

APPENDIX "A" TO BY-LAW NUMBER 2024-42

THIS LEASE made as of the _____ day of _____, 2024.

PURSUANT TO THE SHORT FORMS OF LEASES ACT, R.S.O 1990, c. S.11,

BETWEEN:

CORPORATION OF THE MUNICIPALITY OF ST.-CHARLES
2 King St East, St.-Charles, Ontario, herein referred to as the "Landlord"

OF THE FIRST PART,

- and -

HEALTH SCIENCES NORTH, having its Head Office in the City of Greater Sudbury, in the Province of Ontario, herein referred to as the "Tenant"

OF THE SECOND PART

WHEREAS the Landlord is the owner of the property municipally known as the Wellness Centre located at 1 King Street East, St.-Charles (herein referred to as the "Building");

AND WHEREAS the Parties wish to renew the terms and provisions of the tenancy in this Agreement;

NOW THEREFORE WITNESSETH:

1. Grant of Lease

In consideration of the rents reserved and the covenants and agreements herein contained on the part of the Tenant, the Landlord hereby leases to the Tenant the Premises as hereinafter described in the Building on the Landlord's lands known municipally as 1 King Street East, in the Municipality of St.-Charles (herein referred to as the "Landlord's Lands").

2. Description of Premises

- (a) The leased Premises consists of 540 square feet of rentable area (herein called Unit 208) on the second floor of the Building on the Landlord's Lands (in the location shown in green on Schedule A) together with:

- (b) The use in common with all other persons entitled thereto, of the entrance doors, entrance hall, elevator, staircases and corridors in the Building for the purpose of ingress to and egress from the Premises during normal working hours on each business day, by the Tenant, its directors, officers, employees, clients, agents, workmen and all persons lawfully requiring communication with the Tenant;
- (c) The use in common with all other persons entitled thereto, of the washrooms on the second floor and of the vehicle parking areas on the Landlord's Lands adjacent to the Building during normal working hours on each business day, by the Tenant, its directors, officers, employees, clients, agents, workmen and all persons lawfully requiring communication with the Tenant; and,
- (d) Included with the premises is the right to use part of the Landlord's free-standing pylon sign, erected at the front of the Building to display, at the Tenant's expense, the Tenant's logo and its name in both English and French languages, of a size and design mutually acceptable to the Landlord and Tenant acting reasonably. Right of use shall include the installation, modification and removal of any and all Tenant information.

3. The exterior walls of the Building are expressly excluded from the Premises.

4. The Landlord's Lands are entered at the Land Registry Office at Sudbury.

5. **Use**

To only use the Premises to offer health services.

6. **Term of Lease**

(a) The Term of this Lease shall be for five (5) years (herein referred to as the "Term"). The Term shall commence on the 1st day of December 2023, and shall be fully completed on the 30th day of November 2028.

(b) **Auto-Renewal Term:** Upon expiration of the Initial Term, this Lease shall automatically renew for successive terms of sixty (60) months (each a "Renewal Term") unless either party provides written notice of non-renewal at least one hundred and eighty (180) days prior to the end of the then current term.

7. **Rent**

The rent for the first (12) twelve months of the five (5) year term is \$879.70 per month.

(a) Rent Adjustment Based on CPI:

- **Annual Increase:** The rent for the Premises shall be adjusted annually based on the Canadian Consumer Price Index (CPI) for All Items, as published by Statistics Canada. <https://www150.statcan.gc.ca/n1/daily-quotidien/240625/cg-a001-eng.htm>
- **Calculation Method:** The adjusted rent shall be calculated as follows:
 - **Initial Base Rent:** The initial base rent is \$10,556.44 per year, effective from December 1, 2023
 - **Adjustment Date:** The rent adjustment shall occur on the anniversary of the commencement date of this Lease each year ("Adjustment Date").
 - **CPI Reference:** The reference CPI shall be the CPI published for the month December to November immediately preceding the Adjustment Date.
 - **Increase Formula:** The new rent shall be determined by multiplying the current rent by the percentage increase in the CPI over the previous year. The formula for calculating the new rent is:

$$\text{New Rent} = \text{Current Rent} \times \frac{\{1 + \text{CPI Current Year} - \text{CPI Previous Year}\}}{\text{Previous Year}}$$

- **Notification:** The Landlord shall provide the Tenant with written notice of the new rent amount at least sixty (60) days prior to the Adjustment Date.
- **Limitations:** In no event shall the annual rent increase exceed 8% of the current rent, regardless of the CPI increase. If CPI is negative, the lease rate shall not be adjusted.

