

ADDENDUM

REGULAR MEETING OF CITY COUNCIL

2011 11 07

4:30 P.M.

COUNCIL CHAMBERS

3. APPROVE AGENDA AS PRESENTED

Mover: Councillor F. Fata

Second: Councillor T. Sheehan

Resolved that the Addendum for the 2011 11 07 City Council meeting as presented be approved.

4. DELEGATIONS/PROCLAMATIONS

PART ONE – CONSENT AGENDA

5. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

p) Council Travel

Mover: Councillor M. Bruni

Second: Councillor S. Myers

Resolved that Councillor Lou Turco be authorized to travel to the AMO Board Meeting being held in Toronto (2 days in November) at an estimated cost to the City of \$300.00.

PART TWO – REGULAR AGENDA

6. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

- (1) ADMINISTRATION**
- (2) COMMUNITY SERVICES DEPARTMENT**
- (3) ENGINEERING**
- (4) FIRE**
- (5) LEGAL**
- (6) PLANNING**
- (7) PUBLIC WORKS AND TRANSPORTATION**
- (8) BOARDS AND COMMITTEES**

**7. UNFINISHED BUSINESS, NOTICE OF MOTIONS AND RESOLUTIONS
PLACED ON AGENDA BY MEMBERS OF COUNCIL**

**8. COMMITTEE OF THE WHOLE FOR THE PURPOSE OF SUCH MATTERS AS
ARE REFERRED TO IT BY THE COUNCIL BY RESOLUTION**

9. ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE

**10. CONSIDERATION AND PASSING OF BY-LAWS
AGREEMENTS**

h) 2011-186

A by-law to authorize an Licence agreement between the City and Her Majesty the Queen in Right of Ontario as represented by the Minister of Infrastructure for the use of a portion of the building at 99 Foster Drive, Sault Ste. Marie.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2011-186

AGREEMENT: (LE-88) A by-law to authorize a License agreement between the City and Her Majesty the Queen in Right of Ontario as Represented by the Minister of Infrastructure for the use of a portion of the building at 99 Foster Drive, Sault Ste. Marie, Ontario.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the Municipal Act, S.O. 2001, C. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and the Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an agreement dated September 26, 2011, and made between the City and her Majesty the Queen in Right of Ontario as Represented by the Minister of Infrastructure for the use of a portion of the building at 99 Foster Drive, Sault Ste. Marie, Ontario in the form of Schedule "A" hereto.

2. **SCHEDULE "A"**

Schedule "A" forms part of this by-law.

3. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

PASSED in open Council this 7th day of November, 2011.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

da Bylaws\2011\2011-186 License Agreement Minister of Infrastructure

NOTICE

THIS IS A DRAFT DOCUMENT. This document has not been enacted by City Council. It may not be enacted at all AND if enacted, it may not be in the form of the DRAFT copy.

CITY SOLICITOR

LICENSE AGREEMENT

THIS AGREEMENT made in quadruplicate on September 26, 2011.

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(Hereinafter referred to as the "Licensor")

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
AS REPRESENTED BY THE MINISTER OF INFRASTRUCTURE**

(Hereinafter referred to as the "Licensee")

The Licensor has jurisdiction and control of the Lands and Building (as hereinafter defined) and the parties hereto have agreed that the Licensee shall have the right, pursuant to the license herein granted, to utilize a portion of the Building, subject to the terms and conditions of this license agreement (the "Agreement").

NOW THEREFORE, in consideration of the forgoing, and the mutual covenants and agreements herein contained and expressed, it is agreed between the parties as follows:

1. DEFINITIONS:

In this Agreement and in the schedules to this Agreement, the following words or phrases have the following meanings:

"Agreement" means this agreement and all the terms, covenants and conditions set out herein, as amended from time to time in accordance with Section 7.15 of this Agreement.

"Architect" means the independent, arm's length architect, surveyor or professional civil engineer, from time to time named by the Licensor.

"Authority" means any governmental authority, quasi-governmental authority, agency, body or department whether federal, provincial or municipal, having or claiming jurisdiction over the Licensed Premises or the Building, or the use thereof.

"Building" means the building known municipally as 99 Foster Drive in the City of Sault Ste. Marie, Ontario erected on the Lands, from and including the lowest floor or level of the Building to and including the roof of the Building, the Common Areas and Facilities, the Parking Areas and the areas and facilities exclusively serving the Building, which areas and facilities may include, without limitation, lobbies, foyers and vestibules, sidewalks, storage and mechanical areas, Mechanical and Electrical Services, janitor rooms, mail rooms, telephone rooms, rooms for the Mechanical and Electrical Services, stairways, escalators, elevators, truck and receiving areas, driveways, loading docks and corridors.

"Business Day" means any day which is normally considered a regular day of business for most government offices for the Province of Ontario.

"Commencement Date" means the date set out in Article 3 of this Agreement for the beginning of the Term.

"Common Areas and Facilities" means those areas, facilities, utilities, improvements, equipment and installations in the Building which are not leased or licensed to tenants or licensees of the Building, and which serve or are for the benefit of the Building and are located within the Building or on the Lands, including all areas, facilities, utilities, improvements, equipment and installations which are provided by the Licensor for the use or benefit of all the tenants, licensees, their employees, customers and other invitees in common with others entitled to the use and benefit thereof in the manner and for the purposes permitted by this Agreement.

"Contemplated Use" means the use set out in Section 5.6 of this Agreement.

"Council Chambers" means the Council Chambers area, which, as of the Commencement Date, has been determined to be approximately two thousand, six hundred and seventy-five (2,675) square feet and occupying a portion of Level 3 of the Building as set out on Schedule "C" attached hereto. "The Henry C. Hamilton Room" means the reception room which adjoins the Council Chambers on Level 3, which has been determined to be approximately one thousand, two hundred and twenty-eight (1,228) square feet and occupying a portion of Level 3 of the Building as set out in Schedule "C" attached hereto.

"Environmental Contaminant(s)" means (a) any substance which, when it exists in the Building or the water supplied to or in the Building, or when it is released into the Building or any part thereof, or into the water or the natural environment, is likely to cause, at any time, material harm or degradation to the Building or any part thereof, or to the natural environment or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, lead paint, PCBs, fungal contaminants (including without limitation, and by way of example, *stachybotrys chartarum* and other moulds), mercury and its compounds, dioxins and furans, chlordane (DDT), polychlorinated biphenyls, chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), volatile organic compounds (VOCs), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic or noxious substances or related materials, petroleum and petroleum products, or (b) any substance declared to be hazardous or toxic under any Environmental Laws now or hereafter enacted or promulgated by any Authorities, or (c) both (a) and (b).

