all expenses necessary or incidental for rebuilding and reinstatement. The Minister may exercise its reasonable discretion in determining the size, location, design, material, equipment and personnel for such rebuilding and reinstatement, and may deviate from the original structure where it deems it necessary to do so, provided that any deviation which will render the Leased Lands not substantially similar to the existing Leased Lands shall be approved by the Tenant, acting reasonably.

13.2 Termination of Lease

In the event that the Leased Premises are damaged by fire, the elements or other cause or casualty, which renders the whole or a substantial part of the Leased Premises incapable of being used for the purposes permitted in Section 1.1(h), and within thirty (30) days of such damage, it is evident that such damage cannot be repaired within one hundred and eighty (180) days of the date of such destruction, then either party may terminate this Lease by giving notice to the other party and the Lease shall terminate on the tenth day after the date such notice is given.

13.3 Insurance Proceeds

In the event that the Lease is terminated pursuant to Section 13.2, all insurance proceeds in respect of such damage (except in respect of trade fixtures and contents of the Tenant in the Leased Premises, which shall be apportioned and paid to the Tenant) shall be paid directly to the Minister, without any claim thereto by the Tenant. In the event that the Lease is not terminated, the Tenant shall diligently repair and reconstruct the Leased Premises, to their condition and state prior to such damage. The insurance proceeds from the insurance set out in Article 10 and received by the Minister and Tenant in respect of the damage to the Leased

Premises shall be used solely for the repair and reconstruction of the Leased Premises, and shall be paid to a Canadian chartered bank or trust company as designated by the Tenant to be held in trust for the Minister and Tenant and disbursed as hereinafter provided. Advances from such proceeds shall be paid to the Tenant monthly during the course of reconstruction on a progress basis as certified by an architect appointed by the Tenant and approved by the Minister. Prior to commencing the reconstruction and repair of the Leased Premises, the Tenant shall obtain the Minister's approval of such reconstruction and repair and shall provide the Minister with the plans and specifications for such repair and reconstruction. The Tenant shall do such repair and reconstruction in accordance with all laws, building code requirements and the plans and specifications provided to and approved by the Minister. After such damage to the Leased Premises, the Tenant shall continue to pay Rent, unless the Lease is terminated. If, at the end of the aforesaid one hundred and eighty (180) days, it is impossible to reconstruct or repair the Leased Premises, either party, on that date or any date thereafter, may terminate this Lease by giving notice to the other party, and the Lease shall terminate on the tenth day after the date such notice is given. Any dispute between the parties as to whether the Leased Premises can be reconstructed to their condition prior to such damage, within the one hundred and eighty (180) day period, or at all after the expiry of such one hundred and eighty (180) day period shall be submitted to arbitration, pursuant to the *Arbitrations Act*, S.O. 1991, c. 17, and the decision from such arbitration shall be final and binding on the parties.

ARTICLE 14: - ASSIGNMENT AND SUBLETTING

14.1 Tenant not to Transfer

The Tenant will not assign this Lease in whole or in part, or sublet all or any part of the Leased Lands, or mortgage, charge or encumber this Lease or the Leased Lands or any part thereof, or suffer or permit the occupation of, or part with or share possession of all or any part of the Leased Lands (whether by way of concessions, franchises, licenses or otherwise), by, to or with any person (each of the foregoing being referred to in this Article 14 as a "Transfer", and the other party to a Transfer is transferred is referred to as the "Transferee"), without the prior written consent of the Minister, which may be arbitrarily and unreasonably withheld. The consent by the Minister to any Transfer, if granted, shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. Any document or consent evidencing such Transfer, if permitted or consented to by the Minister, shall be prepared by the Minister or its solicitors, and all reasonable legal and administrative costs with respect thereto shall be paid by the Tenant to the Minister as Additional Rent forthwith upon demand. Any consideration of the Tenant's request for consent by the Minister shall be subject to the Tenant causing any such Transferee to promptly provide financial information to the Minister and a consent for the Minister to do a credit search in respect of the Transferee, and to execute an agreement directly with the Minister agreeing to the bound by all of the terms, covenants and conditions contained in this

Lease. Notwithstanding any such Transfer permitted or consented to by the Minister, the Tenant shall be jointly and severally liable with the Transferee and shall not be released from any of the terms, covenants and conditions of this Lease.

