

THIS INDENTURE made in duplicate this 1st day of January, 2013

B E T W E E N:

**THE CORPORATION OF THE TOWN OF
COBOURG**

(hereinafter called the "Lessor")

PARTY OF THE FIRST PART

- and -

ART GALLERY OF NORTHUMBERLAND,

a corporation incorporated under the laws of the
Province of Ontario

(hereinafter called the "Lessee")

PARTY OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor has demised and leased and by these presents does demise and lease unto the Lessee ALL THAT message and tenement located in the Town of Cobourg, in the County of Northumberland, and being part of the second floor and all of the third floor, in the West Wing of Victoria Hall and one basement storage room, 55 King Street West, Cobourg, Ontario, more particularly shown outlined on the plans attached hereto as Schedule "A", (hereinafter called the "premises") consisting of approximately 3,300 square feet in total , upon the following terms and conditions:

TO HAVE AND TO HOLD the premises for and during the term of FOUR (4) years to be computed from the first day of January, 2021, and ending on the 31st day of December, 2024 with a FOUR (4) year renewal option with terms to be determined at time of renewal.

YIELDING AND PAYING therefore yearly and every year during the said term unto the Lessor the sum of \$1.00 of lawful money of Canada, without any deduction, defalcation or abatement whatsoever to be payable on the following days and times, that is to say: the sum of ONE DOLLAR (\$1.00) to become due and payable on the 1st day of January, in each and every year, from and including the 1st day of January, 2013, to and including the 1st day of January, 2022. The Lessor and the Lessee agree to continue exchanging cheques annually in an amount equal to current rental costs with annual adjustments to reflect utility operating costs, until the expiration of this lease. Operating costs for heat, electricity, water and sewer to be determined based on the proportion of leased square footage to the total square footage of Victoria Hall multiplied by the total annual utility costs for Victoria Hall

At the end of the term of this lease as set out above, the parties hereto agree that this lease shall be deemed to be automatically renewed on an annual basis on the 1st day of January in each and every year thereafter unless and until the Lessor or the Lessee give written notice to the other indicating that such party wishes to terminate the lease on a date to be specified in the notice, which date shall be not less than one year from the date of the Notice. In this lease, the "term" shall mean and include all renewals thereof.

The Lessee covenants with the Lessor:

- to pay rent,
- to pay taxes, (if applicable)
- to pay water rates and charges for gas, electricity and telephone

to maintain the premises in a state of cleanliness, and to repair any damage caused thereto by its own conduct or that of persons who are permitted on the premises by it,

not to assign or sublet without the consent of the Lessor. The Lessee shall pay the Lessor's reasonable expenses incurred thereby,

not to carry on upon the premises any business that may be deemed a nuisance or by which the insurance on the premises will be increased,

that it will leave the premises in good repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted,

that the Lessor shall be permitted to enter and view the state of repair.

PROVIDED that, where the lessee fails to operate as a Public Art Gallery and Museum for a continuous period of four (4) months, it shall be presumed that the Lessee has abandoned the premises and the Lessor may at its option re-enter and take immediate possession of the premises.

PROVISO for re-entry by the Lessor on non-payment of rent or non-performance of covenants, provided that such re-entry shall, at all times, be in accordance with the provisions of the Commercial Tenancy Act.

THE Lessor covenants with the Lessee for quiet enjoyment.

THE Lessee covenants with the Lessor to permit the Lessor during the last six (6) months of the currency of its lease, to put up upon the premises, notice of its intention to lease the same; and also to permit during the same time, such person or persons as the Lessor may be desirous of leasing the premises at the expiration of this lease to visit and inspect the same on notice to the Lessee and while being accompanied by a representative of the lessee, given at least twenty-four hours before the time of entry.

THE Lessor shall maintain the premises in a good state of repair and fit for habitation during the term of the lease in order that the premises comply with health and safety standards required by law.

THE LESSEE shall, at its expense, provide janitorial services for the premises.

THE LESSOR shall, at its expense, provide janitorial services to hallways and stairways, being joint use areas.

THE LESSOR shall ensure that there shall be elevator service for public use to the third floor.

IT IS FURTHER AGREED that the premises will not, during the term of this lease, be used at any time for any other purpose other than that of a Public Art Gallery and Museum including appropriate fund-raising activities subject to obtaining required permits and approval from the lessor.