"Environmental Laws" means any federal, provincial or local law, statute, ordinance, regulation, policy, guideline or order and all amendments thereto pertaining to health, industrial hygiene, environmental conditions or Environmental Contaminants, including, without limitation, the *Environmental Protection Act*, R.S.O. 1990, c. E.19, the *Environmental Assessment Act*, R.S.O. 1990, c. E.18, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, the *Safe Drinking Water Act, 2002*, S.O. 2002, c.32, and applicable air quality guidelines, as such statutes, regulations and guidelines may be amended from time to time.

"Improvements" means all items generally considered as leasehold improvements including, without limitation, all installations, alterations, and additions from time to time made, erected or installed in the Licensed Premises by or on behalf of the Licensee, or any previous occupant of the Licensed Premises.

"Lands" means the lands underneath or directly adjacent to the Building as more particularly described in Schedule "A" attached hereto.

"License Fee" means the license fee payable by the Licensee to the Licensor pursuant to Article 4 of this Agreement.

"Licensed Premises" means the Licensed Premises containing an area, which, as of the Commencement Date, has been determined to be approximately fourteen thousand, three hundred and seventy-two (14,372) square feet and occupying the entire sixth (6th) floor and a portion of the first (1st) floor of the Building as set out on Schedule "C" attached hereto.

"Licensor" means the Licensor and its duly authorized representatives.

"Licensee" includes, for the purpose of Section 6.8 herein and any other provisions herein limiting the Licensee's liabilities, the servants, employees, agents, invitees and licensees of the Licensee, and

any other governmental agency, ministry, corporation or department over whom the Licensee may reasonably be expected to exercise control. It is understood and agreed that the Minister of Infrastructure or the Ontario Infrastructure and Lands Corporation by their representatives are the only Persons entitled to bind the Licensee contractually.

"Mechanical and Electrical Services" include, but are not limited to, all mechanical, electrical, drainage, lighting, incinerating, ventilation, air-conditioning, elevating, heating, pumping, sprinkling, alarm, plumbing and other mechanical and electrical systems installed in or used in the operation of the Building and the Lands.

"Parking Areas" means the improvements constructed from time to time, in or as part of the Building and the Lands for use as parking facilities for the tenants and/or licensees of the Building and their employees, servants and invitees, and the areas and facilities that are appurtenant solely to those improvements. The Licenser shall designate the minimum number of the parking spaces comprising the Parking Areas prescribed by the relevant Authority for the sole and exclusive use of people with disabilities.

"Person" if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.

"Sales Taxes" means all business transfer, multi-usage sales, sales, goods and services, harmonized sales, use, consumption, value-added or other similar taxes imposed by the Government of Canada and/or Ontario upon the Licenser, or the Licensee, or in respect of this License, or the payments made by the Licensee hereunder or the goods and services provided by the Licenser hereunder including, without limitation, the use of the Licensed Premises and the provision of administrative services to the Licensee hereunder.

"Structure" means the foundation, roof (including the roof membrane), exterior wall assemblies, including weather walls and bearing walls, subfloor and structural columns and beams of the Building, all plumbing, drainage, Mechanical and Electrical Services and equipment leading up to, from and under the Building, and any other portions of the Building normally considered to be part of the structural portion of a building, or where the repairs or replacements thereto are normally considered a major capital expenditure.

"Taxes" means all taxes, rates, duties, levies and assessments whatsoever whether municipal, provincial, federal or harmonized, charged upon the Building and the Lands, or upon the Licenser on account thereof, including all taxes, rates, duties, levies, impost charges and assessments for local improvements, education and schools and all taxes, grants or assessments which may in future be levied in lieu of "Taxes" as hereinbefore defined, and including any local improvement charges or levies directly or indirectly related to the development of the Building. Taxes include, without limitation, realty taxes, business taxes of the Licenser, corporation taxes, capital taxes, excise taxes, Sales Taxes, income taxes, or any other taxes or assessments levied against the Licenser, the Building, the Lands, or the License Fee.

"Term" means the term of this Agreement set out in Article 3 of this Agreement.

"Trade Fixtures" means the personal chattels installed prior to the Commencement Date, at the Commencement Date or during the Term by or on behalf of the Licensee, in, on or which serve, the Licensed Premises, for the sole purpose of the Licensee carrying on its trade in the Licensed Premises pursuant to Section 5.6 of this Agreement and which Trade Fixtures the Licensee is permitted to remove only to the extent permitted by the terms of this Agreement, but Trade Fixtures do not include Improvements of the Licensee.

"Utilities" means all gas, electricity, water, sewer, steam, fuel oil, power, telecommunications equipment for transmitting and receiving signals, and other utilities used in or for the Building or the Licensed Premises, as the case may be.

2. LICENSED PREMISES

In consideration of the License Fees reserved and the covenants and agreements herein contained to

be paid, observed and performed by the Licensee, the Licensor hereby grants to the Licensee the license and privilege (irrevocable in accordance with the terms hereof) to utilize the Licensed Premises for the purpose of the Contemplated Use and for no other purpose, subject to the further terms and conditions hereof.

3. TERM

The Licensee shall be permitted to use the Licensed Premises for the period of six (6) months, commencing on September 26, 2011 (the "Commencement Date") and ending on March 25, 2012, unless previously terminated pursuant to the terms of this Agreement.

4. LICENSE FEE

For the Licensed Premises, the Licensee hereby covenants to pay to the Licensor as a License Fee, annually during the Term, the sum of Two Hundred and Eighty-Seven Thousand, Four Hundred and Forty Dollars (\$287,440.00), in equal monthly instalments of Twenty-Three Thousand, Nine Hundred and Fifty-Three Dollars and Thirty-Three Cents (\$23,953.33) based on a rate of Twenty Dollars (\$20.00) per square foot of the Licensed Premises.

The Licensee also covenants to pay to the Licensor additional payments of One Thousand, Two Hundred Dollars (\$1,200.00) per month for the cost of renting new furniture, removal and of existing furniture not required by the Licensee, based on a rate of Six Hundred Dollars (\$600.00) per month for furniture rental, and Six Hundred Dollars (\$600.00) per month for furniture removal and storage.

The Licensee also covenants to pay to the Licensor additional payments of One Hundred and Fifty Dollars (\$150.00) per month for fifteen (15) internet access connections (Ten Dollars (\$10.00) per connection) as well as a one-time up front installation fee of Three Hundred Dollars (\$300.00).

