



Agenda
The Township of Cavan Monaghan
Regular Council Meeting

Monday, March 3, 2025

11:30 a.m.

Council Chambers

Members in attendance are asked to please turn off all electronic devices during the Council Meeting. Any special needs requirements pertaining to accessibility may be directed to the Clerk's Office prior to the meeting. A link to the livestreaming is available at www.cavanmonaghan.net. Council Members may be participating remotely.

Pages

1. Call to Order

2. Land Acknowledgement

We respectfully acknowledge that the Township of Cavan Monaghan is located on the Treaty 20 Michi Saagiig territory, in the traditional territory of the Michi Saagiig Anishnaabeg. We offer our gratitude to First Nations for their care for and teachings about these lands. May we honour these teachings.

3. Approval of the Agenda

4. Disclosure of Pecuniary Interest and the General Nature Thereof

5. Closed Session

5.1 Resolution to move into Closed Session

5.2 Minutes of the Closed Session held January 27, 2025

5.3 Report - Corporate Services 2025-03 Committee and Board Vacancy Appointments (CP)

personal matters about an identifiable individual, including municipal or local board employees

5.4 Report - Fire 2025-01 Fire Station Completion (BB)

litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board

6. Reconvene Open Session 1:00 p.m.

7.	Report from Closed Session	
8.	Public Meeting	
8.1	Resolution to open the Public Meeting	
8.2	Report - PEB 2025-13 Zoning By-law Amendment (ZBA-09-24) , 347 Sharpe Line (MW)	5 - 12
8.3	Questions/Comments from members of Council	
8.4	Questions/Comments from members of the public	
8.5	Consideration of the Report	
8.6	Resolution to close the Public Meeting	
9.	Presentation	
9.1	Rob Adams, Town Hall Consulting: Corporate Strategic Plan 2025 - 2030	13 - 50
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11.	Minutes from Committees and Boards	
11.1	Municipal Revitalization and Heritage Advisory Committee Meeting Minutes of September 13, 2024, October 28, 2024, and December 20, 2024	57 - 63
11.2	Millbrook Downtown BIA Board of Management Meeting Minutes of January 9, 2025	64 - 66
12.	Reports	
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12.2	Report - Fire 2025-02 Fire Station Completion and Revised Lease Agreement (BB)	107 - 149
12.3	Report - Finance 2025-03 Capital Project Financing Options (KP)	150 - 160
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12.5	Report - Public Works 2025-03 Acquisition and Dedication of Parts 1 & 2, 45R-17724 as Part of Public Road Allowance for Fallis Line (WH)	167 - 172
12.6	Report - PEB 2025-06 2024 Community Improvement Plan Recipients - 2nd Intake (BA)	173 - 175
12.7	Report - Corporate Services 2025-04 174th Millbrook Fair – Community Festival Designation (CP)	176 - 183
12.8	Council/Committee Verbal Reports	
13.	General Business	
14.	Correspondence for Information	
15.	Correspondence for Action	
16.	By-laws	
16.1	By-law No. 2025-13 Zoning By-law Amendment 347 Sharpe Line	184 - 185
16.2	By-law No. 2025-14 being a by-law to execute a revised Lease Agreement between the Township of Cavan Monaghan and the County of Peterborough	186 - 225
16.3	By-law No. 2025-15 being a by-law to dedicate as part of public road allowance a portion of Fallis Line described as Part of Lot 12 in Concession 6, Geographic Township of Cavan being Parts 1 and 2, Plan 45R-17724; Township of Cavan Monaghan	226 - 227
17.	Unfinished Business	
18.	Notice of Motion	
19.	Confirming By-law	
19.1	By-law No. 2025-16 being a by-law to confirm the proceedings of the meeting held March 3, 2025	228 - 228
20.	Adjournment	
21.	Upcoming Events/Meetings	
21.1	Official Grand Opening of Fire Station 1, Saturday, March 8, 2025 11:00 a.m. to 1:00 p.m.	

- 21.2 Millbrook Downtown BIA Board of Management Meeting Thursday, March 13, 2025 at 8:00 a.m.
- 21.3 Regular Council Meeting Monday, March 17, 2025 at 1:00 p.m.
- 21.4 Cavan Monaghan Public Library Board Meeting Tuesday, March 18, 2025 at 7:00 p.m., Millbrook Branch Library
- 21.5 Municipal Revitalization and Heritage Advisory Committee Meeting Thursday, March 20, 2025 at 9:00 a.m.
- 21.6 Sustainability Advisory Committee Meeting Thursday, March 27, 2025 at 1:00 p.m.
- 21.7 Regular Council Meeting Monday, April 7, 2025 at 1:00 p.m.



Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Matt Wilkinson, Planner
Report Number:	PEB 2025-13
Subject:	Zoning By-law Amendment (ZBA-09-24), 347 Sharpe Line

Recommendations:

1. That Council receive and consider all comments related to Zoning By-law Amendment Application ZBA-09-24; and
2. That By-law No. 2025-13 be approved to rezone a portion of the subject lands from the Agricultural (A) Zone to the Agricultural Exception Nineteen (A-19) Zone.

Overview:

The owner of 347 Sharpe Line, Mark Travers, wishes to amend the zoning on the subject lands to permit an accessory apartment in a detached agricultural accessory building.

Township Planning Staff deemed the Application complete November 4, 2024. The Application was placed on hold at the request of the Applicant until early 2025.

The Application applies to an existing lot of record located at 347 Sharpe Line in Part of Lot 5, Concession 10 (Cavan). The subject lands are approximately 40.5 hectares (100 acres) in size with approximately 510 metres (1,700 feet) of lot frontage on Sharpe Line. The property is currently developed with a single detached dwelling approximately 743 square metres (4,688 square feet) in size. The house is serviced with a private well and septic system.

The Applicant wishes to construct an accessory apartment, approximately 185 square metres (2000 square feet) in size, attached to a 185 square metre (2000 square foot) accessory building on private services within the residential cluster on the subject property.

The lands subject to the Application are zoned Agricultural (A) and Natural Linkage (NL) as shown on Map C-1 to By-law No. 2018-58, as amended.

A Zoning By-law Amendment is required to permit an accessory apartment in an accessory building.

A Key Map and aerial image showing the location and surrounding area of the subject lands are provided as Attachment Nos. 1 and 2 to this Report. The site plan submitted with the Application is provided as Attachment No. 3.

Zoning By-law Amendment

The purpose and effect of the Zoning By-law Amendment is to rezone a portion of the property from the Agricultural (A) Zone to the Agricultural Exception Nineteen (A-19) Zone. The A-19 Zone will permit a detached accessory apartment attached to an accessory building. The By-law will also define 'residential cluster' for this property.

A complete copy of draft By-law No. 2025-13 is provided as Attachment No. 4 to this Report.

Response to Notice

Notice of the Zoning By-law Amendment Application was circulated, by first class prepaid mail, to all assessed persons within 120 metres (400 feet) of the lands affected by the Zoning By-law Amendment application. Notice was provided by email to applicable Ministries and Agencies who requested notice by email and to all Township Department Directors. A sign was posted on the Sharpe Line frontage of the subject property and the Notice of Public Meeting was posted on the Township website. The Notice complies with the requirements of the Planning Act.

To date, Township Staff have not received any written or verbal comments about the proposed Amendment from members of the public.

Township Staff have no objections to the Application. A site plan showing the proposed entrance along with a grading & drainage plan is required for review during the building permit application stage.

The Kawartha Pine Ridge District School Board, Canada Post and Enbridge Gas, have no objection to the Application.

Otonabee Region Conservation Authority (ORCA) Staff confirmed that the Application is consistent with Section 5.1 of the Provincial Planning Statement (PPS) regarding hazards, that a permit is not required from the Authority for the development and the subject property is not located within an area that is subject to the policies of the Source Water Protection Plan (SPP).

Township of Cavan Monaghan Official Plan

The subject lands are currently designated Agricultural and Natural Linkage in the Township of Cavan Monaghan Official Plan as shown on Schedule 'A' to the Township's Official Plan. The proposed development is located in the Agricultural designation.

The Agricultural designation applies to lands which have a high capability for agriculture. Lands that generally have soil Classes 1, 2 and 3 according to the Canada Land Inventory and are predominantly used for agriculture are in the Agricultural designation as identified on Schedule A (S. 5.1).

Single detached dwellings and agricultural and residential accessory structures are permitted in the Agricultural designation (S. 5.1.2).

Section 3.9 of the Township Official Plan permits accessory apartments in all designations that permit residential units, including the Agricultural designation. Section 3.9 also requires the accessory apartment to be developed in conjunction with a single detached dwelling unit. Adequate servicing must be available. The roads must be of a standard that can accommodate the increased use. Adequate parking for the unit and buffering must be provided where necessary. The development cannot adversely affect the character of the area, and the development must comply with the Ontario Building Code.

The subject property is an active agricultural property. The accessory building will be located in the residential cluster and will not interfere with the agricultural area. The accessory apartment will be permitted in conjunction with the existing single detached dwelling. Township Building Department Staff confirmed that private servicing for the accessory apartment can be accommodated. Public Works Department Staff confirmed that Sharpe Line can accommodate the increased use. The site is large enough to accommodate the required parking spaces for a single detached dwelling and an accessory apartment. The new unit will not adversely affect the character of the area because of the size of the lot. A building permit is required for the proposed development.

New residential development must comply with the Minimum Distance Separation Formulae (MDS) as outlined in Section 3.27 of the Official Plan (S. 3.14.1 a) xiv)). An MDS 1 setback is required for all proposed amendments to rezone land to permit development in agricultural areas. Using the Peterborough County GIS a barn capable of housing livestock appears to be located on 404 Morton Line approximately 600 metres (1970 feet) south of the development envelope. Township Staff contacted the owner of 404 Morton Line who confirmed that no livestock are in the barn. A MDS 1 calculation was completed for the unoccupied barn. The proposed development is outside the calculated radius intended to prevent land use conflicts and minimize nuisance complaints from odour.

New development is required to have frontage on a road that is maintained year-round by a public authority. No development should be permitted that creates a traffic hazard because of excess traffic generation or limited sight lines on curves or grades. Sharpe Line is a Township Road maintained year-round. A new entrance will not be required to support the accessory apartment.

The Application conforms to the Township Official Plan.

Peterborough County Official Plan

The subject property is part of the Rural and Cultural Landscape in the County of Peterborough Official Plan (County OP). The goal of the Rural and Cultural Landscape is to preserve and enhance the rural character of the County as a cultural resource and ensure the viability of the agricultural industry.

The Objectives of the Rural and Cultural Landscape area are:

- to permit an amount and type of development in the rural area consistent

- with maintaining its rural and cultural landscape;
- to reinforce the historical relationship between settlement areas and the surrounding farm community to which the settlement areas provide basic services;
- to provide for limited rural development and to ensure that such development does not threaten the quality or quantity of ground and surface water;
- to ensure that the agricultural industry remains viable;
- to preserve prime agricultural soils and protect farms, where possible, from activities and land uses which would limit productivity or efficiency;
- to encourage compatible economic diversification including greater flexibility for on-farm activities, home-based businesses and agri-tourism;
- to preserve the farm community as an important social resource;
- to encourage local municipalities within similar watersheds to participate, coordinate and carry out sound land use and environmental management practices.

The proposed accessory apartment will be attached to an agricultural accessory structure consistent with the rural landscape. The accessory structure will be within 65 metres of the principal dwelling. The development will not interfere or negatively impact the agricultural use on the property.

The Application conforms to the County Official Plan.

Provincial Planning Statement (2024) (PPS)

Section 2.6 of the PPS speaks to Rural Lands located in municipalities. Section 2.6.1 states that the permitted uses within the rural lands shall include:

- a) the management or use of resources;
- b) resource-based recreational uses (including recreational dwellings);
- c) residential development, including lot creation, that is locally appropriate;
- d) agricultural uses, agriculture-related uses, on-farm diversified uses and normal farm practices, in accordance with provincial standards;
- e) home occupations and home industries;
- f) cemeteries; and
- g) other rural land uses.

The Zoning By-law Amendment will permit an accessory apartment attached to an agricultural accessory structure on the subject property. With the approval of By-law No. 2025-13 a locally appropriate and diverse residential development will be permitted.

The Application is consistent with the PPS.

Financial Impact:

The Applicant has paid the required Zoning By-law Amendment Fee.