(b) Example Calculation:

- If the rent for the year 2023 is \$1,000 and the CPI for December 2022 was 130 and for December 2021 was 125, the calculation would be as follows: Percentage Increase = $(130 / 125) - 1 = 0.04$ (or 4%), New Rent = $\$1,000 \times (1 + 0.04) = 1000 \times 1.04 = \$1,040$

(c) Binding Effect:

This rent adjustment clause shall be binding on both parties and shall automatically apply each year without the need for further amendment to this Lease.

8. Tenant's Covenants

THE TENANT COVENANTS WITH THE LANDLORD:

- (a) To pay Rent as herein provided;
- (b) To maintain the Premises in good order and condition and to make repairs in keeping with the age and character of the Building with due diligence, except for reasonable wear and tear and damage by fire, lightning and tempest and except for repairs to the plumbing, sewage, water, electrical, mechanical, heating and air conditioning systems and except for repairs specifically designated as the responsibility of the Landlord; and notwithstanding the foregoing, the Tenant shall repair all broken glass in the Premises caused by internal forces;
- (c) To permit the Landlord or its agents at all reasonable times during the said Term to enter the Premises to examine the condition thereof; and should the Landlord find that any repairs that are the responsibility of the Tenant as hereinbefore provided are necessary, the Landlord shall give written notice to the Tenant, specifying the repairs required to be done, and the Tenant shall with reasonable promptitude after such notice well make such repairs in the manner hereinbefore provided. Should the Tenant, however, refuse or neglect to make the repairs as aforesaid the Landlord may cause such repairs to be affected, and the Tenant shall be liable to pay the cost thereof to the Landlord upon demand. If the Tenant shall default in any payment or expenditure other than Rent required to be paid by the Tenant under the terms hereof, the Landlord may at its option make such payment or expenditure, and in such event the amount shall be payable by the tenant to the Landlord on the next accruing rent day, together with interest at the rate of 6% per annum from the date of such payment or expenditure by the Landlord and on default the Landlord shall have the same remedies as on default of payment of rent;
- (d) To abide by and comply with all lawful statutes, By-Laws, rules and regulations of every parliamentary, municipal or other authority which in any manner relate to or affect the Premises by reason of the tenancy of the Tenant; and to put the Premises in such state of repair as to comply with the said statutes, By-Laws, rules and regulations and to indemnify and save harmless the Landlord from any penalty, costs, charges or damages to which the said Landlord may be put or suffer by reason of having to alter the Premises to conform with any such statute, By-Laws, rules or regulations by reason of the tenancy of the Tenant;
- (e) To obtain, and to pay the premium for, liability insurance covering the Landlord and the Tenant in respect of the Premises and the Tenant's operations therein to the extent of not less than two million dollars

(\$2,000,000.00) (or such greater amount as the Tenant's insurance agent may recommend) inclusive of all injuries or death to persons and damage to property of others arising from any one occurrence;

- (f) Save as hereinbefore provided, not to erect signs including window displays and other advertising visible from the exterior of the Premises without approval of the Landlord acting reasonably;
- (g) Not to assign or sublet the whole or any portion of the Premises in whole or in part without the consent of the Landlord in writing firsthand and obtained, which consent may not be unreasonably withheld;
- (h) Within sixty (60) days of termination of the Lease, the Tenant will arrange for removal of any advertising that has been installed on the Landlord's free-standing pylon sign, erected at the front of the Building, at the Tenant's expense. Should the Tenant fail to remove their advertising, the Landlord will arrange for its removal, and any costs associated with its removal shall be forwarded to and be the responsibility of the Tenant, and,
- (i) To yield up the Premises at the end of the Term in good order and condition as hereinbefore provided.