It is the intent of the parties that the Licensee shall be responsible for only expenses and/or obligations in respect of, or attributable to, the Licensed Premises, as herein expressly provided.

The License Fee shall commence to be payable to the Licensor on September 26, 2011, payable in lawful money of Canada, in advance in equal monthly instalments on the first day of each and every month during the Term at such place as the Licensor shall hereafter designate in writing. If the Term commences on any day other than the first day of a month or ends on any day other than the last day of a month, License Fee for the fractions of a month at the Commencement Date and at the end of the Term shall be adjusted pro rata. License Fee payments shall, unless otherwise agreed upon by the parties, be made by the Licensee by direct deposit as further directed by the Licensor. The Licensor covenants to provide the Licensee with a minimum of fifteen (15) days' prior written notice of a change in either the payee of the License Fee or the account number of the bank account of the payee to which payments of License Fee are being directed.

The Licensee shall pay to the Licensor all applicable Sales Taxes assessed on the License Fee and other payments herein payable by the Licensee to the Licensor under this Agreement.

5. LICENSEE'S COVENANTS

The Licensee covenants with the Licensor as follows:

5.1 License Fee

To pay the License Fee in accordance with the provisions of this Agreement.

5.2 Compensation for Damage

To make good any damage to the Licensed Premises caused by negligent, reckless or wilful misconduct of the Licensee's servants, agents, employees, licensees or invitees.

5.3 Notice of Defect

To give the Licensors notice, as soon as reasonably possible, of any accident to or defect in the Mechanical and Electrical Services, or any other system or part of the Licensed Premises which the Licensors is obligated to repair.

5.4 Entry by Licensors

To permit the Licensors to enter the Licensed Premises at any reasonable time after delivering two (2) Business Days' prior written notice to the Licensee's designated representative, for the purpose of inspecting the Licensed Premises and making permitted repairs to the Licensed Premises.

5.5 Assign or Sublet

Not to assign this Agreement or sublicense the Licensed Premises without the prior written consent of the Licensors, such consent not to be unreasonably withheld. The Licensors acknowledge and agree that the use or occupation of all or part of the Licensed Premises by any governmental agency, ministry, corporation, department or Person affiliated with the Licensee does not constitute an assignment or sublicense and does not require the Licensors's consent therefor.

5.6 Use of Licensed Premises

To use the Licensed Premises for lawful purposes only. Specifically the Licensed Premises shall be used for the purpose of conducting court and all related activities, including but not limited to judicial and administrative activities.

5.7 Not to Affect Insurance

Not to do or omit or permit to be done or omitted on the Licensed Premises anything which shall cause the insurance premiums for the Building to be increased and if the insurance premiums for the Building shall be increased by reason of anything done or omitted or permitted to be done or omitted by the Licensee or anyone permitted by the Licensee to be upon the Licensed Premises, the Licensee shall, within five (5) Business Days after receipt of notice from the Licensors setting out in reasonable detail the cause for such increased premiums, pay to the Licensors the amount of such increase.

5.8 Licensee's Compliance With Laws

To comply with all codes and regulations of any federal, provincial or municipal laws, regulations and codes of any relevant Authority which apply to the Licensee's use or occupation of the Licensed Premises or to the making of any repairs, replacements, additions, changes, substitutions or improvements that relate to such use or occupation by the Licensee.

5.9 Waste

Not to do or allow any waste, damage, disfiguration or injury to the Licensed Premises or the fixtures and equipment forming a part thereof or permit any overloading of the floors thereof.

5.10 Nuisance

Not to use or permit the use of any part of the Licensed Premises for any dangerous, noxious or offensive trade or business or cause or permit any nuisance in, at or on the Licensed Premises. The Licensors acknowledge and agree that the Contemplated Use does not contravene this Section.

5.11 Licensee's Indemnity

Subject to the paragraphs below and Section 7.25, the Licensee shall defend, protect, indemnify, and hold the Licensors and the Licensors's agents, officers, directors, employees, and contractors (collectively, the "Licensors Indemnified Parties") harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including reasonable solicitors' fees) arising in connection with any and all third party claims arising out of: (a) injuries occurring within the Licensed Premises, (b) any intentional conduct or negligence of the Licensee or any Person for whom it is in law responsible, or

(c) any breach or default in the performance of any obligation on the Licensee's part to be performed under this Agreement. This indemnity does not include the intentional or negligent acts or omissions of the Licensor or any Person for whom it is in law responsible. This indemnity shall survive termination of this Agreement only as to claims arising out of events that occur prior to termination of this Agreement.

The Licensor, its employees, agents, contractors and those for whom it is in law responsible, shall have no claim against the Licensee for any damage or loss incurred by the Licensor with respect to the Licensed Premises, except and to the extent such damage or loss is as a result of the negligence or wilful misconduct of the Licensee, its employees, agents, contractors and those for whom it is in law responsible.

Notwithstanding anything in this Agreement to the contrary, the Licensee shall not be liable to the Licensor or to any insurance company (by way of subrogation or otherwise) insuring the Licensor, for: (i) any loss of profit or consequential loss that is indirect or not reasonably foreseeable, or (ii) any loss or damage to the Building or other tangible property, or any resulting loss of income and benefits, even though such loss or damage might have been occasioned by the negligence of the Licensee or any Person for whom the Licensee is at law responsible, if any such loss or damage is covered by insurance maintained or required to be obtained by the Licensor pursuant to this Agreement. Licensor shall require its insurance company to include a waiver of subrogation provision in its policies in order to implement this paragraph.

5.12 Insurance Acknowledgement

The Licensor acknowledges that the Licensee in respect of damage to the Licensed Premises is self-insured and will maintain during the Term coverage with respect to commercial general liability risks as a 'Protected Person' under the Government of Ontario General and Road Liability Protection Program, which is funded by Her Majesty the Queen in right of Ontario. The coverage shall provide limits of at least Five Million Dollars (\$5,000,000.00) per occurrence. Therefore the Licensor shall not require the Licensee to obtain any additional insurance coverage.

5.13 Facilitate Cleaning

To leave the Licensed Premises in a reasonably tidy state at the end of each Business Day to facilitate the Licensor's janitorial services.

6. LICENSOR'S COVENANTS

The Licensor covenants with the Licensee as follows:

6.1 Exclusive Use

That the Licensee will have the exclusive use of the Licensed Premises on such days and between such times as have been determined by the parties as of the Commencement Date and on such additional days as may, at any time during the Term, be authorized by the Licensor.