Attachments:

Attachment No. 1:	Key Map
Attachment No. 2	Aerial Image of the Surrounding Area

Attachment No. 3: Site Plan
Attachment No. 4: By-law No. 2025-13

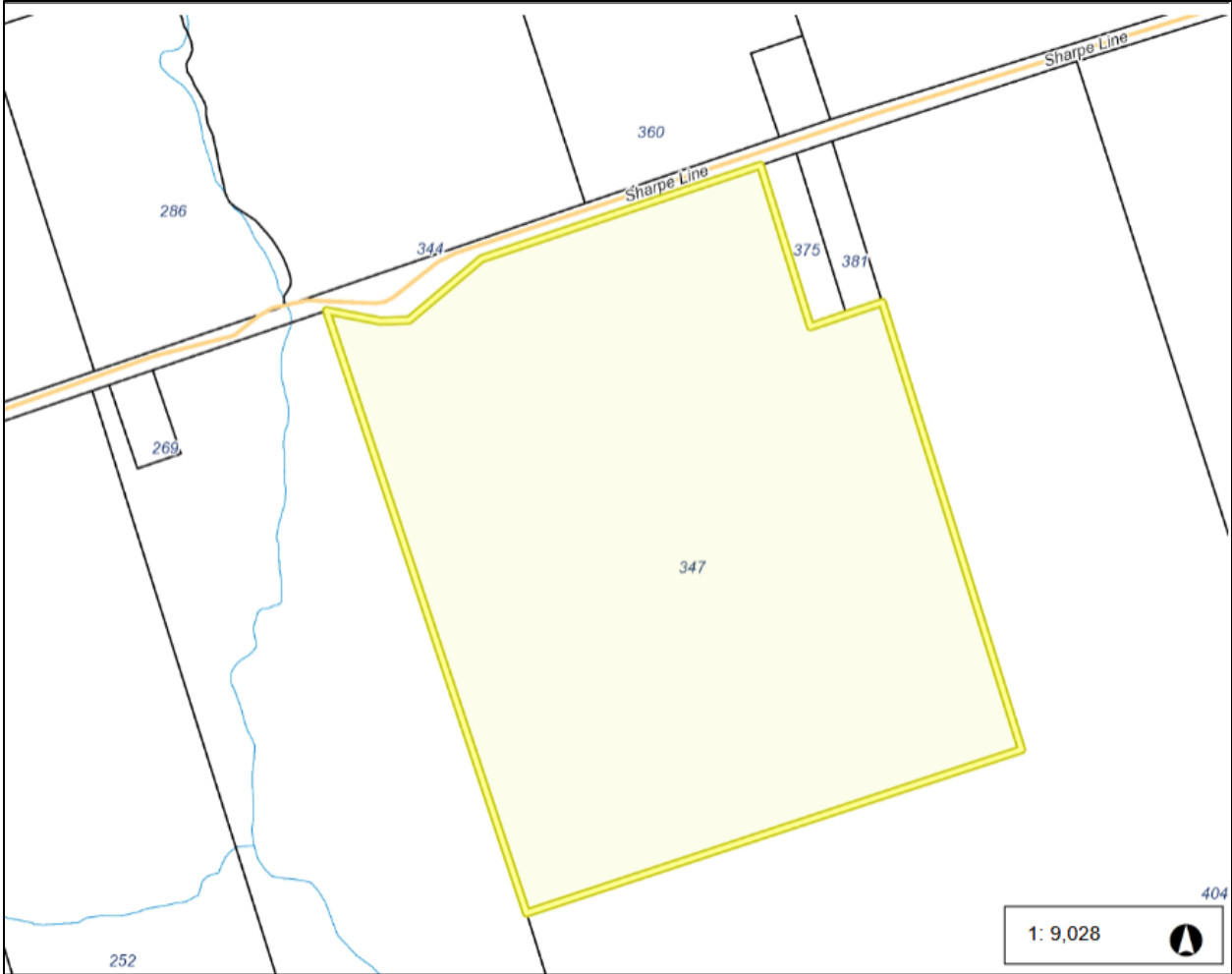
Respectfully Submitted by,

Reviewed by,

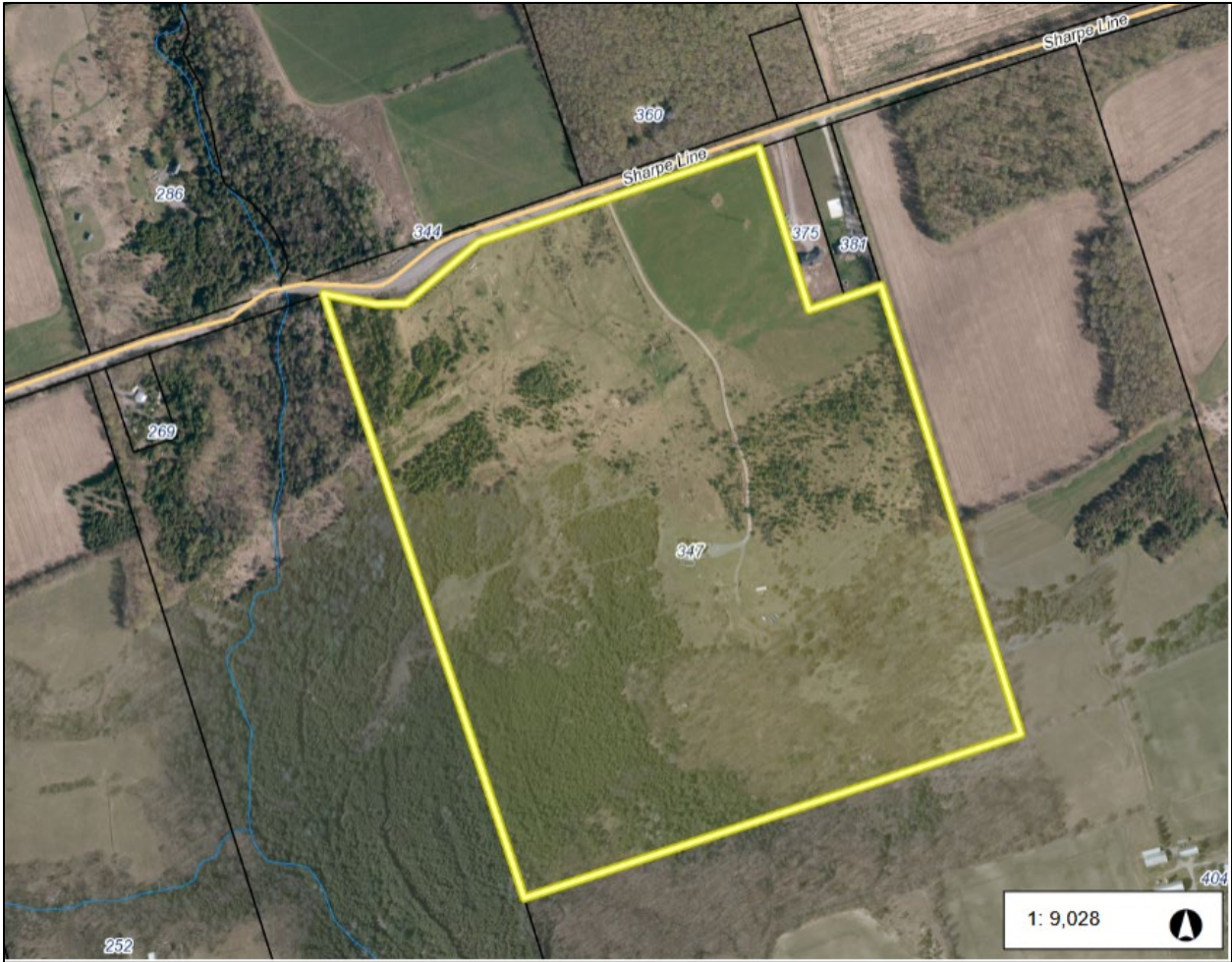
Matt Wilkinson
Planner

Yvette Hurley,
Chief Administrative Officer

Attachment No. 1: Key Map



Attachment No. 2: Aerial Image of the Surrounding Area



Attachment No. 3: Site Plan



TOWNSHIP OF
CAVAN MONAGHAN

Have it all. Right here.



Corporate Strategic Plan

Prepared by:

 TOWN HALL
CONSULTING INC.

2025 - 2030
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Welcome to Cavan Monaghan

The Township of Cavan Monaghan is a growing community in the southwest part of the County of Peterborough and just 90 minutes from the Greater Toronto Area. With picturesque landscapes, rich agricultural roots, and a thriving business sector, Cavan Monaghan offers a unique balance of tradition and progress. Our community is built on a foundation of resilience, collaboration, and a shared commitment to enhancing the quality of life for residents and visitors alike.

Cavan Monaghan is a place where families grow, businesses thrive, and neighbours come together to celebrate everything from local festivals to shared achievements. As we look to the future, our vision is clear: have respect and pride in our agricultural history while strategically managing the opportunities and challenges of a growing rural community. Doing so by harnessing innovation, focusing on sustainability, and improving the vitality of our community spirit.

To ensure we stay on the right path, the Township of Cavan Monaghan has completed a Strategic Planning process. This collaborative effort engaged residents, businesses, and stakeholders to shape our community's future. Together, we have defined goals, set priorities, and developed a clear roadmap for success that reflects our shared values and aspirations.

This 5-year Strategic Plan positions Cavan Monaghan to continue fostering growth, preserving our heritage, and building a sustainable, inclusive community that will thrive for generations to come.

Land Acknowledgement

We respectfully acknowledge that the Township of Cavan Monaghan is located on the Treaty 20 Michi Saagiig territory, in the traditional territory of the Michi Saagiig Anishnaabeg.

We offer our gratitude to First Nations for their care for and teachings about these lands. May we honour these teachings.

Why Now?

Cavan Monaghan is experiencing a pivotal moment in its development. In the last 8 years, our population has grown from 8,829 to just over 10,000. With a growing population and expanding employment opportunities, the Township is aligning its plans with Ontario's updated Provincial Policy Statement (PPS 2024), which replaced the Growth Plan for the Greater Golden Horseshoe on October 20, 2024. This involves preparing for substantial increases in housing demand, ensuring sustainable infrastructure development, and supporting local economic expansion.

The Township's previous efforts have established a strong foundation, focusing on maintaining a high quality of life, attracting and retaining business opportunities, and preserving its unique heritage. With an eye toward the future, Cavan Monaghan is always evaluating strategies to respond to evolving community needs, technological advancements, and environmental considerations. The Township aims to balance growth with sustainability, ensuring that development aligns with its rural identity and natural heritage.



A Message From The Mayor and Council

On behalf of the Council of the Township of Cavan Monaghan, we are proud to present our Strategic Plan. This document is a significant milestone designed to chart a clear path for the future of our community. This plan is a collaborative project that reflects the input we sought from residents, businesses, and other stakeholders who shared their ideas, hopes, and aspirations for Cavan Monaghan.

Our vision for the Township is rooted in fostering growth while preserving the rural charm and unique agricultural heritage that make our community so special.

Through this Strategic Plan, we have identified key priorities and actionable steps that will guide us in achieving sustainable development, while working to enhance services, and improving the overall quality of life for everyone who calls Cavan Monaghan home. We are deeply grateful to everyone who contributed to this process. Your voices have helped shape this roadmap, and your continued engagement will be vital as we work together to bring our shared vision to life.

As a Council, we remain committed to responsible decision-making, improving collaboration, and utilizing innovation as we implement the goals outlined in this plan. We will continue to work hard to make fiscally responsible decisions to build a thriving, inclusive community that we can all take pride in, today and in the future.

Sincerely,



Mayor Matthew Graham
and the Council of the Township of Cavan Monaghan



Councillor Gerry Byrne, Deputy Mayor Ryan Huntley,
Mayor Matthew Graham, Councillor Lance Nachoff,
Councillor Nelson Edgerton

Community Engagement

The Township of Cavan Monaghan's Strategic Plan is the result of a collaborative process designed to reflect the community's collective vision, mission, values, and priorities. In developing this plan, the Township engaged with residents, businesses, community groups, Council, and staff to ensure it captures the diverse needs and aspirations of the community.

Community engagement was conducted both online and in person, utilizing innovative tools and methods to maximize participation and feedback. Key engagement activities included:

- **Online Survey and Fund It Monopoly Tool:** Over five weeks, residents were invited to participate through an online survey, which included the interactive "Fund It Monopoly" tool. This unique feature allowed participants to allocate virtual dollars to initiatives they deemed most important, providing valuable insights into community priorities.
- **Open House Monopoly Night:** Residents attended an in-person event where they could allocate \$5 million in Monopoly money to strategic projects, engage with Council and staff, and contribute ideas through an open feedback board.
- **Focus Groups:** Key community leaders and representatives from local organizations participated in focus groups to provide detailed feedback and share perspectives that enhanced the plan's depth and inclusivity.

The community's contributions helped shape the strategic plan. For instance, 85% of survey participants supported the proposed mission, vision, and values, while the feedback gathered from the "Fund It Monopoly" activities and focus groups highlighted critical priorities such as financial sustainability, infrastructure improvements, and community vitality. An in-depth Progress Report (Community Engagement) can be found in **Appendix B** or at www.connectcavanmonaghan.net/strategicplan.

This engagement process ensured that the Strategic Plan reflects what matters most to the residents of Cavan Monaghan, creating a roadmap that is not only aspirational but also rooted in the community's shared values and vision for the future.



Mission, Vision, Values



Mission

The Township of Cavan Monaghan is committed to delivering responsive and cost-effective services that provide for the economic, social and environmental well-being of our ratepayers now and into the future.

Vision

Cavan Monaghan is a strong, sustainable rural community. We celebrate, protect and promote our unique history and natural heritage and value the contribution and interests of all ratepayers in building a prosperous future.

Values

Inclusivity

Fostering a welcoming and respectful environment where all community members are valued, ensuring that services, opportunities, and resources are accessible to everyone.

Innovation

Embracing creativity and forward-thinking approaches to develop new, effective solutions that enhance municipal services, meet community needs, and address emerging challenges and goals.

Integrity

Upholding strong ethical standards through transparent communication, accountability for actions and decisions, and maintaining the community's trust by consistently demonstrating honesty and responsibility.

Strategic Priorities



Financial Sustainability



Community Vitality



Environmental
Sustainability



Community
Engagement



Economic
Development



Customer Service

1. Financial Sustainability

Financial sustainability ensures the Township can meet its current and future needs while maintaining fiscal responsibility. This priority focuses on expanding the tax assessment base, aligning goals with the Asset Management Plan, exploring alternate funding opportunities, and enhancing long-term planning. By maintaining sustainable infrastructure funding and reviewing financial policies, the Township ensures responsible decision-making and financial resilience.

How will we achieve this?

Objective	Action
Support the expansion of the Assessment Tax Base.	<ul style="list-style-type: none"> • Strategically identify opportunities to identify diverse development by collaborating with key stakeholders.
Ensure that goals, policies, and plans are aligned with decision-making processes in accordance with the Asset Management Plan (AMP).	<ul style="list-style-type: none"> • Ensuring that the Asset Management Plan and strategies are effectively aligned will enhance asset life cycles and promote efficient replacements, maximizing overall effectiveness. • Continue to prioritize AMP, through the annual budget process, funds for the Asset Replacement Reserve (ARR) to support the replacement of Infrastructure.
Review financial management and debt policies.	<ul style="list-style-type: none"> • Review permitted investment products that align with Section 418 of the Municipal Act. • Expand long-term planning and amortization approaches to manage capital projects effectively.
Investigate alternate funding opportunities and partnerships.	<ul style="list-style-type: none"> • Continue to review new and/or alternative sources of funding opportunities and partnership options.
Maintain and enhance long-term planning.	<ul style="list-style-type: none"> • Maintain and update the Capital forecast plans to correlate with the Official Plan policy and data gathered through the Asset Management Plan. • Annually review and implement appropriate AMP indexing metrics for tracking progress.
Maintain 80% annual contribution target to the Asset Replacement Reserve (ARR).	<ul style="list-style-type: none"> • Monitor contributions to the ARR to ensure the current matching principal targets are met annually through the budget process.