14.2 Change of Control

If the Tenant is a private corporation and any part or all of the corporate shares shall be transferred by sale, assignment, bequest, inheritance, operation of law or other disposition or dispositions or be owned as a result of amalgamation or otherwise so as to result in a change in the control of the corporation, such change of control shall be considered to be a Transfer and shall be subject to the aforesaid provisions. The Tenant shall make available to the Minister upon its request for inspection and copying, all books and records of the Tenant, any Transferee and their respective shareholders which, alone or with other data, may show the applicability or inapplicability of this clause.

14.3 Minister's Option

Notwithstanding the other provisions contained in this Article 14, after the Minister receives a request for consent to a Transfer with the information herein required, it shall have the option, to be exercised by notice to the Tenant within fifteen (15) days after the receipt of such request, information and agreement, to terminate this Lease as it relates to the portion of the Leased Lands which is the subject of the proposed Transfer, effective as of the date on which the proposed Transfer by the Tenant was to occur. If the Minister elects to terminate this Lease as aforesaid, the Tenant shall have the right, to be exercised by written notice to the Minister within ten (10) days after receipt of such notice of termination, to withdraw the request for consent to the Transfer, in which case, the Tenant shall not proceed with such Transfer, the notice of termination shall be null and void and this Lease shall continue in full force and effect.

14.4 No Advertising of Leased Lands

The Tenant shall not advertise this Lease or all or any part of the Leased Lands or the business or fixtures therein for sale, assignment or sublease without Minister's prior written consent.

14.5 Assignment by the Minister

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

ARTICLE 15: - REGISTRATION

15.1 Registration

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

ARTICLE 16: - DEFAULT

16.1 Right to Re-Enter

It shall be a default by the Tenant under this Lease if and whenever:

- (a) the Tenant fails to pay any Rent when due; or
- (b) the Tenant fails to observe or perform any obligation of the Tenant, other than payment of Rent; or
- (c) the Leased Lands are used for any purpose other than that permitted by this Lease; or
- (d) the Tenant, any Transferee or any person occupying the Leased Lands, or any part thereof becomes bankrupt or insolvent or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise or takes the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors; or
- (e) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property; or
- (f) any steps are taken, or any action or proceeding is instituted for the dissolution, winding-up or liquidation of the Tenant or its assets; or
- (g) the Tenant makes a sale in bulk of any of its assets, wherever situated (other than a bulk sale made to an assignee or sublessee pursuant to a permitted Transfer hereunder and in accordance with the Bulk Sales Act, R.S.O. 1990, c. B.14); or
- (h) the Tenant abandons or attempts to abandon the Leased Lands, or sells or disposes of the goods and chattels of the Tenant or removes them from the Leased Lands so that there would not be sufficient goods of the Tenant on the Leased Lands subject to distress to satisfy all Rent due or accruing hereunder for a period of at least six (6) months; or

- (i) the Leased Lands are used by any persons other than such as are entitled to use them hereunder and subject to the provisions of Article 13; or
- (j) the Tenant effects a Transfer except in a manner permitted by this Lease; or
- (k) this Lease or any of the Tenant's assets are taken under any writ of execution or attachment; or
- (l) termination or re-entry is permitted under any other provision of this Lease.

In the event of default by the Tenant hereunder and provided the Tenant has been given written notice of such default and has failed to cure such default

- (i) in the case of non-payment of Rent within five (5) days of receipt of notice thereof; and
- (ii) in the case of any other default within fifteen (15) days of receipt of notice thereof or such period of time as is reasonably required to cure such default.

Where such default, other than the non-payment of Rent, has not been cured within such time period, or if such longer period of time is reasonably required to cure such default other than the non-payment of Rent and the Tenant has not commenced to cure such default within said fifteen (15) days and diligently pursued rectification thereafter, the then current and the next three (3) months Rent shall forthwith be due and payable and the Minister, in addition to any other rights or remedies it has pursuant to this Lease or by law, has the immediate right to terminate the Lease or to re-enter the Leased Lands and it may repossess the Leased Lands and may expel all persons and remove all property from the Leased Lands and such property may be removed and sold or disposed of by the Minister as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant.