6.2 Taxes

To pay all Taxes.

6.3 Services and Facilities

To provide and operate the following services and facilities for the Licensed Premises as expressed below, at the Licensor's expense, and maintain at the Licensor's expense, such services and facilities in good repair (and, if necessary, replace same) during the Term:

(a) Utility Systems

All utility systems and facilities including water, fuel and electricity, and including all charges for Utilities used or consumed within the Licensed Premises.

- (b) **Electrical Systems/Lenses, Bulbs and Related Equipment**
An electrical system which is satisfactory for the Licensee's purposes including fixtures and outlets together with the initial installation and ongoing replacement of bulbs, fluorescent tubes and ballasts during the Term, and all maintenance and parts thereof.
- (c) **Thermal Conditions and Air Quality**
A heating, ventilation and air-conditioning system, which is satisfactory for the Licensee's purposes.
- (d) **Water System**
A water system capable of supplying hot and cold water to the Licensed Premises and the washrooms serving the Licensed Premises.
- (e) **Washrooms**
Fully equipped washroom facilities for male and female employees of the Licensee in accordance with the requirements established by the Occupational Health and Safety Act, R.S.O. 1990, c.0.1, as amended, and the regulations made thereunder, or any successor act, an accessible male and female washroom installed in accordance with the requirements of the Building Code Act, 1992, S.O. 1992, c. 23, as amended and any other applicable requirements of any relevant Authority, and the provision of all washroom equipment and supplies reasonably necessary, in the opinion of the Licensee, for the use and operation of such washroom facilities, including, without limitation, a sink, vanity, toilet bowl, paper towel dispenser, garbage pail, soap dish and toilet paper dispenser.
- (f) **Exterior, Common Areas**
Maintenance of the exterior of the Building, the landscaped grounds of the Lands, the Parking Areas and walkways of the Building and the Common Areas and Facilities of the Building in good repair and first-class condition and the prompt removal of snow and ice.
- (g) **Life Safety**
Establishment of a workable emergency evacuation program. The program applicable to Government occupants must be submitted for review to the Ontario Infrastructure and Lands Corporation, Real Estate Management, as restructured or renamed from time to time.
- (h) **Glass Replacement**
Prompt replacement in case of breakage, of all plate glass and other glazing materials of the Building, including without limitation, that which demises the Licensed Premises, with material of the same kind and quality as that which may be damaged or broken, save where such damage or breakage has been occasioned by the Licensee, its servants or agents.
- (i) **Building Security**
The provision of Building security in accordance with the Licensor's standard practice, as would a reasonably prudent owner of a similar building.
- (j) **Housekeeping Services**
Housekeeping service for the Licensed Premises as would a reasonably prudent owner of a similar building, including the provision of waste removal services and all cleaning materials and washroom supplies.

6.4 Access

To permit the Licensee, its agents, invitees and those having business with any or all of them, full and uninterrupted access to the Building on those days as determined pursuant to Section 6.1 of this Agreement, including access for persons with disabilities. The Licensor covenants and agrees to provide all services and facilities required to be provided by it hereunder (including without limitation, light, water, fuel, electricity, plumbing, heating, ventilation and air-conditioning) at all times throughout those days during the Term on which the Licensee is scheduled to occupy the Licensed Premises.

6.5 Repair

To maintain the Licensed Premises, including the Improvements, the Building and the Structure in good repair and tenable condition during the Term and make good any defect or want of repair and/or replacement promptly upon notice thereof with a minimum of disruption to the Licensee's business.

6.6 Licensee's Improvements

To grant permission to the Licensee to tender for and complete, at the Licensee's sole cost and expense, such Improvements to the Licensed Premises as the Licensee may consider necessary from time to time both prior to and during the Term or any extension thereof, provided that such Improvements do not affect the Structure and that where such Improvements may affect the Mechanical and Electrical Services, the Licensee agrees to use the Licensor's professional engineers as consultants if so required by the Licensor. The Licensee will give the Licensor written notice of its intention to make Improvements and upon request shall supply the Licensor with plans of the proposed Improvements. The Licensee will obtain the prior written approval of the Licensor for any Improvements, which approval will not be unreasonably withheld.

6.7 Licensor's Improvements

Other than times of unforeseen emergencies that, unless the Licensor fully complies with the terms and conditions set out below, at no time during the Term shall the Licensor commence any further construction or alterations to the Building which will have the effect of:

- (a) materially interfering with the business operations of the Licensee;
- (b) materially interfering with ingress to or egress from the Licensed Premises; or
- (c) causing noise or other nuisances, which might materially interfere with the Licensee's business operations.

unless the Licensee otherwise consents, the Licensee's consent therefor shall not to be unreasonably withheld.

In the event that the Licensor intends to commence any construction relating to items (a)-(c) inclusive outlined in this Section 6.7, in or around the Building, at any time during the Term, such construction shall be subject to the following terms and conditions:

- (i) the Licensor must receive the prior written approval of any required Authorities;
- (ii) all construction must be completed promptly and in a good and workmanlike manner, and must not materially interfere with the use of the Licensed Premises or any part thereof by the Licensee; and
- (iii) all Utilities and other base building systems must continue to be fully operative during any period of construction and the Licensor shall be responsible for any damages or costs incurred by the Licensee to the extent caused or contributed to by any interruption of such Utilities or systems.

6.8 Indemnity

Subject to Section 7.25, to indemnify the Licensee, its agents, officers, directors, employees, contractors, parents, service providers, subsidiaries, successors and assigns (collectively, the "Licensee Indemnified Parties") and save them harmless from and against all losses, claims, actions, damages, costs, liabilities and expenses (together the "Claims") in connection with loss of life, personal injury, damage to property (including any portion of the Building and its equipment, machinery, services, fixtures and Improvements) or any other loss or injury arising from or out of the conduct of any work by the Licensor, the provision of any service by the Licensor or any act or omission of the Licensor or those for whom the Licensor is at law responsible or by anyone permitted to be in the Building by the Licensor. If the Licensee is, without fault on its part, made a

party to any litigation commenced by or against the Licensor, then the Licensor will protect, indemnify and hold the Licensee harmless and pay all expenses and reasonable legal fees incurred or paid by the Licensee in connection with such litigation.

6.9 Compliance With Laws

To comply with all provisions of law including, without limitation, all enactments, by-laws and any regulations of any Authority which relate to the Licensed Premises or to the use or occupation thereof or to the making of any repairs, replacements, additions, changes, substitutions or improvements of or to the Licensed Premises or any part thereof.