2. Community Vitality

Community vitality focuses on fostering a thriving, healthy, and connected community. This priority focuses on enhancing recreational opportunities, developing a downtown park, and establishing key annual events to strengthen community bonds. Efforts will also focus on improving indoor and outdoor spaces to promote health and wellness, increasing access to health services through an expanded or new medical center, and addressing housing needs for seniors. Together, these initiatives aim to enrich the quality of life for all community members.

How will we achieve this?

Objective	Action
Enhance and optimize recreation in the Township.	<ul style="list-style-type: none"> • Develop lands and facilities as per recommendations in Parks & Recreation Strategic Plan - Vision 2035. • Increase usage of the CMCC lands. • Continue to implement varied programming at CMCC lands to increase usage and program participation.
Develop a Downtown park.	<ul style="list-style-type: none"> • Finalize the design for a downtown park. • Confirm Partnerships and funding to build upon the selected concept. • Park construction completed according to the approved plan.
Establish key annual events.	<ul style="list-style-type: none"> • Continue to plan and execute festivals and/or events to promote diversity and sense of community. • Increase community engagement and participation in community events.
Build upon existing indoor & outdoor spaces to promote health & wellness.	<ul style="list-style-type: none"> • Continue to create and optimize spaces based on community needs. • Continue to establish partnerships for community programming for indoor/outdoor spaces.
Increase health services / expand or build new medical center.	<ul style="list-style-type: none"> • Completion of a comprehensive plan for a new or expanded medical center, with successful fundraising effort. • Support Physician recruitment initiatives. • Build or renovate facility.

2. Community Vitality

Objective	Action
Increase housing for seniors.	<ul style="list-style-type: none">• Research community needs, trends and partnership opportunities.• Identify seniors housing providers, establish relationships, and collaborate on opportunities.



3. Environmental Sustainability

Environmental sustainability is vital to protecting the Township's natural and cultural assets for future generations. This priority addresses the pressing need for responsible stewardship of the environment, ensuring that decisions made today support long-term ecological health and community well-being. By prioritizing sustainable practices and conservation efforts, the Township demonstrates its commitment to balancing growth with environmental preservation, fostering a greener and more resilient future.

How will we achieve this?

Objective	Action
Promote the preservation and conservation of existing heritage buildings.	<ul style="list-style-type: none"> • Utilize the CIP as a method to promote preservation. • Promote heritage conservation initiatives (i.e. updating heritage bylaws). • Conduct assessments to identify buildings eligible for conservation and preservation.
Continue to support and promote local sustainability initiatives.	<ul style="list-style-type: none"> • Continue to develop and execute campaigns on sustainable practices to encourage community engagement. • Continue to introduce new programs and initiatives that promote sustainability. • Collaborate with local organizations to enhance existing sustainability efforts. • Promote incentives for residents and businesses to adopt green initiatives. • Monitor and report on sustainability metrics such as water usage and energy consumption.
Continue to support natural heritage system features.	<ul style="list-style-type: none"> • Integrate natural heritage protections into future planning initiatives.
Enhance reforestation efforts.	<ul style="list-style-type: none"> • Enhance the tree replacement and planting program to increase canopy coverage. • Develop policies to control and regulate tree-cutting in designated areas.

3. Environmental Sustainability

Objective	Action
<p>Integrate environmental sustainability into decision-making processes and work to enhance watershed planning.</p>	<ul style="list-style-type: none"> • Promote sustainable alternatives in policy recommendations and projects. • Support programs to protect and restore cold water streams within the watershed. • Promote the installation of residential rain gardens to manage runoff and improve water quality.
<p>Promote sustainable practices in municipal infrastructure.</p>	<ul style="list-style-type: none"> • Incorporate energy-efficient practices and water-efficient technologies in new municipal building projects and renovations.
<p>Explore opportunities for transit and ride-share programs.</p>	<ul style="list-style-type: none"> • Promote a carpool network to facilitate shared transportation options. • Investigate partnership opportunities around the development of transit routes to connect key locations such as Fleming College, Trent University, and major employment centers.



4. Community Engagement

Community engagement is essential to building trust, fostering connections, and ensuring residents feel informed and involved in Township initiatives. This priority emphasizes the importance of open communication, diverse outreach methods, and meaningful in-person interactions to strengthen relationships with the community. By prioritizing accessibility, education, and clear information-sharing, the Township aims to create an inclusive and informed environment where residents can actively participate and contribute to its future.

How will we achieve this?

Objective	Action
Expand the role of the Communications Officer to a full-time position.	<ul style="list-style-type: none"> Secure budget approval for the expanded role.
Expand and diversify communication channels to ensure residents access key information.	<ul style="list-style-type: none"> Implement and optimize engagement software. Promote subscriptions and newsletters. Utilize Community billboards in strategic locations. Enhance social media strategies to increase online followers and views. Use KPIs to track these metrics. Utilize non-digital communications such as printed newsletters. Utilize community feedback as part of the decision-making process. Consider funds through the annual budget process.
Increase in-person engagement opportunities with the community.	<ul style="list-style-type: none"> Organize pop-ups and booths at community events and public spaces. Identify opportunities to enhance community participation and information sharing (ex, town hall meetings, open houses, education sessions, etc.)
Establish wayfinding signage and information systems.	<ul style="list-style-type: none"> Install consistent wayfinding signs in key locations across the community. Incorporate QR codes on signage for access to maps and details.

5. Economic Development

Economic development is key to fostering a prosperous community. This priority focuses on attracting and retaining businesses, supporting local entrepreneurship, and promoting innovative agricultural opportunities. By increasing serviceable and employment lands, encouraging local shopping, and enhancing zoning flexibility, the Township aims to create an environment where businesses can thrive. The Township is committed to driving growth, creating jobs, and strengthening its local economy for the benefit of all.

How will we achieve this?

Objective	Action
Promote industrial and commercial development.	<ul style="list-style-type: none"> • Continue to work on proposed Township-led initiatives identified in Community Improvement Plan. • Explore recommendations from the Growth Management Strategy on employment lands to ensure suitable industrial and commercial sites. • Continue to streamline processes where applicable.
Attract retail businesses and encourage local shopping.	<ul style="list-style-type: none"> • Work with BIA to develop a retail attraction strategy. • Utilize social media to showcase local products and businesses. • Create events and programs to incentivize local shopping.
Strengthen small business community.	<ul style="list-style-type: none"> • Facilitate a small business incubator. • Utilize the CIP to provide support for existing small businesses and host education sessions.
Increase serviceable lands.	<ul style="list-style-type: none"> • Conduct an assessment of existing infrastructure and servicing capabilities. • Identify/support employment lands. • Support the Master Servicing Plan. • Identify funding opportunities for infrastructure improvements. • Develop a strategic plan to upgrade and optimize infrastructure for serviceable sites.

5. Economic Development

Objective	Action
Increase flexibility in zoning by-laws for employment lands.	<ul style="list-style-type: none"> • Review current provincial, County, and local official plan policies related to permitted employment land uses. • Update official plan policies and zoning by-law regulations to permit, where appropriate, a range of commercial, agricultural, and employment land uses.
Promote innovative farming practices and agricultural opportunities.	<ul style="list-style-type: none"> • Partner with researchers when possible. • Explore funding opportunities. • Promote the CIP as a way for members of the agricultural community to implement innovative farming practices. • Develop and support programs for essential on farm diversified and ag-related businesses.
Develop and implement economic development strategy.	<ul style="list-style-type: none"> • Undertake a comprehensive local Economic Development Strategic Plan. • Collaborate with the County Economic Development initiatives. • Support tourism opportunities.
Develop employment lands.	<ul style="list-style-type: none"> • Initiate the process to develop an employment lands/park. • Investigate bringing sewer and water services to an employment area other than our urban area. • Update planning documents (i.e. Growth Management Strategy and Official Plan) to support economic development opportunities. • Develop partnerships. • Complete environmental study to support employment lands.
Business Retention and Expansion.	<ul style="list-style-type: none"> • Develop strong communication tools to inform businesses. • Implement a business retention and expansion program to identify at-risk businesses.

6. Customer Service

Customer service is at the heart of the Township's commitment to meeting the needs of residents efficiently and effectively. This priority emphasizes the importance of retaining skilled staff, leveraging technology to improve service delivery, and fostering strong connections between staff and the community. By creating a supportive work environment and engaging residents through initiatives like staff open houses, the Township aims to deliver exceptional service that builds trust and satisfaction.

How will we achieve this?

Objective	Action
Enhance staff retention.	<ul style="list-style-type: none"> • Enhance professional development opportunities. • Continue to offer ongoing training and education programs tailored to staff needs. • Develop clear career progression paths to support long-term retention.
Leverage technology to enhance customer service delivery.	<ul style="list-style-type: none"> • Continue to optimize online permitting and application systems. • Utilize automated emails for service updates and changes and to conduct satisfaction surveys. • Continue to utilize the tracking system for service optimization.
Host staff open house events.	<ul style="list-style-type: none"> • Organize open house events for residents to meet all staff. • Provide informational materials about available services and staff roles. • Gather feedback from attendees to improve future events and services.

Implementation

The Township of Cavan Monaghan's Strategic Plan represents a bold and forward-thinking vision for the future of our community. Now finalized, the focus shifts to implementation, turning the strategic priorities and objectives into tangible actions that deliver meaningful results.

To ensure effective implementation, the Township will use an internal implementation tracker to monitor progress and ensure initiatives align with the strategic objectives. This tracker will allow staff to evaluate ongoing actions, address challenges, and celebrate successes.

Additionally, a health check will provide an opportunity to assess the plan's effectiveness. During this phase, adjustments will be made as needed to ensure initiatives remain relevant and responsive to the community's evolving needs.

Key actions under each strategic priority will be executed in alignment with available resources, ensuring a balance between ambition and sustainability. Progress updates will be provided regularly to keep the community informed and engaged. Additionally, a health check will evaluate the plan's effectiveness, identifying successes and areas for improvement to maintain momentum and refine initiatives as needed.

This implementation phase marks the beginning of a shared journey, one that transforms aspirations into achievements while building a stronger, more vibrant Cavan Monaghan.



Conclusion

The Township of Cavan Monaghan's Strategic Plan is more than a document, it is a reflection of the community's shared values, aspirations, and vision for the future. This plan is the product of collaboration, innovative thinking, and meaningful engagement with residents, businesses, and stakeholders.

This Strategic Plan provides a clear roadmap for growth and development. It balances progress with preservation, ensuring that while the Township evolves, it retains the heritage and charm that make it unique.

As we move forward, the commitment to transparency, collaboration, and accountability will continue to remain at the forefront. With the collective efforts of Council, staff, and the community, the Township of Cavan Monaghan is well-positioned to thrive today and into the future. Together, we will build a vibrant, inclusive, and sustainable community that reflects the best of who we are and what we aspire to be.

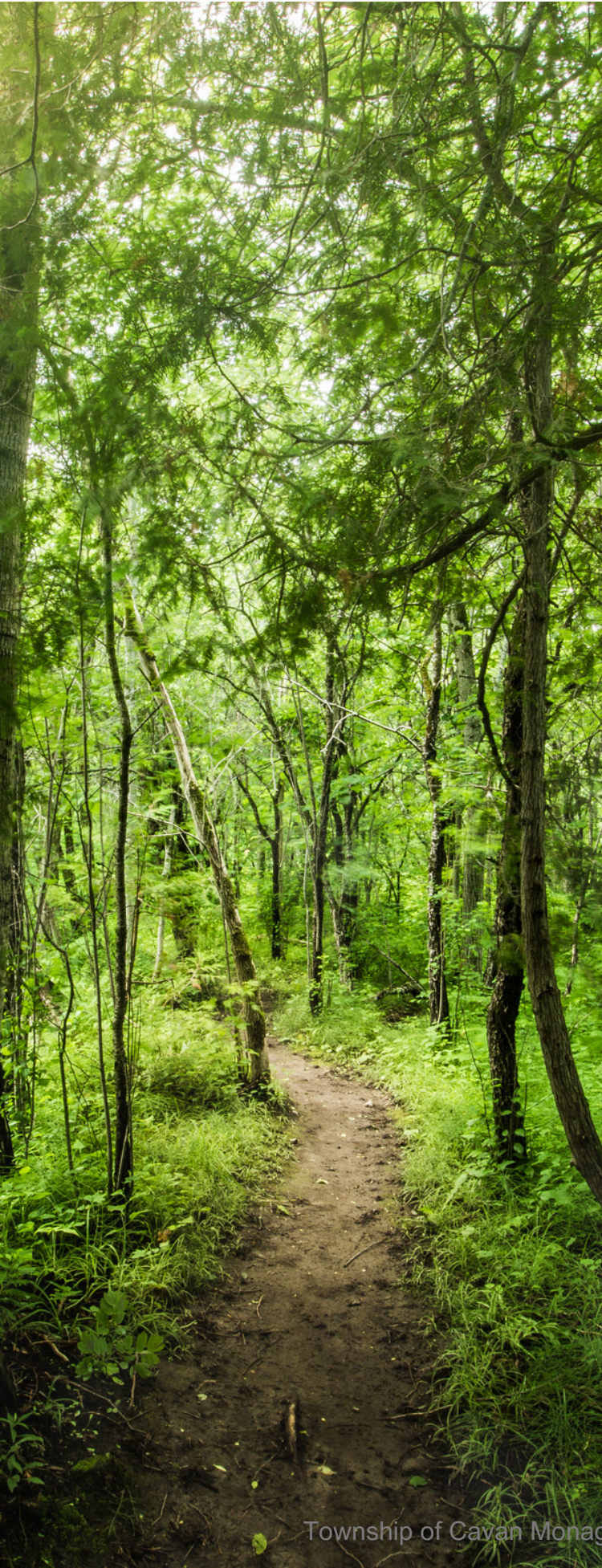
TOWNSHIP OF
CAVAN MONAGHAN

Have it all. Right here.