16.2 Right to Relet

- (a) In the event of the Tenant's default, the Minister as agent of the Tenant, may relet the Leased Lands and take possession of any Improvements, furniture, fixtures, equipment or other property thereon and, upon giving notice to the Tenant, store the same at the expense and risk of the Tenant or sell or otherwise dispose of the same at a public or private sale without further notice, and may make Improvements to the Leased Lands to facilitate their reletting and shall apply the net proceeds of the sale of any furniture, fixtures, equipment, or other property or from the reletting of the Leased Lands, less all expenses incurred by Minister in making the Leased Lands ready for reletting and in reletting the Leased

Lands, on account of the Rent due and to become due under this Lease, and the Tenant shall be liable to the Minister for any deficiency and for all such expenses incurred by the Minister as aforesaid; nothing done by the Minister shall be construed as an election to terminate this Lease unless written notice of such termination is given by the Minister to the Tenant.

- (b) Upon each such reletting, all rent received by the Minister from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Minister; second, to the payment of any costs and expenses of such reletting and of costs of such Improvements and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by the Minister and applied in payment of future Rent as the same becomes due and payable hereunder. If such rent received from such reletting during any month is less than the Rent to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency which shall be calculated and paid monthly in advance on or before the first day of each and every month.

16.3 Right to Terminate

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

16.4 Minister may Cure the Tenant's Default or Perform the Tenant's Covenants

In addition to any other rights or remedies which the Minister has hereunder, he Minister may pay any amounts or charges required to be paid by the Tenant pursuant to this Lease, if the Tenant has not paid such amounts or charges after fifteen (15) days' notice by the Minister thereof. If the Tenant is in default in the performance of any obligations hereunder (other than the payment of Rent), the Minister may (but shall not be obligated to) from time to time after giving such notice as it reasonably considers sufficient (or without notice in the case of an emergency), perform or cause to be performed any or all of such obligations, and for such purpose may do such things as may be reasonably required including, without limitation, entering upon the Leased Lands and doing such things upon or in respect of the Leased Lands or any part thereof as the Minister reasonably considers necessary. All reasonable expenses incurred, and expenditures made pursuant to this Section

16.4 shall be paid by the Tenant as Additional Rent or otherwise as may be the case, forthwith upon demand. The Minister shall have no liability to the Tenant for any loss or damage resulting from any such action or entry by the Minister upon the Leased Lands, and any such entry by the Minister is not a re-entry by the Minister or a termination of the Lease or a breach of any covenant for quiet enjoyment contained in this Lease.

16.5 Costs

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

16.6 Charges Collectible as Rent

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

ARTICLE 17: - MISCELLANEOUS

17.1 Rules and Regulations

The Minister may, from time to time, make and amend reasonable rules and regulations for the management and operation of the Leased Lands and the Tenant and all persons under its control shall comply with all of such rules and regulations of which written notice is given to the Tenant from time to time, all of which shall be deemed to be incorporated into and form part of this Lease provided that such rules and regulations shall not conflict with the provisions of this Lease.

17.2 Renewal Option

Provided the Tenant is not and has not been in default of any of its obligations under this Lease, the Tenant shall have the right to renew this Lease for the number of renewal terms, each having the number of years as specified in Section 1.1(g), upon the following terms and conditions:

- (a) The Tenant shall provide the Minister with six (6) months' notice of its intention to renew this Lease, prior to the expiration of the Term, or the then current renewal term as the case may be.

- (b) The Lease as renewed shall be upon the same terms and conditions as this Lease, except the Basic Rent, which will be based on the then current fair market rental for the Leased Lands, taking into consideration the acreage, use and location of the Leased Lands.
- (c) If the parties are unable to agree upon the Basic Rent to be charged during the renewal term(s) provided for in this Lease, they shall submit the dispute to arbitration in accordance with the provisions of the *Arbitrations Act*, R.S.O. 1990, A-24 or any successor Act. Each party shall appoint an arbitrator and the appointed arbitrators shall jointly choose a third arbitrator to create a board of three arbitrators, the majority decision of which shall be binding upon the parties. If either party shall neglect or refuse to appoint an arbitrator within thirty (30) days of being served with written notice of arbitration by the other party, then the arbitrator first appointed shall, at the request of the party appointing him, proceed to determine such Basic Rent as if he were a single arbitrator appointed by both parties. In such case the single arbitrator shall receive and consider written or oral submissions from both parties. If two arbitrators are appointed and they fail, within ten (10) days of the appointment of the second of them, to agree upon the appointment of the third arbitrator, then upon the application of either party the third arbitrator shall be appointed by a Judge of the Superior Court of Ontario. Each party shall pay the fees and expenses of the arbitrator appointed by it and one-half of the fees and expenses of the third arbitrator.