6.10 Insurance

At all times throughout the Term, to obtain and maintain insurance on the Building as would a prudent owner of a similar building having regard to size, age and location, including without limitation, broad form boiler and machinery insurance and "all risks" insurance. The Licensor further covenants to obtain and maintain in force comprehensive general liability insurance. Such insurance shall contain a waiver of subrogation by insurers against the Licensee and any sub-licensees of the Licensee.

6.11 No Environmental Contaminants

To use its continuing effort throughout the Term and any extension thereof to ensure that no part of the Building or Lands is used, without limitation, (either by the Licensor or all other licensees, occupants or tenants in the Building), to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer or produce any Environmental Contaminant, except in strict compliance with all applicable laws of any relevant Authority, including the Environmental Laws.

6.12 Environmental Contaminants

To remove any Environmental Contaminant located on or in the Building whether or not known to the Licensor as of the date of execution of this Agreement, and whether or not resulting from any act, omission, or negligence of the Licensor or those for whom it is in law responsible, which is not contained in accordance with all applicable laws of any relevant Authority. If any such Environmental Contaminant is not removed forthwith by the Licensor, the Licensee shall be entitled, but not required, to remove the same on the Licensor's behalf, and the Licensor shall reimburse the Licensee for the cost thereof.

6.13 Notification of Environmental Contaminants

To notify the Licensee immediately in the event that the Licensor 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 Licensor in respect of any Environmental Contaminant in, on or near the Lands or Building, and to notify the Licensee immediately of any discharge, release or discovery of any Environmental Contaminant which is not contained in accordance with all applicable laws of any relevant Authority, in or on any part of the Building or Lands.

6.14 Warranty

The Licensor: (i) represents and warrants that there has not been and is not now; and (ii) covenants to ensure that there will not be, at any time during the Term, any Environmental Contaminant located, stored, manufactured, refined, disposed of, produced, processed or incorporated in or on any part of the Building or the Lands, except in accordance with Section 6.11 of this Agreement. In the event that there is any Environmental Contaminant in the Licensed Premises, the Building, or on the Lands, which is not handled in accordance with Section 6.12 of this Agreement, the Licensee may terminate this Agreement if the Licensor is unwilling or unable to cleanup or decommission such within a reasonable time of becoming aware of such Environmental Contaminant.

The Licensor further represents and warrants that as of the Commencement Date and throughout the Term and any extension thereof, all Mechanical and Electrical Services and equipment serving the

Licensed Premises are and will be in good working order and condition and satisfactory for the carrying on of the Licensee's business in and from the Licensed Premises.

The Licensors further covenants and agrees that, as of the Commencement Date: (i) there shall not be any by-laws (the "By-Laws"), including, without limitation, any restrictive covenants, development agreements, zoning or other ordinances or regulations of any Authority which will prevent the Licensee from conducting its business operations in and from the Licensed Premises in accordance with this Agreement; and (ii) all such By-Laws shall permit the continual operation of the Building and every part of the Licensed Premises in accordance with this Agreement. In the event that any of the By-Laws prohibit or prevent the Licensee from using any part of the Licensed Premises for the Contemplated Use, the Licensee may, on thirty (30) days' prior written notice, terminate this Agreement, without prejudice to the Licensee's rights to claim for damages against the Licensors arising out of any By-Law prohibiting or preventing the Licensee's use of the Licensed Premises as aforesaid.

6.15 Asbestos

Notwithstanding anything to the contrary contained in this Agreement, at all times, including, but not limited to, any times during which either the Licensors or the Licensee are making any Improvements or other improvements, additions or renovations in or about the Licensed Premises or the Building, or at any times when any maintenance or repairs of any kind are being carried out in or about the Licensed Premises or the Building, the Licensors agree to comply with the provisions of *Ontario Regulation 278/05, "Designated Substance – Asbestos on Construction Projects and in Buildings and Repair Operations"* (the "Regulation") and the Environmental Laws. Failing such compliance by the Licensors, the Licensee may, at the Licensee's sole option, (a) on twenty (20) days' prior written notice to the Licensors, take all reasonable measures, at the Licensors' sole cost and expense, to complete the work required to comply with the Regulation and the Environmental Laws, to deduct the costs and expenses incurred thereby from the License Fee and to recover the balance, if any, after such deduction, from the Licensors; or (b) terminate this Agreement. The Licensors shall in no case withhold its consent to the making of any Improvements to the Licensed Premises by the Licensee because of the cost to it of compliance with this Section.

The Licensors hereby represents and warrants that the Building has no asbestos containing material (as defined in the Regulation), except as indicated in Schedule "B" attached hereto.

6.16 Consent and Approval

That the Licensors and each Person acting for or on behalf of the Licensors making a determination, designation, calculation, estimate, conversion or allocation or in giving an approval or consent under this Agreement, will act reasonable, promptly and in good faith and each accountant, architect, engineer or surveyor, or other professional Person employed or retained by the Licensors will act in accordance with the applicable principles and standards of that Person's profession.

7. PROVISOS

7.1 Overholding

If the Licensee remains in possession of the Licensed Premises after the date fixed for the expiration of the Term or any extension thereof without any further written agreement, the Licensee shall be deemed to be occupying the Licensed Premises from month to month at the monthly License Fee rate payable by the Licensee during the last month of the Term of this Agreement and upon the terms and conditions contained in this Agreement except as to the length of the Term.

7.2 Trade Fixtures

The Licensee may, at its option, at any time during the Term and/or any extension thereof and/or upon the expiry or sooner termination thereof, remove or replace any Trade Fixtures installed by or on its behalf in the Licensed Premises or install new Trade Fixtures therein, as the case may be.

7.3 Signs

- (a) The Licensee may erect such signs on the Licensed Premises in accordance with the Building standard and in accordance with municipal laws, as it considers necessary for the proper conduct of its business.
- (b) All such signs may be removed from the Licensed Premises at the end of the Term or any extension thereof.
- (c) The Licensee shall compensate the Licensor for any damage caused to the Licensed Premises or Building, if applicable, by the removal of the signs.