Appendix A

A Path Forward and The Process





The Path Forward

The Township of Cavan Monaghan's updated strategic framework reflects a collective vision informed by data analysis, community input, and provincial guidance. The common themes below represent key areas of focus that will shape the Township's path forward:

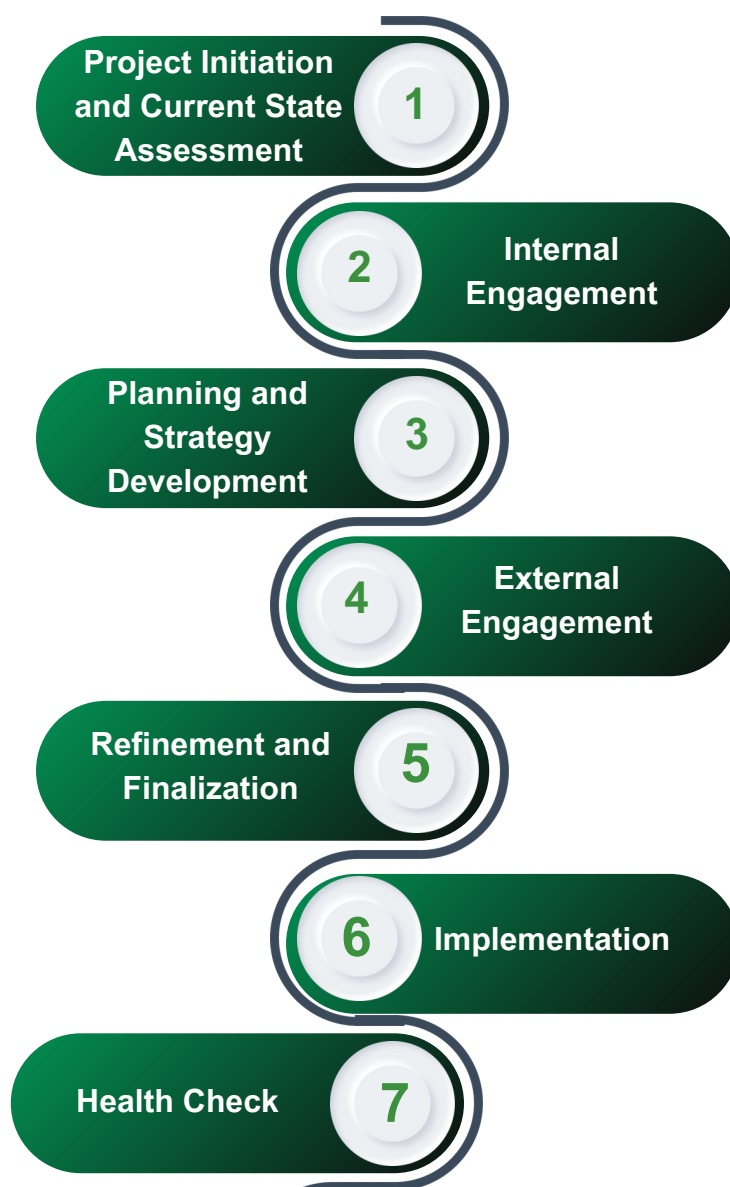
- **Managed Growth:** Strategically planning for population and employment growth to create a balanced mix of housing, employment opportunities, and services that meet the needs of residents.
- **Sustainable Development:** Promoting green building practices, protecting natural heritage areas, and ensuring environmentally responsible infrastructure development.
- **Economic Vitality:** Encouraging investment and supporting the retention and expansion of local businesses to build a resilient local economy.
- **Community Well-Being:** Enhancing quality of life by fostering inclusive, vibrant spaces and maintaining the Township's distinct character.
- **Infrastructure Investments:** Upgrading and expanding infrastructure to support the growing needs of current and future residents and businesses while maintaining efficiency and sustainability.
- **Financial Sustainability:** Ensuring responsible fiscal management and long-term financial planning to maintain services, support growth, and safeguard the Township's future.

Cavan Monaghan is proactive in positioning itself as a leader in rural and small-town development. With a collaborative and innovative approach, the Township is ensuring that its future remains bright, sustainable, and reflective of the values and aspirations of its community.

The Process

Our approach began with an in-depth assessment of the current state of the Township, followed by internal workshops to gather insights from staff and Council. We then developed an outline of the strategy, engaging the broader community through surveys, focus groups and an open house to ensure all voices were heard. Based on this extensive feedback, we refined and finalized our strategy, ready for implementation. This integrative process culminates with a health check to evaluate the effectiveness of our initiatives, ensuring our actions align with the Township's long-term vision and goals.

- 1. Project Initiation and Current State Assessment** - Conducted a detailed review of Cavan Monaghan, including an analysis of local conditions and gathering relevant information and resources.
- 2. Internal Engagement** - Held workshops with staff and council to gather insights and perspectives.
- 3. Planning and Strategy Development** - Developed an outline of the strategy, detailing objectives and aligning with key goals.
- 4. External Engagement** - Engaged with the community through surveys and open houses to gather external perspectives and ensure broad-based support.
- 5. Refinement and Finalization** - Refined the strategy based on feedback and analysis, ensuring all elements align with the overall objectives.
- 6. Implementation** - ongoing execution of the finalized strategy, ensuring all actions align with the set goals and milestones.
- 7. Health Check** - Conduct a thorough evaluation of the implemented strategy to identify strengths and areas for improvement.



Appendix B

Progress Report (Community Engagement)



Township of
Cavan Monaghan
Strategic Planning
Progress Report
(Community Engagement)

2024

Thank You

Dear valued community member,

It is with great pleasure that Town Hall Consulting presents this Community Engagement progress report, providing a brief update on the status of the Corporate Strategic Plan for the Township of Cavan Monaghan. Your active involvement in our engagement efforts has been instrumental in shaping the future of your community. Through your valuable contributions, including key findings from the survey, focus groups, and open house, we have been able to gather crucial community feedback that has significantly influenced the strategic planning process.

This report outlines the progress made thus far and provides an overview of the strategic planning process itself, highlighting the various stages we have navigated and where we currently stand in this journey. Your insights, feedback, and ideas have played a pivotal role in refining our goals and strategies, ensuring that they align with the needs and aspirations of your community.

We are excited to share the milestones we have achieved and the direction we are heading, all of which have been shaped by your invaluable input. Thank you for your continued support and collaboration as we work together toward a shared vision for Cavan Monaghan.

Warm regards,
Town Hall Consulting

Engagement Efforts

As part of our commitment to creating a Strategic Plan that truly reflects the needs and aspirations of Cavan Monaghan, we conducted three unique engagement activities. These opportunities were designed to gather broad input from residents, stakeholders, and community groups alike, ensuring a variety of voices were heard.

1. Online Survey and Fund It Monopoly Tool

Residents were invited to visit connectcavanmonaghan.net to review the strategic plan outline and share their feedback through an easy-to-complete online survey. This platform also offered the “Fund It Monopoly” tool, which allowed participants to “fund” the projects most important to them by allocating virtual dollars across key priorities. This tool made it fun and simple for residents to weigh in on projects they felt would benefit our community the most.

2. Open House Monopoly Night

We hosted an in-person Open House where residents could drop in, connect with Town Council members and staff, and once again participate in the “Fund It Monopoly” activity, this time in person. An open ideas board was also available for everyone to share their thoughts and suggestions directly. This event was a valuable chance for residents to engage with decision-makers face-to-face, discuss the strategic plan, and see community priorities come to life.

3. Focus Groups with Key Community Members

We conducted focus groups for key community representatives, including leaders from local clubs, committees, and various community organizations. These sessions allowed for detailed feedback on topics relevant to specific groups in your community. By inviting these members, we ensured that important perspectives from these active community leaders were gathered, complementing the broader public input received through other efforts.

Together, these engagement activities gathered valuable insights from across the community, helping us understand priorities and perspectives from a broad range of residents and groups. Each form of input will guide the next steps in developing a strategic plan that reflects the community’s shared vision for Cavan Monaghan.

Promotional Efforts

To ensure broad awareness and participation in the Strategic Plan engagement activities, we implemented a comprehensive promotional campaign across multiple platforms and channels. These efforts were designed to reach as many residents, stakeholders, and community groups as possible.

- **Project Web Page Launch:** The project webpage was launched in September, encouraging residents to subscribe for updates. Social media posts promoting the page were shared on Facebook, Instagram, and X on September 9th, 16th, 23rd, and 30th.
- **Survey Promotion:** The survey was actively promoted through a series of social media posts shared on October 16th, 18th, 20th, 21st, 22nd, 24th, 26th, and 28th.
- **Monopoly Night Advertisement:** An advertisement for Monopoly Night was featured in the October edition of the Millbrook Times and shared across social media platforms on October 16th, 18th, 20th, 22nd, 24th, and 26th.
- **Community Events:** A postcard version of the promotional material was distributed during the Fall Festival in Downtown Millbrook on October 5th.
- **Online Engagement Follow-Ups:** The project was launched on ConnectCavanMonaghan.net to provide additional access and visibility. A follow-up social media campaign promoted the ability to participate in Monopoly Night online, with posts shared on October 31st, November 1st, 2nd, and 3rd.

These targeted efforts ensured widespread promotion and facilitated community involvement at every stage of the project.



Online Survey

As part of our public engagement, an online survey was conducted over 5 weeks. The aim of our survey was to engage community members to better understand and appreciate your views and experiences while developing a shared strategic vision for the future of Cavan Monaghan.

The results of the online survey provide valuable insights into community perspectives on the strategic plan for the Township of Cavan Monaghan. Of 89 participants from the online survey and fund it tool, the majority (**89.16%**) **were residents**, showcasing strong local representation, while the rest included business owners, employees, and township staff. Notably, **65.06% of respondents have lived or worked in the area for more than 10 years**, reflecting input from a well-established segment of the community.

Mission, Vision, Values

The survey provided us with invaluable information and validation, crucial for the creation of a strong strategic plan. Notably, 85% responded positively, and of that, 20% provided additional feedback on the mission, vision, and values.

This strong endorsement reinforces our direction and commitment, while the feedback also helps us refine and enhance the strategic priorities.



“ It appears we are going in the right direction, but implementation is key. ”

Online Survey

Strategic Priorities

As part of the survey, we also asked participants to rank each of the strategic priority areas from most to least importance. The results provided us with the overall ranking below.



Online Survey

Fund It Monopoly Results

As part of our online surveying process, we asked respondents to prioritize the projects they felt were most important by allocating funds to them. This approach allowed participants to have a direct influence on which initiatives they believe should receive the most attention and resources. These projects fall under the six priority areas identified in our strategic plan. By "funding" the projects, respondents were able to express their preferences in a tangible way, helping us to better understand the community's priorities. Notably, the results of this online tool aligned strongly with the findings from the Open House Monopoly night, as outlined further in this report. Below are the results of this unique engagement method, highlighting the projects that garnered the most support.



Open House

At the Open House, 29 participants were given \$5 million dollars in monopoly money to allocate towards the potential municipal projects they believed were most important to them. Each project had an estimated cost associated and participants experienced prioritizing their \$5 million dollar budget towards the projects they valued most. Through this interactive experience, community members had the opportunity to learn about the objectives and actions under our proposed six strategic priorities. Participants engaged in meaningful conversations with both Township staff and members of the Council, allowing for a deeper understanding of the goals and priorities being considered.



30 Participants



6 Priority Pillars



89 Actions



\$80,640,600 spent

Top 10 Projects

Based on the feedback and allocation of Monopoly money during the open house, the following represent the top 10 priorities as identified by the community. These projects were weighted based on the associated cost of the project in relation to the total amount of monopoly money put towards it by participants.

All project “banks” were tallied at the end of the open house and their priority ranking was established, indicating these project as highest importance to your community.

- 1 Continue to fund reserves for maintenance and replacement
- 2 Advocate for the Capital Improvement Plan (CIP) and secure funding for preservation efforts
- 3 Implement incentives for affordable housing construction
- 4 Complete Park design plan
- 5 Research community needs, trends & partnership opportunities for senior housing
- 6 Promote mixed-use developments to diversify land use
- 7 Update & repair recreation amenities
- 8 Host quarterly town hall meetings
- 9 Construct new downtown park
- 10 Develop strategic transit routes connecting key locations

Open House

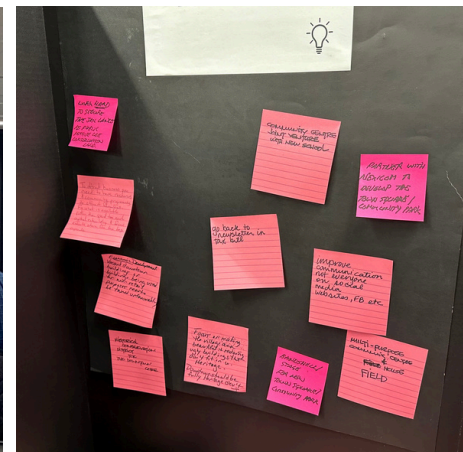
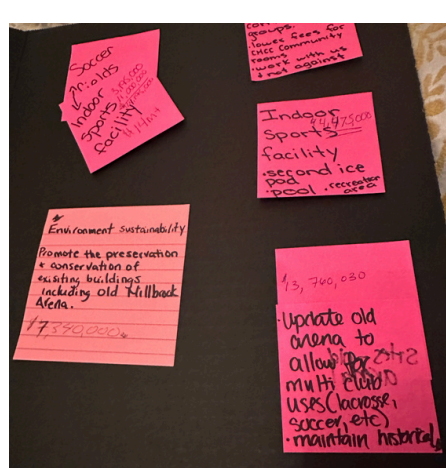
Other Ideas

Throughout the community engagement process, we heard a wide range of innovative and valuable ideas from residents and stakeholders. Each idea was carefully considered and discussed, with some aligning closely with our strategic priorities (on page 5). In fact, some of these ideas even garnered community funding support at our Open House Monopoly night, reflecting the strong desire for their implementation. Below are three significant findings that emerged from the Other Ideas Board, along with the funding amounts contributed by the community.