17.3 Access to Leased Lands

- (a) Without limiting any other rights the Minister may have pursuant to this Lease or at law, the Minister shall have the right to enter the Leased Lands at any time upon prior notice during regular business hours for any of the following purposes: (i) to examine or inspect the Leased Lands for any reasonable purpose, including but not limited to site environmental assessments, testing for Environment Contaminants, conducting environmental audits, obtaining appraisals or for marketing or sales purposes, and where advisable, to perform any maintenance or repairs to any part of the Leased Lands or to any equipment and services serving the Leased Lands, which the Tenant is required to repair or maintain, but has failed to do so; (ii) in cases of emergency; and (iii) during the last twelve (12) months of the Term to show the Leased Lands to prospective tenants or at any time to show the Leased Lands to prospective purchasers, and to permit prospective tenants or purchasers to make inspections, measurements and plans.
- (b) The Minister shall exercise its rights pursuant to this Section 17.3 in such manner and at such times as the Minister, acting reasonably but in its sole discretion, shall determine. At any time that entry by the

Minister is desired in case of emergency, and if no personnel of Tenant are known by the Minister to be present on the Leased Lands or if such personnel fail for any reason to provide the Minister with immediate access at the time such entry is desired, the Minister may forcibly enter the Leased Lands without liability for any damage caused thereby.

- (c) The Minister, in exercising its rights of access hereunder, shall proceed in such a manner so as to reasonably minimize interference with the Tenant's use and enjoyment of the Leased Lands but in no event shall the Tenant be entitled to any claim for inconvenience, nuisance, discomfort or damages caused thereby unless caused by the Minister's gross negligence or wilful misconduct.

17.4 Cancellation

The Minister shall have the right to terminate this Lease at any time by providing the Tenant with not less than one (1) year's prior written notice of termination. Upon the date fixed for termination in the notice, the Tenant shall deliver up vacant possession of the Leased Lands, pursuant to the terms of this Lease, and this Lease shall then be terminated.

17.5 Remedies to Subsist

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

17.6 Impossibility of Performance

If and to the extent that either the Minister or the Tenant shall be delayed in the fulfilment of any obligation under this Lease, other than the payment by the Tenant of any Rent, by reason of unavailability of material, equipment, utilities, services or by reason of any Requirements of Law, or by reason of any other similar cause beyond its control and not avoidable by the exercise of reasonable foresight (excluding the inability to pay for their performance of such obligation), then the party so delayed shall be entitled to extend the time for fulfilment of such obligation by a

time equal to the duration of such delay and the other party shall not be entitled to any compensation for any loss or inconvenience occasioned thereby. The party delayed will, however, use all reasonable efforts to fulfil the obligation in question as soon as is reasonably practicable by arranging an alternate method of providing the work, services or materials.

17.7 Notices

All notices, statements, demands, requests or other instruments which may be or are required to be given under this Lease shall be in writing and shall be delivered in person or sent by facsimile or prepaid registered Canadian mail addressed to the Tenant and the Minister as set out in Section 1.1(h) and Section 1.1(i) respectively, or such other addresses as the Minister and Tenant may from time to time designate.

Any such notice shall be conclusively deemed to have been given and received upon the day the same is personally delivered or, if mailed, three (3) business days after the same is mailed as aforesaid, or if sent by facsimile, any such notices shall be deemed to be given and received on the next following business day. Any party may at any time by notice in writing to the other change the address for service of notice on it. If two or more persons are named as tenant, any notice given hereunder shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.