7.4 Unavoidable Delays

Notwithstanding anything in this Agreement, if either party is bona fide delayed or hindered in or prevented from the performance of any term, covenant, or act required hereunder by reason of strikes or labour trouble; inability to procure materials or services; power failure; restrictive governmental laws or regulations; riots; insurrection; sabotage; rebellion; war; act of God; or other reason whether of a like nature or not which is not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement (but excluding the inability to perform because of financial difficulties or lack of funds), then the performance of that term, covenant or act is excused for the period of the delay and the party delayed will be entitled to perform the term, covenant or act within the appropriate time period after the expiration of the period of the delay. If any of the events or problems referred to in this Section 7.4 occur and either party contemplates that it will be bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason thereof, such party shall forthwith deliver written notice to the other, with full and detailed particulars setting out the nature of such event or problem and the period of the delay contemplated by the party giving notice for the performance of any such term, covenant or act required hereunder.

7.5 Right-of-Way

If the Licensed Premises are now or hereafter served by any alley, easement or right-of-way, the Licensee, its servants, agents, employees, licensees and invitees shall have full right of ingress and egress over such alley, easement or right-of-way in common with all others entitled thereto.

7.6 Parking

In the event that all or part of the Parking Areas are made available to the tenants or licensees of the Building as part of the Common Areas and Facilities, then the Licensee, its employees and invitees shall be entitled to use the Parking Areas, or any portion thereof, in common with the other tenants and licensees of the Building and others entitled to the use thereof.

The Licensor shall also provide five (5) parking tags for the south Parking Area and fourteen (14) parking tags for the north Parking Area at no additional cost to the Licensee.

The Licensor agrees to enforce all rules and regulations relating to the Parking Areas and to ensure that the Licensee has free and uninterrupted use thereof.

The Licensor shall designate at least the minimum number of the parking spaces comprising the Parking Areas for the sole and exclusive use of people with disabilities as prescribed by the relevant Authority.

7.7 Council Chambers and Henry C. Hamilton Room

The Licensor shall permit the Licensee to use the Council Chambers and/or the Henry C. Hamilton Room as required by the Licensee on a per diem basis, at a rate of One Hundred and Fifty Dollars (\$150.00) per day for each room. The Licensor shall invoice the Licensee on a monthly basis for each day the Licensee uses the Council Chambers and/or the Henry C. Hamilton Room.

7.8 Damage and Destruction

If, at any time during the Term, the Building shall be damaged or destroyed, either in whole or in part, by fire or other peril insured against by the Licensor, then, and in every such event:

- (a) If the damage or destruction to the Building is such that, in the opinion of the Architect to be given to the Licensee within twenty (20) days of the date of the occurrence of such damage or destruction (the "Date of Damage"), the Licensed Premises are rendered partially unfit for occupancy or impossible or unsafe for use or occupancy, then the License Fee shall abate as of the Date of Damage in proportion to the part of the Licensed Premises which is rendered unfit for occupancy or impossible or unsafe for use or occupancy, and License Fee will not be payable again until such time as the Licensed Premises and the Improvements have been fully restored by the Licensor to their condition as of the Commencement Date.
- (b) If the damage or destruction to the Building is such that, in the opinion of the Architect to be given to the Licensee within twenty (20) days of the Date of Damage, the Licensed Premises are rendered wholly unfit for occupancy or impossible or unsafe for use or occupancy, or that reasonable or convenient access is prevented thereto, and if, in either event, the damage, in the opinion of the Architect to be given to the Licensee within twenty (20) days of the Date of Damage, cannot be repaired with reasonable diligence within one hundred and twenty (120) days of the Date of Damage, then either the Licensor or the Licensee may terminate this tenancy within twenty (20) days following the date of the giving of the Architect's opinion, upon written notice to the other party, in which event this Agreement will be at an end as of the Date of Damage and the License Fee shall be apportioned and paid in full to the Date of Damage.
- (c) In the event that neither the Licensor nor the Licensee shall terminate this Agreement in accordance with the provisions of Subsection 7.7(b) of this Agreement, then the Licensor shall repair the Licensed Premises, the Improvements and the Building with all reasonable speed and the License Fee hereby reserved shall abate from the Date of Damage until the later date of either (i) the Licensed Premises and Improvements are restored to their condition as of the Commencement Date; or (ii) reasonable and convenient access is restored thereto, as the case may be.
- (d) If the damage or destruction is such that, in the opinion of the Architect to be given to the Licensee within twenty (20) days of the Date of Damage, the Licensed Premises are rendered wholly unfit for occupancy or if it is impossible or unsafe to use and occupy the Licensed Premises, and if, in either event, the damage, in the opinion of the Architect to be given within twenty (20) days from the Date of Damage, can be repaired with reasonable diligence within one hundred and twenty (120) days of the Date of Damage, then the License Fee shall abate from the Date of Damage until the date the Licensed Premises and Improvements are restored to their condition as of the Commencement Date, provided that the Licensor shall repair the Licensed Premises and the Improvements with all reasonable speed.
- (e) Notwithstanding anything contained in this Section 7.7, if the Licensor does not commence to repair or restore the Licensed Premises, the Improvements or the Building within fifteen (15) days of the date of delivery of the Architect's opinion or, having commenced the repair or restoration of the Licensed Premises, the Improvements or the Building, does not continue to complete same with reasonable dispatch, the Licensee may terminate this Agreement upon fifteen (15) days' prior written notice to the Licensor, in which case, this Agreement shall cease and be at an end as of the Date of Damage and the License Fee shall be apportioned and paid in full to the Date of Damage.

7.9 Removal of Leasehold Improvements

The Licensee may, at its sole option, at any time during the Term and/or any extension thereof and/or upon the expiry or sooner termination thereof, remove or replace any Improvements or alterations made or installed by or on behalf of the Licensee in the Licensed Premises or install new Improvements or alterations therein, as the case may be.

7.10 Re-Entry

If the License Fee hereby reserved, or any part thereof, shall be in arrears or if the Licensee defaults in the observance or performance of any of the Licensee's other covenants or agreements contained in this Agreement, and the Licensee fails to pay such arrears within sixty (60) days of receipt of notice in writing from the Licensor or if the Licensee fails to remedy any other default within sixty (60) days after receipt of notice from the Licensor (or such longer period as is reasonably required under the circumstances so long as the Licensee commences to remedy within such sixty (60) day period), the Licensor may, in addition to any other remedies the Licensor may have, either in this Agreement or at law, re-enter the Licensed Premises and the Term hereby granted shall thereupon be terminated. Notwithstanding the foregoing, and without limiting the remedies of the Licensor, in the event the Licensee fails to remedy a default not related to payment of the License Fee within the above-specified notice period, and provided the Licensee is not bona fide disputing the default, upon the expiration of the above-specified notice period the Licensor, at its option, acting reasonably, may remedy the default on behalf of the Licensee and charge the costs thereof to the Licensee.