Preservation & conservation of existing buildings including old Millbrook arena

Indoor sports facility including second ice pad, pool, and soccer fields

Work with community groups (ex. lower fees for CMCC rooms)



Focus Groups

As part of our engagement efforts, we hosted three focus groups with representatives from local clubs, committees, and agencies across the township, with a collective attendance of approximately 30 community members. These focus groups offered a unique opportunity for key community members to provide insightful feedback on the needs of Cavan Monaghan. Their perspectives were invaluable in highlighting priorities that might be particularly meaningful to specific community groups as well as to Cavan Monaghan as a whole. Through these discussions, you identified key themes about the strengths and opportunities for the community's future

Strengths:

Participants highlighted several key strengths that make Cavan Monaghan a vibrant and unique community, including:

- The strong agricultural community and commitment to farming
- An active and engaged community that supports local initiatives
- Rich heritage and history
- Strategic proximity to urban centers, which supports tourism and presents opportunities
- A dedicated volunteer base
- Abundant nature and green space
- A diverse population contributing to the cultural fabric of the township

Opportunities:

The discussions also revealed opportunities that could further enhance community life, such as:

- Diversifying recreation opportunities to engage more residents
- Expanding agri-industry and agri-tourism initiatives
- Building stronger partnerships with other municipalities
- Increasing community events to foster connection and participation
- Utilizing available lands to attract new businesses and industries that align with community values

Focus Groups

While the focus groups celebrated the strengths and opportunities that make Cavan Monaghan a vibrant and promising community, they also highlighted important considerations for the future. Participants identified key challenges and areas for growth that require attention to ensure sustainable development and a high quality of life for all residents. By addressing these threats and weaknesses, the township can build on its successes while proactively planning for the road ahead

Threats:

Key external challenges were also identified, underscoring areas where vigilance will be important to protect Cavan Monaghan's future:

- Competition with nearby municipalities for industrial land.
- Provincial policies limiting municipal autonomy and funding.
- Strain on services and infrastructure due to rapid population growth.
- Risk of losing cultural and agricultural identity amid development.
- Businesses and residents moving away due to limited resources and affordability.

Weaknesses:

The group also identified key weaknesses as opportunities for growth and improvement, such as:

- Aging facilities and inadequate social and recreational services.
- Limited industrial/commercial base resulting in low tax revenue.
- Insufficient affordable housing and uneven municipal services.
- Small business base unable to meet population demands.
- Challenges integrating new residents with established communities.

All of the feedback gathered during these focus groups has been invaluable and is being used in shaping the final version of our strategic plan. The insights shared during these focus groups provided strong support for the draft Strategic Plan, reinforcing that Township Council and staff are in alignment with community needs. Additionally, some great new ideas were shared and considered, further enriching the plan. All ideas and suggestions were taken into account, ensuring that the final version of the Strategic Plan is comprehensive and deeply rooted in the voices and values of Cavan Monaghan's active participants.

Key Findings

The feedback received from the community members has been truly invaluable. Below, we have outlined the main takeaways that were consistently highlighted as crucial by community members during our community engagement efforts. These key findings represent the collective voice of your community and have been instrumental in shaping the priorities and focus areas of your municipality's strategic plan.

01

Family Living and Vitality:

Community members emphasized the importance of enhancing family life through better education and childcare options, with calls for new or expanded school capacity and improved access to before and after-school programs. Support for developing indoor recreational facilities and hosting more inclusive community events was also strongly expressed to encourage year-round engagement.

02

Infrastructure and Development:

Residents highlighted the need for balanced development to ensure infrastructure keeps pace with growth. Priorities included improvements to essential services like water systems, expanded public transit options, and increased healthcare facilities and senior services to support the aging population.

03

Economic and Environmental Sustainability:

Supporting local businesses and fostering economic growth that aligns with the town's character were crucial points for respondents. Conservation efforts, including protecting green spaces and implementing sustainable development practices, were also seen as essential for maintaining environmental health.

The insights gathered through these engagement efforts demonstrate that our community's collective voice is unified in seeking balanced growth, enhanced quality of life, and sustainable practices. These findings will serve as a guiding framework for shaping policies and initiatives that reflect the values and priorities of our residents. As we move forward, this feedback will remain a cornerstone of the commitment to building a vibrant, resilient, and inclusive municipality that supports all members of the community.

A Snapshot of Your Impact

Your voice matters.

This document offers a glimpse into the remarkable feedback we've received from you, the community members of Cavan Monaghan. From the great turnout at our Open House Monopoly Night to the insightful discussions held throughout our engagement efforts, your participation has been phenomenal. The previous pages outlined key takeaways, providing a summary of the most prominent suggestions. However, we want to emphasize that every suggestion, idea, and comment shared has been heard and is immensely valued.

Thank you once again for your active engagement and invaluable contributions to shaping your collective future.





We thank you for your continued support in our efforts to contribute to the future of Cavan Monaghan through this strategic planning process.

QUESTIONS?

Township of Cavan
Monaghan

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Town Hall Consulting Inc.

Web:
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**Minutes
The Township of Cavan Monaghan
Regular Council Meeting**

**Tuesday, February 18, 2025
1:00 p.m.
Council Chambers**

Those members in attendance were:

Council	Matthew Graham	Mayor
	Lance Nachoff	Councillor
	Nelson Edgerton	Councillor
	Gerry Byrne	Councillor
Staff	Yvette Hurley	CAO
	Cindy Page	Clerk
	Mark Froment	Deputy Clerk
	Karen Ellis	Director of Planning
	Matthew Wilkinson	Planner
	Jessica Fradley	Water & Wastewater Technician
	Wayne Hancock	Director of Public Works

Those members absent were:

Ryan Huntley Deputy Mayor

1. Call to Order

Mayor Graham called the meeting to order at 1:00 p.m.

2. Land Acknowledgement

Mayor Graham recited the land acknowledgement.

3. Approval of the Agenda

R-2025-50

Moved by: Byrne

Seconded by: Nachoff

That the agenda for the Regular Council Meeting be approved as presented.

Carried

4. Disclosure of Pecuniary Interest and the General Nature Thereof

There were no pecuniary interests noted.

5. Closed Session

There was no Closed Session.

6. Public Meeting

6.1 Resolution to open the Public Meeting

R-2025-51

Moved by: Byrne

Seconded by: Edgerton

That the Public Meeting be opened in accordance with Section 17 and 34 of the Planning Act, R.S.O., 1990.

Carried

6.2 Report - PEB 2025-09 Official Plan and Zoning By-law Amendments (1702 Cedar Valley Road) Report File Nos. OPA-04-24 and ZBA-11-24

Matt Wilkinson, Planner, spoke to the Official Plan and Zoning By-law Amendment Applications submitted to the Township on behalf of Daryl Paxton (Owner of Baxter Creek Golf Course), by Marnie Saunders of D.M. Wills Associates Limited. The Applications pertain to a portion of an existing lot of record at 1702 Cedar Valley Road in Part of Lot 23, Concession 6 (Cavan). The Amendments are required to redesignate and rezone a portion of the property to permit the consideration of a severance of the existing dwelling at 988 County Road 28 from the golf course. The Amendments will also remove the required setback for Minimum Distance Separation (MDS).

The property subject to the Applications is approximately 68 hectares (167.2 acres) in size with approximately 465 metres (1525 feet) of frontage on Cedar Valley Road, 1,325 metres (4350 feet) of frontage on County Road 28 and 1,175 metres (3850 feet) of frontage on Larmer Line. Approximately 0.63 hectare (1.55 acres) of land with approximately 80 metres (262 feet) of frontage on County Road 28 is proposed to be severed. The proposed severance currently contains one (1) existing detached residential dwelling connected to private individual well and septic system and one (1) drive shed attached to the dwelling. The residential dwelling is set back approximately 50 metres (164 feet) from the centerline of County Road 28. The main access to the subject property is provided by an existing entrance from Cedar Valley Road. Additionally, the property can be accessed by several accessory driveways from County Road 28 located to the east of the proposed severance and from Larmer Line to the north. The retained land will have an approximate area of 67.04 hectares (165.64 acres) and will maintain all other existing frontages. The maintenance driveway for the golf course abuts the proposed northern interior lot line of the severed parcel.

6.3 Questions/Comments from members of Council

Councillor Byrne asked if there was someone currently living in the house and if there was an option to have more severances in the future.

Mayor Graham commented that the applications had no bearing on future developments.

Councillor Byrne questioned why the severed lot was an odd shape and size.

Councillor Nachoff asked if there was a shared driveway for the severed lots.

6.4 Questions/Comments from members of the public

Marnie Saunders, Planner, D.M. Wills Associates Limited

6.5 Consideration of the Report

R-2025-52

Moved by: Nachoff

Seconded by: Byrne

That Council review and consider all verbal and written comments received at the public meeting;

That Council approve By-law No. 2025-09 to adopt Official Plan Amendment No. 19 to the Township of Cavan Monaghan Official Plan;

That Council authorize the submission of the adopted Official Plan Amendment to Peterborough County for review and approval; and

That Council approve By-law No. 2025-10 to change the zoning regulations to implement the policies of Official Plan Amendment No. 19, as presented.

Carried

6.6 Resolution to close the Public Meeting

R-2025-53

Moved by: Byrne

Seconded by: Nachoff

That the Public Meeting be closed.

Carried

7. Minutes

7.1 Minutes of the Regular Meeting held February 3, 2025

R-2025-54

Moved by: Byrne

Seconded by: Edgerton

That the minutes of the Regular Council Meeting held February 3, 2025 be

approved as presented.

Carried

8. Minutes from Committees and Boards

8.1 Sustainability Advisory Committee Meeting Minutes of December 13, 2024

R-2025-55

Moved by: Byrne

Seconded by: Nachoff

That the minutes of the Sustainability Advisory Committee Meeting held December 13, 2024 be approved as presented.

Carried

9. Reports

9.1 Report - Public Works 2025-01 Drinking Water Quality Management System (DWQMS) - Millbrook Water System

R-2025-56

Moved by: Nachoff

Seconded by: Byrne

That Council endorse the contents of the Limited Scope DWQMS Operational Plan for the Millbrook Water System as step one of the Accreditation process; and

That Top Management, as defined in the Operational Plan, be delegated authority to endorse changes to the Operational Plan of minor or administrative nature.

Carried

9.2 Report - Public Works 2025-02 Annual MECP Drinking Water Reports

R-2025-57

Moved by: Byrne

Seconded by: Nachoff

That Council receives Public Works Report 2025-02 Annual MECP Drinking Water Reports for information.

Carried

9.3 Report - CAO Report and Capital Status

R-2025-58

Moved by: Edgerton

Seconded by: Nachoff

That Council receive CAO Report and Capital Status for information.

Carried

9.4 Council/Committee Verbal Reports

Councillor Byrne spoke to the “The Local Advantage – With Peterborough County” event series being held on the second Wednesday of the month at the Cavan Monaghan Community Centre Meeting Room and encouraged businesses to drop in and explore the valuable resources available to help them grow.

Mayor Graham thanked the Public Works and Parks and Facilities Staff for their long hours and hard work dealing with the precipitation. Mayor Graham thanked the Recreation Staff for a great and successful Family Day Event.

R-2025-59

Moved by: Nachoff

Seconded by: Byrne

That Council receive the Council/Committee verbal reports for information.

Carried

10. General Business

There was no General Business.

11. Correspondence for Information

There was no Correspondence for Information.

12. Correspondence for Action

There was no Correspondence for Action.

13. By-laws

13.1 By-law No. 2025-09 Adoption of Official Plan Amendment No. 19 - 1702 Cedar Valley Road

13.2 By-law No. 2025-10 Adoption of Zoning By-law Amendment - 1702 Cedar Valley Road

13.3 By-law No. 2025-11 being a by-law to execute an agreement between the Ontario Federation of Snowmobile Clubs - District 3 and the Township of Cavan Monaghan to authorize the use of snowmobiles on selected Township roads

R-2025-60

Moved by: Byrne

Seconded by: Edgerton

That By-law No. 2025-09 Adoption of Official Plan Amendment No. 19 - 1702 Cedar Valley Road and By-law No. 2025-10 Adoption of Zoning By-law Amendment - 1702 Cedar Valley Road and By-law No. 2025-11 being a by-law to execute an agreement between the Ontario Federation of Snowmobile Clubs - District 3 and the Township of Cavan Monaghan to

authorize the use of snowmobiles on selected Township roads be read a first, second and third time and passed this 18th day of February signed by the Mayor and Clerk and the Corporate Seal attached.

Carried

14. Unfinished Business

There was no Unfinished Business.

15. Notice of Motion

There were no Notices of Motion.

16. Confirming By-law

16.1 By-law No. 2025-12 being a by-law to confirm the proceedings of the meeting held February 18, 2025

R-2025-61

Moved by: Nachoff

Seconded by: Byrne

That By-law No. 2025-12 being a by-law to confirm the proceedings of the meeting held February 18, 2025 be read a first, second and third time and passed this 18th day of February signed by the Mayor and Clerk and the Corporate Seal attached.

Carried

17. Adjournment

R-2025-62

Moved by: Byrne

Seconded by: Nachoff

That the Regular Council Meeting of the Township of Cavan Monaghan adjourn at 1:23 p.m.