9. Provisos

(a) Proviso for Re-entry

The Landlord may re-enter the Premises for non-payment of rent and / or non-performance of covenants.

(b) Re-entry by Landlord

If the Landlord shall re-enter, or this Lease shall be terminated, rent shall immediately become due and paid up to the time of such re-entry or termination. The Landlord may re-let the Premises or any part thereof either in the name of the Tenant or otherwise for such term as the Landlord may determine. The Landlord may, at its option, in addition to any other remedy, require the Tenant to pay to the Landlord as reasonable damages for the failure of the Tenant to observe and perform the conditions and covenants in this Lease contained, monthly, on the first day of each month following such re-entry or termination, until the expiration of the Term, the average monthly rental paid hereunder immediately preceding the re-entry or termination, less the amount collected by the Landlord in re-letting the Premises.

10. Alterations to Premises

Provided the consent of the Landlord shall have been first obtained (which consent shall not be unreasonably withheld), the Tenant shall have the right to make at its own expense such alterations in, or additions and improvements to, the premises as it may require; provided that no such alterations, addition or improvement shall reduce the value or character of the Premises or weaken its structural safety or be detrimental to its use and any such alteration, addition or improvement so made (excluding Tenant's fixtures) at the expiry or termination of this Lease shall become and remain the property of the Landlord.

11. Removal of Fixtures

At the expiration of the Term hereby granted, provided the Tenant shall not be in default hereunder, the Tenant may remove from the Premises all of its chattels and fixtures and shall make good any damages which the Tenant may occasion to the Premises thereby; and all alterations in, additions and improvements to, and fixtures (except fixtures in the nature of trade or tenant's fixtures) upon, the Premises which are in any manner attached to the floors, walls or ceilings and all floor coverings, shall remain upon the Premises and become the property of the Landlord at the expiry or termination of this Lease. All Leasehold Improvements to the Premises are the property of the landlord and shall remain upon the premises at the expiry or termination of this Lease.

12. Landlord's Covenants

THE LANDLORD COVENANTS WITH THE TENANT:

- (a) To permit the Tenant, its directors, officers, employees, servants, agents, customers, invitees and clients to access the Premises as hereinbefore provided;
- (b) To provide and maintain at the Landlord's expense the washrooms on the second floor and vehicle parking spaces on the Landlord's Land adjacent to the building for the use by the Tenant, its directors, officers, employees, clients, agents, workmen and all other persons lawfully requiring communication with the tenant, as hereinbefore provided;
- (c) To maintain, at the Landlord's expense, the vehicle parking spaces and the vehicle parking areas in good repair, including the snow removal there from;
- (d) To install and maintain, at the Landlord's expense, all fire extinguishers and other fire protection and warning apparatus as may be required by law from time to time;