With respect to any remedy exercised by the Licensor, the Licensor shall have an affirmative obligation to obtain another licensee for the Licensed Premises at a fair market rental and to otherwise mitigate its damages.

7.11 Licensor's Default

If the Licensor defaults in the observance or performance of any of its covenants or agreements contained in this Agreement, the Licensee may, at its option and upon such reasonable notice as the circumstances warrant, remedy such default and deduct the reasonable cost of such action from the License Fee payable under this Agreement or require the Licensor to otherwise reimburse the Licensee for the reasonable cost of such action.

7.11(a) Licensee's Default

If the Licensee defaults in the observance or performance of any of its covenants or agreements contained in this Agreement, the Licensor may, at its option and upon such reasonable notice as the circumstances warrant, remedy such default and deduct the reasonable cost of such action from the License Fee payable under this Agreement or require the Licensee to otherwise reimburse the Licensor for the reasonable cost of such action.

7.12 Option to Extend

- (a) The Licensee shall be entitled to extend this Agreement for further terms of one (1) month each (each an "Extension Term"). Each Extension Term shall be upon the same terms and conditions of this Agreement except for the License Fee, which for each Extension Term, shall be based upon the market rates as determined by the parties as of the date which is thirty (30) days prior to the commencement of the respective Extension Term, or failing such agreement, by arbitration in accordance with the Arbitration Act, 1991, S.O. 1991, c.17, as amended, or any successor act.
- (b) The Licensee shall give written notice to the Licensor of its extension of this Agreement at least thirty (30) days prior to the end of the Term or the respective Extension Term, as the case may be.

7.13 Non-Waiver

No condoning, excusing or overlooking by the Licensor or Licensee of any default, breach or non-observance by the Licensee or the Licensor at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of the Licensor's or the Licensee's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of the Licensor or the Licensee herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Licensor or the Licensee save only an express waiver in writing.

7.14 Notices

Any notice required or contemplated by any provision of this Agreement shall be given in writing addressed in the case of notice to the Licensors to the following address:

The Corporation of the City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie ON P6A 5N1
ATTENTION: Nuala Kenny, City Solicitor
FAX: 705-759-5405

and in the case of notice to the Licensee to the following addresses:

Ontario Infrastructure and Lands Corporation
3767 Highway 69 South, Suite 9
Sudbury, Ontario P3E 4N1
Attention: Vice President, Asset Management
Fax: (705) 564-7570

With a copy to:

Ontario Infrastructure and Lands Corporation
1 Dundas Street West, Suite 2000
Toronto, Ontario M5G 2L5
Attention: Senior Legal Counsel, Leasing
Fax: (416) 327-2760

And an additional copy to:

CB Richard Ellis
Global Corporate Services
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Director, Lease Administration – OILC
Fax: (416) 775-3989

Notices shall be delivered personally or by facsimile or mailed by either registered or signature mail and postage prepaid enclosed in a sealed envelope. The time of giving of notice by either registered or signature mail shall be conclusively deemed to be the fifth Business Day after the day of such mailing. Such notice, if personally delivered or if delivered by facsimile, shall be conclusively deemed to have been given and received at the time of such delivery. The parties hereto acknowledge and agree that notwithstanding anything to the contrary in the Electronic Commerce Act, 2000, S.O. 2000, c.17, as amended from time to time, any notice, statement, demand, request or other instrument which may be or is required to be given under this Agreement or at law may not be validly delivered by way of electronic communication, save as specifically provided in this Section.

Either party may at any time by giving notice to the other party (in the manner provided above) change its address for notice purposes, and thereafter the address most recently provided shall be deemed to be the address so changed.

7.15 Entire Agreement

The Licensee and the Licensors acknowledge that there are no covenants, representations, warranties, agreements or conditions, expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Agreement save as expressly set out in this Agreement and that this Agreement and the Schedules hereto constitute the entire agreement between the Licensors and the Licensee and may not be modified except as herein explicitly provided or except by subsequent agreement in writing of equal formality hereto executed by the Licensors and the Licensee. Schedules "A", "B" and "C", which are attached to this Agreement, form part of this Agreement.

7.16 Severability

The Licensor and the Licensee agree that all of the provisions of this Agreement are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof. Should any provision or provisions of this Agreement be illegal or not enforceable, it or they shall be considered separate and severable from this Agreement and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

7.17 Interpretation

The words "herein", "hereof", "hereby", "hereunder", "hereto", "hereinafter", and similar expressions refer to this Agreement and not to any particular paragraphs section or other portion thereof, unless there is something in the subject matter or context inconsistent therewith.

7.18 Headings and Captions

The headings in this Agreement 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 Agreement nor any of the provisions hereof.

7.19 Effect of Agreement

This Agreement and everything herein contained shall operate to the benefit of the parties hereto and be binding upon the respective successors, assigns and other legal representatives, as the case may be, of each of the parties hereto subject to the granting of consent by the Licensor as provided herein to any assignment or sublease, and every reference herein to any party hereto shall include the successors, assigns and other legal representatives of such party.

7.20 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Ontario.

7.21 Time of Essence

Time shall be of the essence hereof.

7.22 Freedom of Information

The Licensor acknowledges and agrees that this Agreement and any information contained herein may be required to be released pursuant to the provisions of the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. F.31, as amended and the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56, as amended..

7.23 Conflict of Interest

The Licensor and any of its successors, assigns, directors, officers, employees, agents, servants, and representatives shall not engage in any activity where such activity creates a conflict of interest, actual or potential, in the sole opinion of the Licensee, with the License or the exercise of any of the rights or obligations of the Licensor hereunder. The Licensor shall disclose to the Licensee in writing and without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

For clarification, a "conflict of interest" means, in relation to the performance of its contractual obligations pursuant to this License, the Licensor's other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement, or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations pursuant to this License.

7.24 Termination

The Licensee shall have the right to terminate this Agreement at any time during the Term, by giving the Licensor not less than thirty (30) days' prior written notice of termination.

7.24 Binding on Licensee

This Agreement shall not be binding upon the Licensee until it has been executed by or on behalf of the Minister of Infrastructure.