THE LESSEE shall be responsible for any redecorating of the premises, subject to receiving the Lessor's prior written approval.

If the Lessee shall, during the term of the lease desire to affix, remove, erect, alter or change the location of any partitions, counters or fixtures or any part of the walls, floors or ceilings of the premises, it may do so at its own expense at any time and from time to time provided that the Lessee's rights to make such alterations to the premises shall be subject to the following conditions:

- (1) before undertaking any such alterations, the Lessee shall submit to the Lessor a plan showing the proposed alterations and shall obtain the written approval and consent of the Lessor to the same; and
- (2) all such alterations shall conform to all building by-laws then in force affecting the premises; and
- (3) such alterations will not be of such kind or extent as to in any manner weaken the structure of the building after the alterations are completed or reduce the value of the building.

At the expiration of the term all fixtures belonging to the Lessee shall remain upon the premises until taken down by the Lessor, and the Lessee shall forthwith, upon the same being taken down, remove the same from the premises first paying to the Lessor the expense of such taking down and making good all damage occasioned to the premises by the taking down or removal thereof.

The Lessee covenants and agrees that the Lessor shall not be liable or responsible in any way for any loss of or damage to any property at any time on, in or about the premises or death or injury to any person while on, in or about the premises and without limiting the generality of the foregoing, the Lessor shall not be liable for any loss, damage or injury caused by wind, smoke, gas, water, rain, snow, steam, electrical or other energy, the breaking of any drain, pipe wire, lamp, or glass. All risks of any such loss, damage or injury is hereby assumed by the Lessee, who shall hold the Lessor harmless and indemnified therefrom.

The Lessee shall be responsible to maintain comprehensive public liability and property damage insurance at its sole expense and provide an Insurance Certificate naming the Corporation of the Town of Cobourg as an additional insured on an annual basis

The Lessee shall be liable for any damage done by reason of water being left running from the taps in the premises or from gas permitted to escape therein.

The Lessee shall give the Lessor prompt written notice of any accident or other defect in the sprinkler system, water pipes, heating apparatus, telephone, electric or other wires on any part of the premises.

The Lessee covenants with the Lessor that its business to be carried on in the premises will not be of such nature as to increase the insurance risk on the premises or cause the Lessor to pay an increased rate of insurance premiums on the premises by reason thereof and it is distinctly understood that in case said business so carried on by the Lessee is or becomes of such a nature to increase the insurance risk or causes the Lessor and/or other occupants of the said building to pay an increased rate of insurance premiums, that the Lessee will from time to time pay the Lessor the increased amount of insurance premiums which the said Lessor and other occupants of the said building have to pay in consequence thereof; provided that the Lessee covenants that he will not carry on or permit to be carried on any business in the said building which may make void or voidable any insurance held by the Lessor or the other occupants of the said building.

The Lessee agrees that no sign, advertisement or notice shall be inscribed, painted or affixed by the Lessee on any part of the outside or inside of Victoria Hall (herein called "the building") whatever, unless of such manner, colour, size and style and in such places upon or in said building as shall be first approved by the Lessor, and furthermore, the Lessee, on ceasing to be Lessee of the premises, will, before removing its goods and fixtures from the said premises, cause any sign as aforesaid to be removed or obliterated at its own expense and in a professional manner to the satisfaction of the Lessor.

The Lessee and all of the Lessee's employees, guests and invitees shall observe and be bound by the reasonable rules and regulations which may be made hereafter from time to time by the Lessor relating to the premises and all such rules and regulations shall be deemed to be incorporated into and form part of this lease.

The Lessee hereby irrevocably agrees to indemnify and save harmless the Lessor from and against any and all expenses, fees, costs, damages, orders suits, claims, demands, actions or liability arising from or relating directly or indirectly to the use and occupation of the premises by the Lessee or any employee, guest or invitee entering onto the premises or any part thereof or any default pursuant to the terms of this lease by the Lessee.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands and seals.

) **THE CORPORATION OF THE TOWN OF**
) **COBOURG**

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) John Henderson, Mayor

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) Brent Larmer, Municipal Clerk

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) **ART GALLERY OF NORTHUMBERLAND**

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) Per: _____
) I have the authority to bind the corporation