- (e) To permit the Tenant, at the Tenant's expense, to install within the Premises and on, over through or under the Landlord's Lands and other buildings or improvements thereon, all such security and fire monitoring systems, wiring and apparatus, and all such telephone, computer and other communication wiring and apparatus, as the Tenant shall deem reasonable and necessary in such manner and in such locations as the Tenant, acting reasonably, shall require from time to time;
- (f) To keep in good repair and condition the Building, its foundations, outer walls, roof and all of the common areas therein, and the plumbing, sewage, water, electrical, mechanical, heating and air conditioning systems therein excepting only the maintenance and repairs to the Premises required by the Tenant's covenant to repair. The Landlord shall repair all broken glass caused by outside forces.
- (g) To pay municipal realty taxes and local improvement charges levied against the Landlord's Land and Building, including the Premises;
- (h) To provide reasonable refuse and garbage removal services to the Tenant;
- (i) To provide electricity, water, heating and air-conditioning to the Premises and to provide heat and cooling to the Premises as the Tenant shall require, acting reasonably;
- (j) To provide space in the main electrical room to permit the Tenant to install its telecommunication apparatus and to connect to telecommunication service providers, and to provide a 110 volt electrical outlet within three (3) meters of such space; and to provide a telecommunication conduit for the sole use of the Tenant from such space in the main electrical room to the Tenants' "server room" area in the Premises as shown on the floor plan of Premises attached to the Offer to Lease; and to provide empty telecommunications conduit from the Tenants' "server room" to the various locations as shown on the said floor plan; and to permit entry into the main electrical room upon request of the Tenant to permit the Tenant and its workmen to effect normal maintenance and repair to, and / or replacement of, the Tenant's telecommunication apparatus in such space; and to permit the Tenant to install such new telecommunication apparatus in such space as the Tenant may reasonably require from time to time, at the Tenant's cost; and to keep such main electrical room and the Tenant's apparatus therein locked and secured at all times;
- (k) To provide janitorial services to the Premises, which includes labour and materials, equipment and supplies for janitorial services, as follows:
 - a. Vacuuming, sweeping and mopping floors weekly;
 - b. Cleaning and sanitizing weekly;
 - c. Cleaning office(s) weekly;

- d. Spot cleaning glass (windows and doors) weekly;
- e. Dusting all accessible surfaces (ledges, counters, tables, etc.) weekly; and,
- f. Emptying waste and recycling receptacles weekly.

13. Statutory Clauses

AND IT IS HEREBY DISTINCTLY UNDERSTOOD AND AGREED BY AND BETWEEN THE LANDLORD AND THE TENANT THAT:

- (a) The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress and agrees with the Landlord that notwithstanding any such enactment, all goods and chattels from time to time on the demised premises shall be subject to distress for rent; and,
- (b) In case, without the written consent of the Landlord, the said Premises shall become and remain vacant or not used for a period of ninety (90) days or be used by any person other than the Tenant or for any other purpose than that for which the same are hereby demised, or in case the term hereby granted or any of the goods and chattels of the Tenant shall at any time be seized or taken in execution or attachment by any creditor of the Tenant or the Tenant shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any act that may be in force for bankrupt or insolvent debtors, or (if the Tenant is a corporation) any proceedings shall be taken or orders shall be made for the winding up of the Tenant or for the surrender or forfeiture of the charter of the Tenant, then and in every such case the then current month's rent and the next ensuing three (3) months' rent shall immediately become due and payable, and, at the option of the Landlord, this Lease shall cease and determine and the said term shall immediately become forfeited and void, in which event the Landlord may re-enter into and upon the said premises or any part thereof in the name of the whole and the same to have again, repossess and enjoy as of their former estate, anything herein contained to the contrary notwithstanding.

14. Damage by Fire

If, during the Term hereby demised, the Premises shall be destroyed or damaged by fire or the elements or by causes for which the Tenant is not responsible to repair as hereinbefore set out, the following provisions shall have effect:

- (a) If the Premises shall be so badly injured as to be unfit for occupancy and to be incapable, with reasonable diligence of being repaired and rendered fit for occupation within one hundred and twenty (120) days from the happening of such injury, then the Term hereby granted, at the option of the

Tenant, shall cease and be at an end to all intents and purposes from the date of such damage or destruction and the Tenant shall immediately surrender the same and yield up possession of the Premises to the Landlord and the rent hereunder shall be apportioned and paid to the date of such termination;

- (b) If the Premises shall be capable, with reasonable diligence, of being repaired and rendered fit for occupation within one hundred and twenty (120) days from the happening of such injury as aforesaid, but if the damage is such to render the Premises wholly unfit for occupation, then the rent hereby reserved shall not run or accrue after such injury or while the process of repair is going on, and the Landlord shall repair the same with all reasonable speed, and the rent shall recommence immediately after such repairs shall be completed and the Premises rendered fit for occupation;
- (c) If the Premises can be repaired within one hundred and twenty (120) days as aforesaid, and if the damage is such that the said Premises are capable of being partially used, then until such repairs shall have been made to the extent of enabling the use of the damaged portion of the Premises, the rent shall abate in the proportion that the part of the Premises rendered unfit for occupation bears to the whole of the Premises, and the amount of the abatement shall, in the event of the Parties not being able to agree thereon be determined by arbitration pursuant to the *Ontario Arbitration Act*.