7.25 Indemnification

The parties agree that in order to be entitled to indemnification from either the Licensee under Section 5.11, or from the Licensor under sections 6.8 of this License (each, an "Indemnifying Party") in respect of any matter referred to therein (a "Claim"), each person seeking indemnification (a "Protected Person") shall comply with the following terms and conditions:

- (a) if a Protected Person receives a notice of Claim or Claims, whether actual or threatened, he, she, or it shall promptly deliver to the Indemnifying Party written notice setting forth in reasonable detail all available particulars of the Claim(s);
- (b) upon the written request of the Indemnifying Party, each Protected Person shall furnish to the Indemnifying Party copies of all documents and provide any other information relating to the Claim(s) that is in the possession or under the control the Protected Person;
- (c) each Protected Person shall take all reasonable steps necessary to secure and preserve his, her or its rights in respect of the Claim(s) and, to the extent that the Protected Person has a right to commence a proceeding against another person (whether for damages or indemnification or otherwise) in respect of a matter for which the Protected Person claims indemnification from the Indemnifying Party hereunder, the Protected Person shall assign that right to the Indemnifying Party and subrogate the Indemnifying Party to that right to the extent of the amounts paid by the Indemnifying Party or for which the Indemnifying Party is liable hereunder;
- (d) each Protected Person shall not voluntarily assume any liability in respect of or settle or compromise a Claim(s) or any proceeding relating thereto without obtaining the Indemnifying Party's prior written consent;
- (e) the Indemnifying Party shall have the right to participate in the negotiation, settlement or defence of the Claim(s) and any proceedings relating thereto or appeal thereof, but the Indemnifying Party may not settle any action commenced against a Protected Person without the written consent of that Protected Person;
- (f) if the Indemnifying Party elects to participate in or assume control of the negotiation, settlement or defence of the Claim(s) and any proceedings relating thereto or appeal thereof, each Protected Person shall cooperate fully with the Indemnifying Party in connection with the same, and each Protected Person shall agree to be represented by legal counsel chosen by the Indemnifying Party, unless, in the opinion of such legal counsel, there would arise a conflict of interest preventing such legal counsel from representing the Protected Person, and, where it is such legal counsel's opinion that a conflict of interest prevents their representing a Protected Person, that Protected Person shall be entitled, subject to the Indemnifying Party's prior written approval, to retain legal counsel of his, her or its choice (it being understood that the Licensee may withhold its approval in relation to any counsel proposed by a Protected Person who does not agree to retainer terms, including fees, consistent with the policies of the Ministry of the Attorney General of Ontario), and the fees and expenses of the Protected Person's counsel incurred in his, her or its representation shall be costs to which this indemnity extends;
- (g) if the Indemnifying Party is not also a party to the Claim, the Protected Party shall consent to any order or leave that may be applied for by the Indemnifying Party to be added as a party or to be allowed to make representations on its own behalf without being a party;
- (h) the expenses incurred by a Protected Person in investigating, defending or appealing any Claim(s) shall, at the Protected Person's request, be paid by the Indemnifying Party as may be appropriate to enable the Protected Person to properly investigate, defend or appeal such Claims(s), with the understanding that if it is ultimately determined that the Protected Person

is not entitled to be indemnified hereunder, the Protected Person shall immediately repay such amount(s) so paid, which shall become payable as a debt due to the Indemnifying Party; and

- (i) the Protected Person agrees to pay to the Indemnifying Party all amounts he, she, or it receives as a recovery or reimbursement of any Claim which has been previously indemnified by the Indemnifying Party hereunder.

To the extent necessary to give effect to the foregoing indemnity with respect to the Licensor Indemnified Parties (other than the Licensor), the Licensor shall hold all such rights of indemnification in trust for the benefit of the other Licensor Indemnified Parties. To the extent necessary to give effect to the foregoing indemnities with respect to the Licensee Indemnified Parties (other than the Licensee), the Licensee shall hold all such rights of indemnification in trust for the benefit of the other Licensee Indemnified Parties.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the dates written below.

SIGNED, SEALED AND DELIVERED:

DATED the 7th day of November, 2011

**THE CORPORATION OF THE CITY OF
SAULT STE. MARIE**

Per: _____
Name: Debbie Amaroso
Title: Mayor

Per: _____
Name: Malcolm White
Title: City Clerk

Authorized Signing Officer(s)

DATED the 31st day of October, 2011

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER OF
INFRASTRUCTURE, AS REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS CORPORATION**

Per: _____
Name: _____
Title: _____
Authorized Signing Officer

_____ Oct 31 2011
Date

SCHEDULE "A"

LEGAL DESCRIPTION OF THE LANDS

**99 Foster Drive
Sault Ste. Marie, Ontario, P6A 5X6**

Part PIN #31540-0022(LT)

**PCL 916 SEC AWS; PT WATER LT IN FRONT OF LT 7, 8 & 9 S/S BAY ST PL TOWN
PLOT OF SAULT STE. MARIE; PT WATER LT IN FRONT OF LOT 7 S/S BAY ST PL
TOWN PLOT OF SAULT STE MARIE AS IN LT12185 EXCEPT PT 9 IR3723; SAULT
STE. MARIE**

SCHEDULE "B"

**NOTIFICATION OF THE PRESENCE OF ASBESTOS CONTAINING MATERIAL
IN THE BUILDING
CONTAINING PREMISES LICENSED BY HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY THE MINISTER OF INFRASTRUCTURE**

**RE: REGULATION RESPECTING ASBESTOS ON CONSTRUCTION PROJECTS AND
IN BUILDING AND REPAIR OPERATIONS MADE UNDER THE
OCCUPATIONAL HEALTH AND SAFETY ACT, ONTARIO REGULATION 278/05,
as amended or replaced from time to time.**

LOCATION: 99 Foster Drive, Sault Ste. Marie, Ontario

LICENSE NO: L12127

- [] There is no asbestos containing material in the Building.
- [X] There is asbestos containing material in the Building.
- X There is friable asbestos containing material in the Building.
- [X] There is non-friable asbestos containing material in the Building.
- [X] There is an asbestos containing material management plan in the Building.

Location(s) of Asbestos Containing Materials within the Building:

Location 1: Council Chambers ceiling texture

Location 2: Hamilton Room ceiling texture

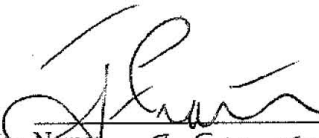
Location 3:

[Add further locations, as may be applicable]

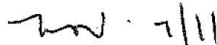
Types of Asbestos:

1. 4% Chrysotile
- 2.
3. There is no asbestos on 6th floor for which access is given.

Notification prepared by:


Name: J. FRATES
Title: CAO
Authorized Signing Officer

Date:



Plan of Licensed Premises at 99 Foster Drive, Sault Ste. Marie, Ontario