Carried

Matthew Graham
Mayor

Cindy Page
Clerk

Minutes
The Township of Cavan Monaghan
Municipal Revitalization and Heritage Advisory Committee Meeting
Thursday, September 12, 2024
9:00 a.m.
Council Chambers – Hybrid Room

Those members in attendance:

Nelson Edgerton	Councillor
Ashley Stewart	Chair
Nancy Davis	
John Collver	

Those members absent:

Deborah Luchuk

Staff members in attendance:

Mark Froment	Deputy Clerk
Karen Ellis	Director of Planning
Brigid Ayotte	Economic Development and Communications Officer

1. Call to Order

Chair Ashley Stewart called the meeting to order at 9:22 a.m.

2. Land Acknowledgement

Chair Ashley Stewart recited the Land Acknowledgement.

3. Approval of the Agenda

Moved by: Davis

Seconded by: Collver

That the agenda for the Municipal Revitalization and Heritage Advisory Committee be approved as presented.

Carried

4. Disclosure of Pecuniary Interest and the General Nature Thereof

There were no pecuniary interests noted.

5. Closed Session

There was no closed session.

6. Minutes

6.1 Minutes of the meeting held June 20, 2024

Moved by: Collver

Seconded by: Davis

That the minutes of the meeting held June 20, 2024, be approved as presented.

Carried

7. Report

7.1 Financial Report – Karen Ellis

Karen Ellis provided the Committee with the Financial Report.

Moved by: Davis

Seconded by: Collver

That the Municipal Revitalization and Heritage Advisory Committee receive the Financial Report for information.

Carried

8. General Business

8.1 2025 Budget Discussion

Moved by: Collver

Seconded by: Davis

That the Municipal Revitalization and Heritage Advisory Committee 2025 Budget request for the 2025 Operating Budget include the Heritage Awards for \$500, Contracted Services for Mural Restoration for \$1,500, Landscaping at Station Park for \$1,000, the Restoration of Springville and Ebenezer Cemeteries for \$740, and the addition of two (2) new initiatives for 2025 being a Signage Project requesting \$7,000 and funding for a summer student for the Cultural Mapping Project.

Carried

8.2 Workplan

The Committee reviewed the workplan and discussed the updates and projects for 2024

8.3 2025 Meeting Schedule

Moved by: Davis

Seconded by: Collver

That the Municipal Revitalization and Heritage Advisory Committee adopt the 2025 Meeting Schedule as proposed.

Carried

9. Adjournment

Moved by: Davis

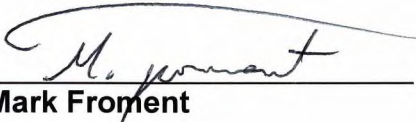
Seconded by: Collver

That the Municipal Revitalization and Heritage Advisory Committee adjourn at 10:18 a.m.

Carried



Ashley Stewart
Chair



Mark Froment
Clerk

Minutes
The Township of Cavan Monaghan
Municipal Revitalization and Heritage Advisory Committee Meeting
Monday, October 28, 2024
9:00 a.m.
Council Chambers – Hybrid Room

Those members in attendance:

Nelson Edgerton	Councillor
Ashley Stewart	Chair
Nancy Davis	
John Collver	
Deborah Luchuk	

Staff members in attendance:

Mark Froment	Deputy Clerk
Karen Ellis	Director of Planning
Brigid Ayotte	Economic Development and Communications Officer

1. Call to Order

Chair Ashley Stewart called the meeting to order at 9:03 a.m.

2. Land Acknowledgement

Chair Ashley Stewart recited the Land Acknowledgement.

3. Approval of the Agenda

Moved by: Luchuk

Seconded by: Collver

That the agenda for the Municipal Revitalization and Heritage Advisory Committee be approved as presented.

Carried

4. Disclosure of Pecuniary Interest and the General Nature Thereof

There were no pecuniary interests noted.

5. General Business

5.1 2025 Proposed Budget Discussion Update

Moved by: Luchuk

Seconded by: Collver

That the Municipal Revitalization and Heritage Advisory Committee revise its 2025 Budget request to include one (1) item for the 2025 Capital Budget being the Station Park Signage Project; And

That the Committee request a rollover of the \$7,000 in previously approved funding for the Station Park Signage Project; And
That the Committee request an additional \$7,000 from 2025 Capital Budget for the Station Park Signage Project.

Carried

6. Adjournment

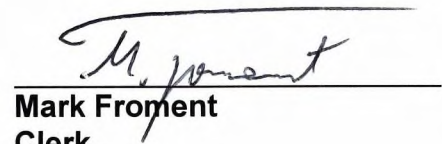
Moved by: Collver

Seconded by: Luchuk

That the Municipal Revitalization and Heritage Advisory Committee adjourn at 10:07.

Carried


Ashley Stewart
Chair


Mark Froment
Clerk



Minutes
The Township of Cavan Monaghan
Municipal Revitalization and Heritage Advisory Committee Meeting
Friday, December 20, 2024
9:00 a.m.
Council Chambers – Hybrid Room

Those members in attendance:

Matthew Graham Mayor
 Ashley Stewart Chair (virtually)
 Nancy Davis
 Deborah Luchuk

Those members absent:

Nelson Edgerton Councillor
 John Collver

Staff members in attendance:

Mark Froment Deputy Clerk
 Karen Ellis Director of Planning (virtually)

1. Call to Order

Chair Ashley Stewart called the meeting to order at 9:03 a.m.

2. Land Acknowledgement

Chair Ashley Stewart recited the Land Acknowledgement.

3. Approval of the Agenda

Moved by: Davis

Seconded by: Luchuk

That the agenda for the Municipal Revitalization and Heritage Advisory Committee be approved as presented.

Recorded	For	Against
Graham	X	
Stewart	X	
Davis	X	
Luchuk	X	
Results	4	0

Carried

4. Disclosure of Pecuniary Interest and the General Nature Thereof

There were no pecuniary interests noted.

5. General Business

5.1 Revision of 2025 Budget Request

Moved by: Davis

Seconded by: Luchuk

That the Municipal Revitalization and Heritage Advisory Committee withdraw the budget requests from the September 12, 2024, and October 28, 2024, meetings and submit a revised budget request; and

That the Committee request for the 2025 Operating Budget \$500 for the Heritage Awards, \$1,500 for Contracted Services for Mural Restoration, \$1,000 for Landscaping at Station Park, \$3,000 for Signage at Springville and Ebenezer Cemeteries, and the addition of one (1) new request for 2025 being funding for a summer student for the Cultural Mapping Project; and

That the Committee request for the 2025 Capital Budget of \$14,000 with a rollover of the \$7,000 in previously approved funding for the Station Park Signage Project.

Recorded	For	Against
Stewart	X	
Davis	X	
Luchuk	X	
Graham		Abstain
Results	3	1
		Carried

6. Adjournment

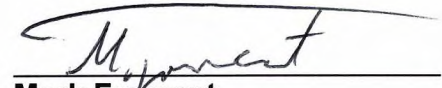
Moved by: Luchuk

Seconded by: Davis

That the Municipal Revitalization and Heritage Advisory Committee adjourn at 9:30 a.m.

Recorded	For	Against
Davis	X	
Luchuk	X	
Graham	X	
Stewart	X	
Results	4	0
		Carried


Ashley Stewart
Chair


Mark Froment
Deputy Clerk



Minutes
The Township of Cavan Monaghan
Millbrook Downtown BIA Board of Management

January 9, 2025
8:00 a.m. – 10:00 a.m.
Council Chambers Meeting Room
And Zoom

Those Directors on the Board of Management were:

Kathie Lycett:	Chair
Sarah Cooling:	Vice Chair
Ryan Huntley:	Council Representative

- 1. Open Session**
- 2. Call to Order & Land Acknowledgement**

The Chair called the meeting to order at 8:05 a.m.

- 3. Approval of the Agenda:**

Motion to Approve an Amended Agenda to postpone all items except for 7.1 and 9.1.2 to the February 13, 2025 Meeting.

Moved by: Ryan Huntley
Seconded by: Kathie Lycett

Carried

7. Minutes

December 12,
~~November 14,~~ 2024

1. Minutes of the Meeting held Thursday ~~November 14,~~ 2024

Motion to Adopt the Minutes.

Moved by: Ryan Huntley

Seconded by: Kathie Lycett

Carried

9.1.2 Cheque Requisitions

- Peterborough Police – \$593.14 01-25-299-29002-6150 (CITV Contracted Services)
- Jana Crawford - \$450.00 01-25-299-29002-6274 (CITV Supplies)
- Michelle Mayne - \$483.89 01-25-299-29002-6274 (CITV Supplies)
- Michelle Mayne - \$107.60 01-25-299-00000-6128 (marketing/promo)
- Susan Rice - \$264.90 01-25-299-00000-6224 (Decorating Committee)
- Just in Time - \$474.60 01-25-299-29002-6150 (CITV Contracted Services)
- Township of Cavan Monaghan - \$214.90 01-25-299-00000-6150 (reimburse credit card charge for BIA Zoom Subscription to December 15, 2025)

Motion for cheques requisitions

Moved by: Sarah Cooling

Seconded by: Ryan Huntley

Carried

12. Adjournment

Motion to adjourn at 8:08 a.m. by: Ryan Huntley

Seconded by: Kathie Lycett

Carried

Next Meeting Date – February 13, 2025 at 8:00 a.m.

X *Kathie Lycett*
nllMb+NqCXbl5aRnaXl7SA==

Kathie Lycett
Chair

X Sarah Cooling
hWplZ33Z1J+PBO9+eZlLmA==

Sarah Cooling
Co-Chair



Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Yvette Hurley, Chief Administrative Officer
Report Number:	CAO 2025-03
Subject:	Corporate Strategic Plan 2025-2030

Recommendation:

That Council adopt the Corporate Strategic Plan 2025-2030 prepared by Town Hall Consulting Inc.

Overview:

Town Hall Consulting Inc. was awarded the proposal to develop a Corporate Strategic Plan at the June 3, 2024 at the Regular Council meeting. The purpose of a municipal strategic plan is to highlight community priorities and help identify and guide decision making over the next 5 years.

Advantages of a Strategic Plan to an organization:

1. To be proactive and not reactive
2. Establish a sense of direction
3. Increase operational efficiency
4. Reach identified goals

Since June, Town Hall Consulting has been working with Staff, Council, stakeholder groups, and residents to identify and develop goals, set priorities and the development of a plan for the future. Town Hall Consulting community engagement included a detailed current assessment of Cavan Monaghan, internal engagement workshops held with Council and senior staff, external engagement with residents and the general public through online survey, open houses, as well as public workshops.

The result of the above work is a 5-year Corporate Strategic Plan will help guide Council and staff and set out its initiatives for the future. The strategic priorities identified focus on financial sustainability, community vitality, environmental sustainability, community engagement, economic development, and customer service.

Once adopted, the Township will use an internal implementation tracker to monitor progress and ensure that initiatives align with the strategic objectives.

Financial Impact:

The cost for the development of the Corporate Strategic Plan was included in the 2024/2025 Capital budget. Any costs associated with the objectives and actions laid out in the Corporate Strategic Plan will be identified in future budget proposals and reports to Council.

Attachment:

Attachment # 1 – Township of Cavan Monaghan Corporate Strategic Plan 2025-2030

Respectfully Submitted by,

Yvette Hurley
Chief Administrative Officer

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Have it all. Right here.



Corporate Strategic Plan

Prepared by:

 TOWN HALL
CONSULTING INC.

2025 - 2030
69

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Welcome to Cavan Monaghan

The Township of Cavan Monaghan is a growing community in the southwest part of the County of Peterborough and just 90 minutes from the Greater Toronto Area. With picturesque landscapes, rich agricultural roots, and a thriving business sector, Cavan Monaghan offers a unique balance of tradition and progress. Our community is built on a foundation of resilience, collaboration, and a shared commitment to enhancing the quality of life for residents and visitors alike.

Cavan Monaghan is a place where families grow, businesses thrive, and neighbours come together to celebrate everything from local festivals to shared achievements. As we look to the future, our vision is clear: have respect and pride in our agricultural history while strategically managing the opportunities and challenges of a growing rural community. Doing so by harnessing innovation, focusing on sustainability, and improving the vitality of our community spirit.

To ensure we stay on the right path, the Township of Cavan Monaghan has completed a Strategic Planning process. This collaborative effort engaged residents, businesses, and stakeholders to shape our community's future. Together, we have defined goals, set priorities, and developed a clear roadmap for success that reflects our shared values and aspirations.

This 5-year Strategic Plan positions Cavan Monaghan to continue fostering growth, preserving our heritage, and building a sustainable, inclusive community that will thrive for generations to come.

Land Acknowledgement

We respectfully acknowledge that the Township of Cavan Monaghan is located on the Treaty 20 Michi Saagiig territory, in the traditional territory of the Michi Saagiig Anishnaabeg.

We offer our gratitude to First Nations for their care for and teachings about these lands. May we honour these teachings.

Why Now?

Cavan Monaghan is experiencing a pivotal moment in its development. In the last 8 years, our population has grown from 8,829 to just over 10,000. With a growing population and expanding employment opportunities, the Township is aligning its plans with Ontario's updated Provincial Policy Statement (PPS 2024), which replaced the Growth Plan for the Greater Golden Horseshoe on October 20, 2024. This involves preparing for substantial increases in housing demand, ensuring sustainable infrastructure development, and supporting local economic expansion.

The Township's previous efforts have established a strong foundation, focusing on maintaining a high quality of life, attracting and retaining business opportunities, and preserving its unique heritage. With an eye toward the future, Cavan Monaghan is always evaluating strategies to respond to evolving community needs, technological advancements, and environmental considerations. The Township aims to balance growth with sustainability, ensuring that development aligns with its rural identity and natural heritage.



A Message From The Mayor and Council

On behalf of the Council of the Township of Cavan Monaghan, we are proud to present our Strategic Plan. This document is a significant milestone designed to chart a clear path for the future of our community. This plan is a collaborative project that reflects the input we sought from residents, businesses, and other stakeholders who shared their ideas, hopes, and aspirations for Cavan Monaghan.