17.8 Complete Agreement

There are no covenants, representations, agreements, warranties or conditions in any way relating to the subject matter of this Lease or the tenancy created hereby, expressed or implied, collateral or otherwise, except as expressly set forth herein, and this Lease, together with any schedules attached hereto, constitutes the entire agreement between the parties and may not be modified except by subsequent written agreement duly executed by the Minister and the Tenant.

17.9 Time of the Essence

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

17.10 Applicable Law

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

17.11 Severability

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

but such provision shall nonetheless continue to be enforceable to the extent permitted by law.

17.12 No Partnership or Agency

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

17.13 Section Numbers and Headings

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

17.14 Interpretation

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

17.15 Successors

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

17.16 Not Binding on Minister


This Lease is not binding on the Minister, until it has been duly executed by the Director on behalf of the Minister of Transportation.

17.17 Freedom of Information


The Tenant acknowledges and agrees that the commercial and financial information in this Lease is subject to the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990 F-30, as amended.

IN WITNESS WHEREOF the parties have executed this Lease.

**HIS MAJESTY THE KING in right of the
Province of Ontario represented by the
Minister of Transportation for the
Province of Ontario**

Per: 
Title Marcia Mora

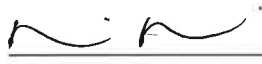
Head of Maintenance West

Per: 
Title Geddes Mahabir

Manager of Highway Operations

I/We have the authority to bind the
corporation

TENANT

Per: 
Name: Fiona Hamilton
Title: Clerk

I/We have the authority to bind the
corporation

SCHEDULE "A" to a Licence Agreement

Between His Majesty the King in Right of the Province of Ontario
represented by the Minister of Transportation,
The Corporation of the Municipality of Brockton

LEGAL DESCRIPTION OF LANDS

LOT	DIMENSIONS
Geog. Twp. Brant Pt. Many Lots, RP 105 Town of Walkerton Municipality of Brockton	Irregular as fenced 1.56 ha.

EXISTING BUILDINGS

Garage	approx. 327 square metres
Winter Material Storage Shed	approx. 580 square metres
Salt Shed Wood Frame	approx. 193 square meters
Salt Shed Lean To	approx. 20.2 square meters
Sign Shed	approx. 63.7 square metres

SCHEDULE "B" to a Licence Agreement

Between His Majesty the King in Right of the Province of Ontario

represented by the Minister of Transportation,

The Corporation of the Municipality of Brockton

Lease Agreement Proposal (per Brockton)

Submitted to: Ministry of Transportation of Ontario (MTO)

Submitted by: Municipality of Brockton

Date: October 31, 2025

1. Lease Proposal Details

Premises: Existing MTO building and outdoor yard located at 320 Kincardine Hwy, Walkerton, ON N0G 2V0.

Proposed Term: 3 years, 2 months, with the option to extend additional 1 + 1 years subject to MTO approval and operational needs.

Intended Use: Municipal Parks and Recreation Department operations only.

Public Access: None. The facility will function strictly as a controlled municipal operations yard.

4. Operational Plan

Season	Access Frequency	Typical Hours	Notes
Spring/Summer (April–November)	Daily	6:00 a.m.–4:30 p.m.	Active maintenance season
Winter (December–March)	Approx. twice per week	Flexible	Security checks and minimal use

Traffic: Light-duty pickup trucks and equipment trailers primarily; occasional tractor or backhoe movements. No public or commercial traffic.