15. Loss Due to Injury

The Landlord shall not be responsible in any way for any injury to any person or for any loss of or damage to any property belonging to the Tenant, or to employees, invitees or licensees of the Tenant while such person or property is in the Premises, including (without limiting the foregoing) 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 Building or any adjacent or neighboring Landlord's Lands or premises or from the water, steam or drainage pipes or plumbing work of the same or from any other place, quarter or for any damage caused by anything done or omitted to be done by any other Tenant of the Landlord's Lands or Building. The Tenant covenants to indemnify the Landlord of and from all loss, costs, claims or demands in respect of any injuries or damage referred to in this paragraph for which the Tenant is in law responsible.

16. Performance by Landlord of Tenant's Covenants

If the Tenant shall fail to perform any of the covenants or obligations of the Tenant under or in respect of this Lease, the Landlord may from time to time, in its discretion, perform or cause to be performed any of such covenants or obligations, or any part thereof and for such purpose may do such things as may be requisite

including, without limiting the generality of the foregoing, the right to enter upon the Premises or any part thereof as the Landlord may consider requisite or necessary. The Tenant covenants that all expenses incurred, and expenditures made by or on behalf of the Tenant together with interest thereon at the rate of 6% percent per annum, shall be forthwith paid by them to the Landlord, upon receiving written demand, and failing payment, forthwith upon such demand, such amounts may be collected as rent in arrears.

17. Postponement to Mortgage

This Lease and the Tenant's rights hereunder are, and will at all times be subordinate to all mortgages, trust deeds or the charge or lien resulting from, or any instruments of, any financing, refinancing or collateral financing (collectively, a "Mortgage") or any renewals or extensions thereof from time to time in existence against the Leased Premises or any part thereof. Upon request, the Tenant will subordinate this Lease in such form as the Landlord requires to any Mortgage and, if requested, the Tenant will attorn to the holder of the Mortgage (a "Mortgagee").

18. Early Termination

The Tenant shall have the option, at its sole discretion to terminate this Lease on one (1) month's written notice to the Landlord, after which this Lease shall terminate and be of no further effect and the Parties shall be released from all obligations there under.

19. Arbitration

If any differences shall arise between the Parties hereto concerning the interpretation of any of the clauses hereof, such differences shall be referred to arbitration pursuant to the provisions of the *Arbitrations Act* of Ontario and the laws of the Province of Ontario.

20. Language

Words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations and vice versa.

21. Successors

Unless the context otherwise requires, the word "Landlord" and the word "Tenant" whenever used herein shall be construed to include and shall mean the successors and assigns of the Landlord and the heirs, executors, administrators, successors and assigns of the Tenant.

22. Registration

The Landlord hereby consents to registration of this Lease, or a Notice of this Lease, on title to the Landlord's Lands

23. Notices

Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

24. Schedules

The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of:

Schedule "A" - Sketch – Unit 208

25. Contact Information

Landlord Contact Information:

St.-Charles Municipal Office
2 King St E
St.-Charles, ON
P0M 2W0
Ph: 705-867-2032
Fax: 705-867-5789

Tenant Contact Information:

Health Sciences North
865 Regent Street
Sudbury, ON
P3E 3Y9
Attn: Business Development
Ph: 705-523-7100 Ext. 3179

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IN WITNESS WHEREOF the Landlord and Tenant have hereunto affixed their hands and seals.