Our vision for the Township is rooted in fostering growth while preserving the rural charm and unique agricultural heritage that make our community so special.

Through this Strategic Plan, we have identified key priorities and actionable steps that will guide us in achieving sustainable development, while working to enhance services, and improving the overall quality of life for everyone who calls Cavan Monaghan home. We are deeply grateful to everyone who contributed to this process. Your voices have helped shape this roadmap, and your continued engagement will be vital as we work together to bring our shared vision to life.

As a Council, we remain committed to responsible decision-making, improving collaboration, and utilizing innovation as we implement the goals outlined in this plan. We will continue to work hard to make fiscally responsible decisions to build a thriving, inclusive community that we can all take pride in, today and in the future.

Sincerely,



Mayor Matthew Graham
and the Council of the Township of Cavan Monaghan



Councillor Gerry Byrne, Deputy Mayor Ryan Huntley,
Mayor Matthew Graham, Councillor Lance Nachoff,
Councillor Nelson Edgerton

Community Engagement

The Township of Cavan Monaghan's Strategic Plan is the result of a collaborative process designed to reflect the community's collective vision, mission, values, and priorities. In developing this plan, the Township engaged with residents, businesses, community groups, Council, and staff to ensure it captures the diverse needs and aspirations of the community.

Community engagement was conducted both online and in person, utilizing innovative tools and methods to maximize participation and feedback. Key engagement activities included:

- **Online Survey and Fund It Monopoly Tool:** Over five weeks, residents were invited to participate through an online survey, which included the interactive "Fund It Monopoly" tool. This unique feature allowed participants to allocate virtual dollars to initiatives they deemed most important, providing valuable insights into community priorities.
- **Open House Monopoly Night:** Residents attended an in-person event where they could allocate \$5 million in Monopoly money to strategic projects, engage with Council and staff, and contribute ideas through an open feedback board.
- **Focus Groups:** Key community leaders and representatives from local organizations participated in focus groups to provide detailed feedback and share perspectives that enhanced the plan's depth and inclusivity.

The community's contributions helped shape the strategic plan. For instance, 85% of survey participants supported the proposed mission, vision, and values, while the feedback gathered from the "Fund It Monopoly" activities and focus groups highlighted critical priorities such as financial sustainability, infrastructure improvements, and community vitality. An in-depth Progress Report (Community Engagement) can be found in **Appendix B** or at www.connectcavanmonaghan.net/strategicplan.

This engagement process ensured that the Strategic Plan reflects what matters most to the residents of Cavan Monaghan, creating a roadmap that is not only aspirational but also rooted in the community's shared values and vision for the future.



Mission, Vision, Values



Mission

The Township of Cavan Monaghan is committed to delivering responsive and cost-effective services that provide for the economic, social and environmental well-being of our ratepayers now and into the future.

Vision

Cavan Monaghan is a strong, sustainable rural community. We celebrate, protect and promote our unique history and natural heritage and value the contribution and interests of all ratepayers in building a prosperous future.

Values

Inclusivity

Fostering a welcoming and respectful environment where all community members are valued, ensuring that services, opportunities, and resources are accessible to everyone.

Innovation

Embracing creativity and forward-thinking approaches to develop new, effective solutions that enhance municipal services, meet community needs, and address emerging challenges and goals.

Integrity

Upholding strong ethical standards through transparent communication, accountability for actions and decisions, and maintaining the community's trust by consistently demonstrating honesty and responsibility.

Strategic Priorities



Financial Sustainability



Community Vitality



Environmental
Sustainability



Community
Engagement



Economic
Development



Customer Service

1. Financial Sustainability

Financial sustainability ensures the Township can meet its current and future needs while maintaining fiscal responsibility. This priority focuses on expanding the tax assessment base, aligning goals with the Asset Management Plan, exploring alternate funding opportunities, and enhancing long-term planning. By maintaining sustainable infrastructure funding and reviewing financial policies, the Township ensures responsible decision-making and financial resilience.

How will we achieve this?

Objective	Action
Support the expansion of the Assessment Tax Base.	<ul style="list-style-type: none"> • Strategically identify opportunities to identify diverse development by collaborating with key stakeholders.
Ensure that goals, policies, and plans are aligned with decision-making processes in accordance with the Asset Management Plan (AMP).	<ul style="list-style-type: none"> • Ensuring that the Asset Management Plan and strategies are effectively aligned will enhance asset life cycles and promote efficient replacements, maximizing overall effectiveness. • Continue to prioritize AMP, through the annual budget process, funds for the Asset Replacement Reserve (ARR) to support the replacement of Infrastructure.
Review financial management and debt policies.	<ul style="list-style-type: none"> • Review permitted investment products that align with Section 418 of the Municipal Act. • Expand long-term planning and amortization approaches to manage capital projects effectively.
Investigate alternate funding opportunities and partnerships.	<ul style="list-style-type: none"> • Continue to review new and/or alternative sources of funding opportunities and partnership options.
Maintain and enhance long-term planning.	<ul style="list-style-type: none"> • Maintain and update the Capital forecast plans to correlate with the Official Plan policy and data gathered through the Asset Management Plan. • Annually review and implement appropriate AMP indexing metrics for tracking progress.
Maintain 80% annual contribution target to the Asset Replacement Reserve (ARR).	<ul style="list-style-type: none"> • Monitor contributions to the ARR to ensure the current matching principal targets are met annually through the budget process.

2. Community Vitality

Community vitality focuses on fostering a thriving, healthy, and connected community. This priority focuses on enhancing recreational opportunities, developing a downtown park, and establishing key annual events to strengthen community bonds. Efforts will also focus on improving indoor and outdoor spaces to promote health and wellness, increasing access to health services through an expanded or new medical center, and addressing housing needs for seniors. Together, these initiatives aim to enrich the quality of life for all community members.

How will we achieve this?

Objective	Action
Enhance and optimize recreation in the Township.	<ul style="list-style-type: none"> • Develop lands and facilities as per recommendations in Parks & Recreation Strategic Plan - Vision 2035. • Increase usage of the CMCC lands. • Continue to implement varied programming at CMCC lands to increase usage and program participation.
Develop a Downtown park.	<ul style="list-style-type: none"> • Finalize the design for a downtown park. • Confirm Partnerships and funding to build upon the selected concept. • Park construction completed according to the approved plan.
Establish key annual events.	<ul style="list-style-type: none"> • Continue to plan and execute festivals and/or events to promote diversity and sense of community. • Increase community engagement and participation in community events.
Build upon existing indoor & outdoor spaces to promote health & wellness.	<ul style="list-style-type: none"> • Continue to create and optimize spaces based on community needs. • Continue to establish partnerships for community programming for indoor/outdoor spaces.
Increase health services / expand or build new medical center.	<ul style="list-style-type: none"> • Completion of a comprehensive plan for a new or expanded medical center, with successful fundraising effort. • Support Physician recruitment initiatives. • Build or renovate facility.

2. Community Vitality

Objective	Action
<p>Increase housing for seniors.</p>	<ul style="list-style-type: none"> • Research community needs, trends and partnership opportunities. • Identify seniors housing providers, establish relationships, and collaborate on opportunities.



3. Environmental Sustainability

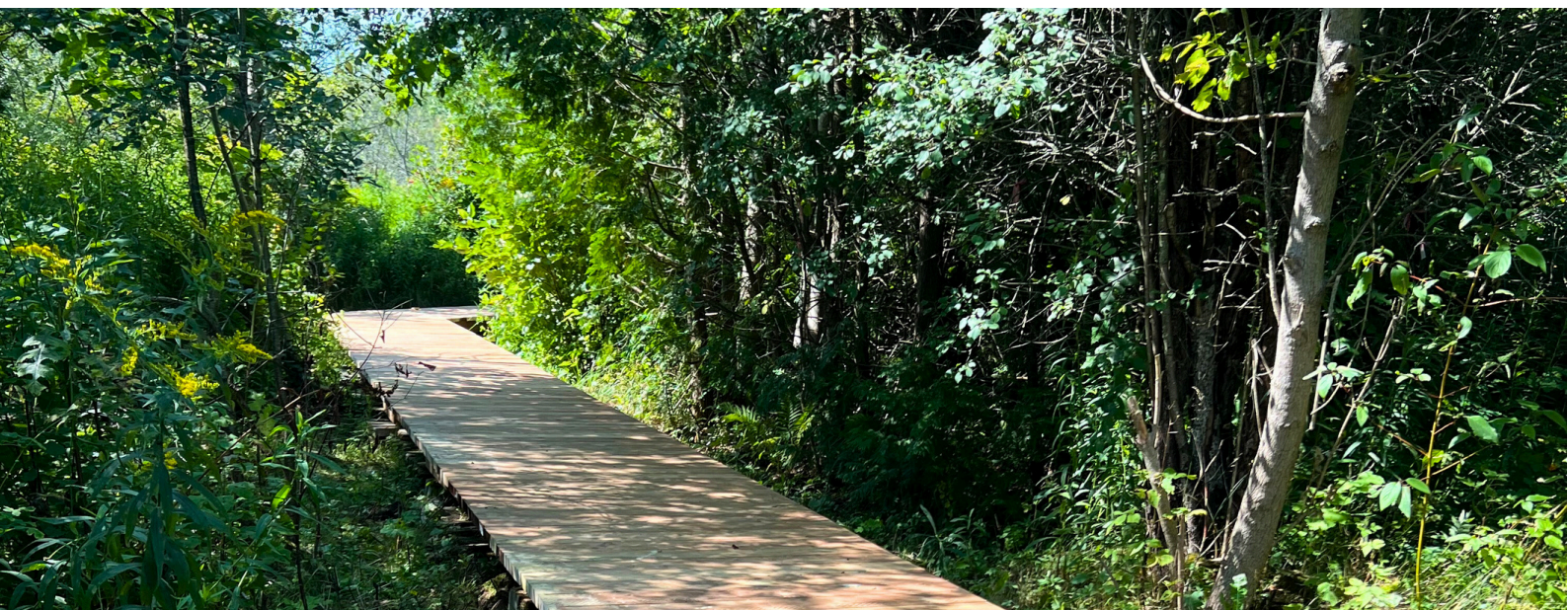
Environmental sustainability is vital to protecting the Township's natural and cultural assets for future generations. This priority addresses the pressing need for responsible stewardship of the environment, ensuring that decisions made today support long-term ecological health and community well-being. By prioritizing sustainable practices and conservation efforts, the Township demonstrates its commitment to balancing growth with environmental preservation, fostering a greener and more resilient future.

How will we achieve this?

Objective	Action
Promote the preservation and conservation of existing heritage buildings.	<ul style="list-style-type: none"> • Utilize the CIP as a method to promote preservation. • Promote heritage conservation initiatives (i.e. updating heritage bylaws). • Conduct assessments to identify buildings eligible for conservation and preservation.
Continue to support and promote local sustainability initiatives.	<ul style="list-style-type: none"> • Continue to develop and execute campaigns on sustainable practices to encourage community engagement. • Continue to introduce new programs and initiatives that promote sustainability. • Collaborate with local organizations to enhance existing sustainability efforts. • Promote incentives for residents and businesses to adopt green initiatives. • Monitor and report on sustainability metrics such as water usage and energy consumption.
Continue to support natural heritage system features.	<ul style="list-style-type: none"> • Integrate natural heritage protections into future planning initiatives.
Enhance reforestation efforts.	<ul style="list-style-type: none"> • Enhance the tree replacement and planting program to increase canopy coverage. • Develop policies to control and regulate tree-cutting in designated areas.

3. Environmental Sustainability

Objective	Action
<p>Integrate environmental sustainability into decision-making processes and work to enhance watershed planning.</p>	<ul style="list-style-type: none"> • Promote sustainable alternatives in policy recommendations and projects. • Support programs to protect and restore cold water streams within the watershed. • Promote the installation of residential rain gardens to manage runoff and improve water quality.
<p>Promote sustainable practices in municipal infrastructure.</p>	<ul style="list-style-type: none"> • Incorporate energy-efficient practices and water-efficient technologies in new municipal building projects and renovations.
<p>Explore opportunities for transit and ride-share programs.</p>	<ul style="list-style-type: none"> • Promote a carpool network to facilitate shared transportation options. • Investigate partnership opportunities around the development of transit routes to connect key locations such as Fleming College, Trent University, and major employment centers.



4. Community Engagement

Community engagement is essential to building trust, fostering connections, and ensuring residents feel informed and involved in Township initiatives. This priority emphasizes the importance of open communication, diverse outreach methods, and meaningful in-person interactions to strengthen relationships with the community. By prioritizing accessibility, education, and clear information-sharing, the Township aims to create an inclusive and informed environment where residents can actively participate and contribute to its future.

How will we achieve this?

Objective	Action
Expand the role of the Communications Officer to a full-time position.	<ul style="list-style-type: none"> Secure budget approval for the expanded role.
Expand and diversify communication channels to ensure residents access key information.	<ul style="list-style-type: none"> Implement and optimize engagement software. Promote subscriptions and newsletters. Utilize Community billboards in strategic locations. Enhance social media strategies to increase online followers and views. Use KPIs to track these metrics. Utilize non-digital communications such as printed newsletters. Utilize community feedback as part of the decision-making process. Consider funds through the annual budget process.
Increase in-person engagement opportunities with the community.	<ul style="list-style-type: none"> Organize pop-ups and booths at community events and public spaces. Identify opportunities to enhance community participation and information sharing (ex, town hall meetings, open houses, education sessions, etc.)
Establish wayfinding signage and information systems.	<ul style="list-style-type: none"> Install consistent wayfinding signs in key locations across the community. Incorporate QR codes on signage for access to maps and details.

5. Economic Development

Economic development is key to fostering a prosperous community. This priority focuses on attracting and retaining businesses, supporting local entrepreneurship, and promoting innovative agricultural opportunities. By increasing serviceable and employment lands, encouraging local shopping, and enhancing zoning flexibility, the Township aims to create an environment where businesses can thrive. The Township is committed to driving growth, creating jobs, and strengthening its local economy for the benefit of all.