2. Site Improvements by Municipality (Subject to MTO Approval)

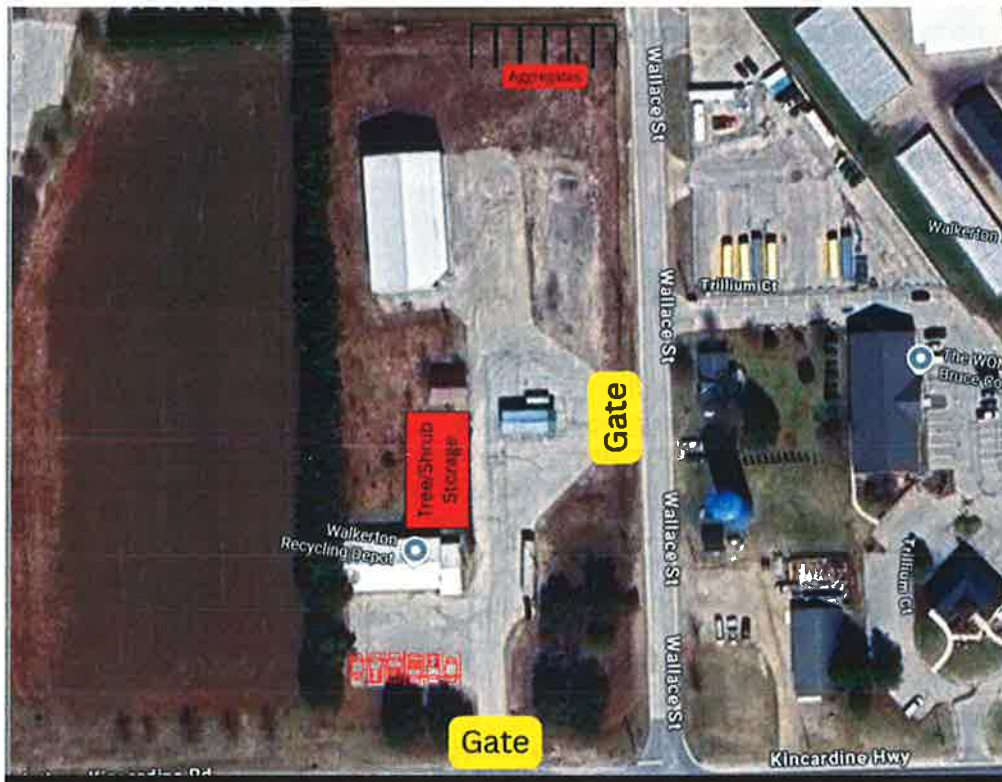
- Installation of chain-link security gates.
- Security camera system covering exterior and yard areas.
- Minor interior racking and organization for equipment.
- Block bunkers for aggregates (i.e. stone, mulch, etc.).
- Installation of authorized personnel and safety signage.

3. Equipment and Material Storage

Indoor (MTO Building): Includes storage of essential parks equipment, machinery, and horticultural supplies such as mowers, tractors, groomers, trailers, and related tools.

Outdoor (Yard Area): Includes planters, garbage bins, bunkers (for compost, mulch, topsoil), tree and shrub storage area, and branches containment area, and wood chips storage.

Diagram of Yard Usage:



3. Security, Health, and Safety

Compliance: All operations will adhere to MTO lease conditions, municipal by-laws, and applicable provincial and federal legislation (OHSA, WHMIS).

Security Measures: • Controlled key access. • Municipally installed cameras with coverage of entry points and yard. • Chain-link gates installed at primary entrance.

Safety Procedures: • Site-specific safety plan and Standard Operating Procedures (SOPs). • Monthly Joint Health and Safety Committee inspections. • Spill kits and fire extinguishers are available and regularly inspected.

Privacy and Records Management: All video surveillance managed in accordance with Municipal By-Law 2019-074 (Video Surveillance Policy) and applicable privacy legislation.

Maintenance and Property Care

The Municipality will maintain the property at a high standard, ensuring it remains orderly, clean, and well-kept. All maintenance and improvement activities will reflect the professionalism and pride that characterize Brockton's community operations.

Reduced Liability and Risk Exposure

A lease with a municipal government ensures a reliable, accountable, and financially stable tenant. Municipalities are bound by strict regulatory, insurance, and safety standards, minimizing the Ministry's exposure to risk.

The Municipality maintains comprehensive insurance coverage, including general liability, property, and environmental protection.

All operations are conducted in accordance with provincial legislation, including the Occupational Health and Safety Act and WHMIS.

Municipal operations are transparent and subject to public oversight, providing assurance

4. The Ministry of Transportation will retain access to the following:

The Ministry will require intermittent access to the Winter Material Storage Shed identified here in Schedule A. Access will be for the purposes of removing winter sand currently stockpiled and as needed, stockpiling additional winter materials. MTO will provide prior notice to Brockton to ensure access.

The Ministry requests the use of the area beside the Winter Material Storage Shed identified below by an orange rectangle for the storage of road closed trailers for the closure of Highway 9 in Walkerton. Access to these trailers will be required by our service providers in emergency situations. Prior to start of lease MTO will arrange for a discussion between our service provider and Brockton.