SIGNED, SEALED AND DELIVERED

Date: 9/27/2024, 2024

) **HEALTH SCIENCES NORTH**

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Paul Truscott

Signed by:

CBC8305080164EB

Date: , 2024

) **THE CORPORATION OF THE
MUNICIPALITY OF ST.-CHARLES**

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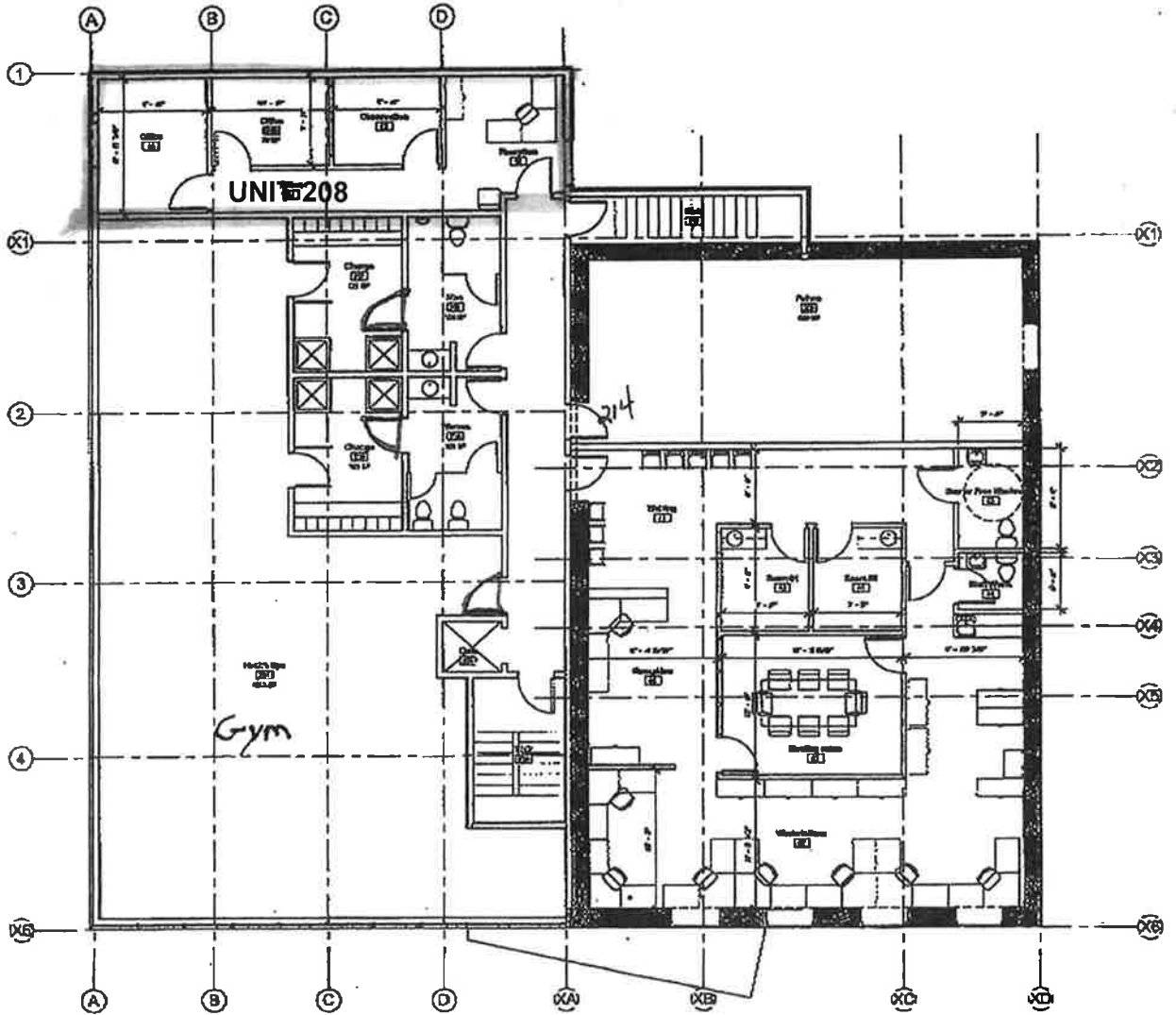
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MAYOR

CLERK

Schedule "A" Sketch - Unit 208



ST.-CHARLES WELLNESS CENTRE – SECOND FLOOR