How will we achieve this?

Objective	Action
Promote industrial and commercial development.	<ul style="list-style-type: none"> • Continue to work on proposed Township-led initiatives identified in Community Improvement Plan. • Explore recommendations from the Growth Management Strategy on employment lands to ensure suitable industrial and commercial sites. • Continue to streamline processes where applicable.
Attract retail businesses and encourage local shopping.	<ul style="list-style-type: none"> • Work with BIA to develop a retail attraction strategy. • Utilize social media to showcase local products and businesses. • Create events and programs to incentivize local shopping.
Strengthen small business community.	<ul style="list-style-type: none"> • Facilitate a small business incubator. • Utilize the CIP to provide support for existing small businesses and host education sessions.
Increase serviceable lands.	<ul style="list-style-type: none"> • Conduct an assessment of existing infrastructure and servicing capabilities. • Identify/support employment lands. • Support the Master Servicing Plan. • Identify funding opportunities for infrastructure improvements. • Develop a strategic plan to upgrade and optimize infrastructure for serviceable sites.

5. Economic Development

Objective	Action
Increase flexibility in zoning by-laws for employment lands.	<ul style="list-style-type: none"> • Review current provincial, County, and local official plan policies related to permitted employment land uses. • Update official plan policies and zoning by-law regulations to permit, where appropriate, a range of commercial, agricultural, and employment land uses.
Promote innovative farming practices and agricultural opportunities.	<ul style="list-style-type: none"> • Partner with researchers when possible. • Explore funding opportunities. • Promote the CIP as a way for members of the agricultural community to implement innovative farming practices. • Develop and support programs for essential on farm diversified and ag-related businesses.
Develop and implement economic development strategy.	<ul style="list-style-type: none"> • Undertake a comprehensive local Economic Development Strategic Plan. • Collaborate with the County Economic Development initiatives. • Support tourism opportunities.
Develop employment lands.	<ul style="list-style-type: none"> • Initiate the process to develop an employment lands/park. • Investigate bringing sewer and water services to an employment area other than our urban area. • Update planning documents (i.e. Growth Management Strategy and Official Plan) to support economic development opportunities. • Develop partnerships. • Complete environmental study to support employment lands.
Business Retention and Expansion.	<ul style="list-style-type: none"> • Develop strong communication tools to inform businesses. • Implement a business retention and expansion program to identify at-risk businesses.

6. Customer Service

Customer service is at the heart of the Township's commitment to meeting the needs of residents efficiently and effectively. This priority emphasizes the importance of retaining skilled staff, leveraging technology to improve service delivery, and fostering strong connections between staff and the community. By creating a supportive work environment and engaging residents through initiatives like staff open houses, the Township aims to deliver exceptional service that builds trust and satisfaction.

How will we achieve this?

Objective	Action
Enhance staff retention.	<ul style="list-style-type: none"> • Enhance professional development opportunities. • Continue to offer ongoing training and education programs tailored to staff needs. • Develop clear career progression paths to support long-term retention.
Leverage technology to enhance customer service delivery.	<ul style="list-style-type: none"> • Continue to optimize online permitting and application systems. • Utilize automated emails for service updates and changes and to conduct satisfaction surveys. • Continue to utilize the tracking system for service optimization.
Host staff open house events.	<ul style="list-style-type: none"> • Organize open house events for residents to meet all staff. • Provide informational materials about available services and staff roles. • Gather feedback from attendees to improve future events and services.

Implementation

The Township of Cavan Monaghan's Strategic Plan represents a bold and forward-thinking vision for the future of our community. Now finalized, the focus shifts to implementation, turning the strategic priorities and objectives into tangible actions that deliver meaningful results.

To ensure effective implementation, the Township will use an internal implementation tracker to monitor progress and ensure initiatives align with the strategic objectives. This tracker will allow staff to evaluate ongoing actions, address challenges, and celebrate successes.

Additionally, a health check will provide an opportunity to assess the plan's effectiveness. During this phase, adjustments will be made as needed to ensure initiatives remain relevant and responsive to the community's evolving needs.

Key actions under each strategic priority will be executed in alignment with available resources, ensuring a balance between ambition and sustainability. Progress updates will be provided regularly to keep the community informed and engaged. Additionally, a health check will evaluate the plan's effectiveness, identifying successes and areas for improvement to maintain momentum and refine initiatives as needed.

This implementation phase marks the beginning of a shared journey, one that transforms aspirations into achievements while building a stronger, more vibrant Cavan Monaghan.



Conclusion

The Township of Cavan Monaghan's Strategic Plan is more than a document, it is a reflection of the community's shared values, aspirations, and vision for the future. This plan is the product of collaboration, innovative thinking, and meaningful engagement with residents, businesses, and stakeholders.

This Strategic Plan provides a clear roadmap for growth and development. It balances progress with preservation, ensuring that while the Township evolves, it retains the heritage and charm that make it unique.

As we move forward, the commitment to transparency, collaboration, and accountability will continue to remain at the forefront. With the collective efforts of Council, staff, and the community, the Township of Cavan Monaghan is well-positioned to thrive today and into the future. Together, we will build a vibrant, inclusive, and sustainable community that reflects the best of who we are and what we aspire to be.

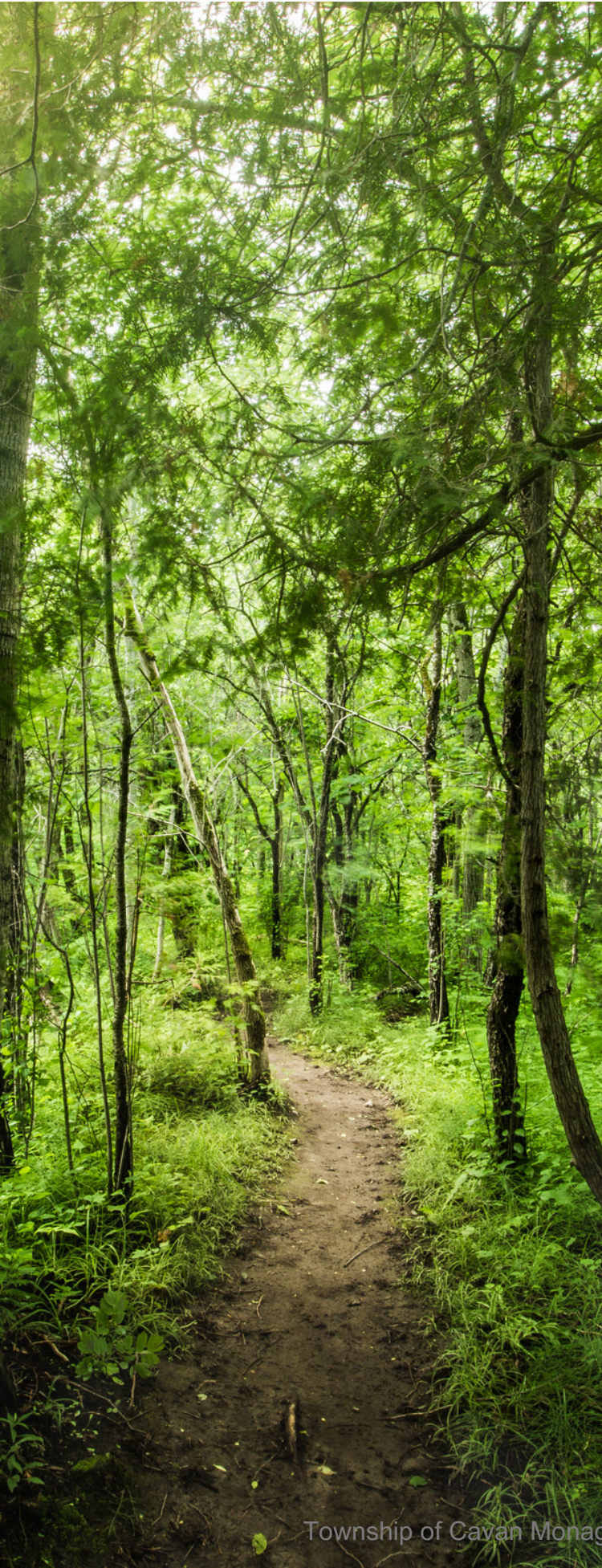
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Appendix A

A Path Forward and The Process





The Path Forward

The Township of Cavan Monaghan's updated strategic framework reflects a collective vision informed by data analysis, community input, and provincial guidance. The common themes below represent key areas of focus that will shape the Township's path forward:

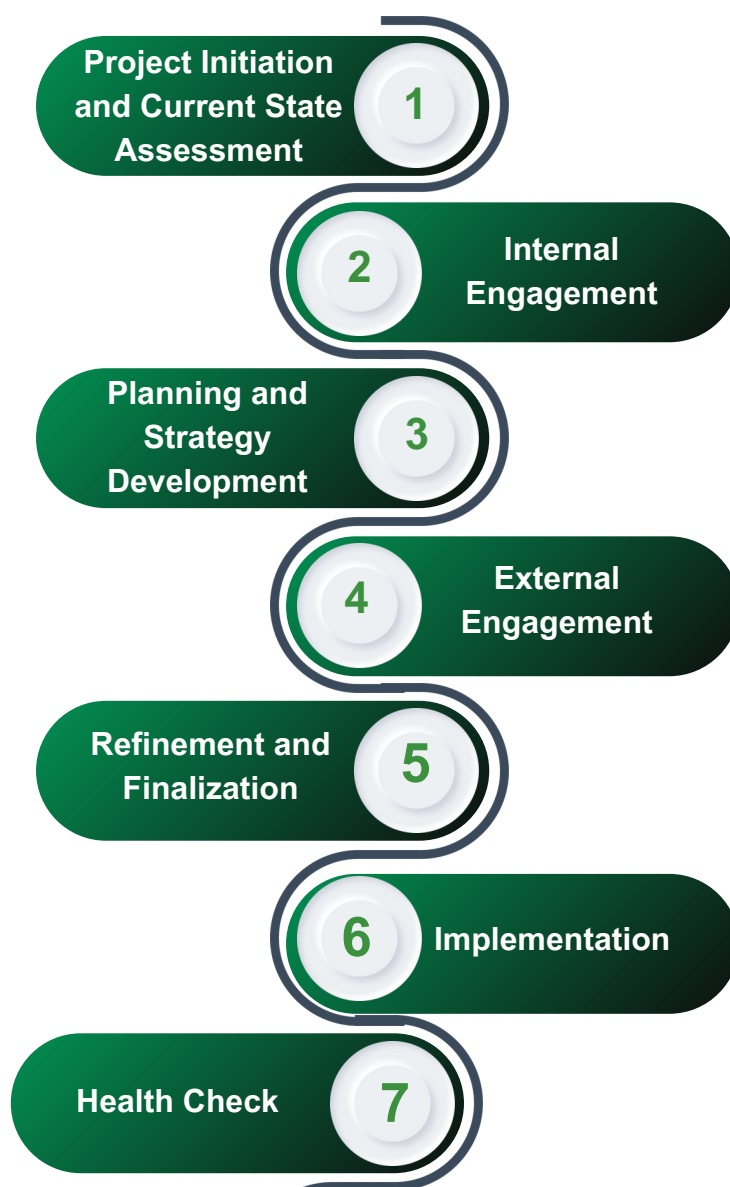
- **Managed Growth:** Strategically planning for population and employment growth to create a balanced mix of housing, employment opportunities, and services that meet the needs of residents.
- **Sustainable Development:** Promoting green building practices, protecting natural heritage areas, and ensuring environmentally responsible infrastructure development.
- **Economic Vitality:** Encouraging investment and supporting the retention and expansion of local businesses to build a resilient local economy.
- **Community Well-Being:** Enhancing quality of life by fostering inclusive, vibrant spaces and maintaining the Township's distinct character.
- **Infrastructure Investments:** Upgrading and expanding infrastructure to support the growing needs of current and future residents and businesses while maintaining efficiency and sustainability.
- **Financial Sustainability:** Ensuring responsible fiscal management and long-term financial planning to maintain services, support growth, and safeguard the Township's future.

Cavan Monaghan is proactive in positioning itself as a leader in rural and small-town development. With a collaborative and innovative approach, the Township is ensuring that its future remains bright, sustainable, and reflective of the values and aspirations of its community.

The Process

Our approach began with an in-depth assessment of the current state of the Township, followed by internal workshops to gather insights from staff and Council. We then developed an outline of the strategy, engaging the broader community through surveys, focus groups and an open house to ensure all voices were heard. Based on this extensive feedback, we refined and finalized our strategy, ready for implementation. This integrative process culminates with a health check to evaluate the effectiveness of our initiatives, ensuring our actions align with the Township's long-term vision and goals.

1. **Project Initiation and Current State Assessment** - Conducted a detailed review of Cavan Monaghan, including an analysis of local conditions and gathering relevant information and resources.
2. **Internal Engagement** - Held workshops with staff and council to gather insights and perspectives.
3. **Planning and Strategy Development** - Developed an outline of the strategy, detailing objectives and aligning with key goals.
4. **External Engagement** - Engaged with the community through surveys and open houses to gather external perspectives and ensure broad-based support.
5. **Refinement and Finalization** - Refined the strategy based on feedback and analysis, ensuring all elements align with the overall objectives.
6. **Implementation** - ongoing execution of the finalized strategy, ensuring all actions align with the set goals and milestones.
7. **Health Check** - Conduct a thorough evaluation of the implemented strategy to identify strengths and areas for improvement.



Appendix B

Progress Report (Community Engagement)



Township of
Cavan Monaghan
Strategic Planning
Progress Report
(Community Engagement)

2024

Thank You

Dear valued community member,

It is with great pleasure that Town Hall Consulting presents this Community Engagement progress report, providing a brief update on the status of the Corporate Strategic Plan for the Township of Cavan Monaghan. Your active involvement in our engagement efforts has been instrumental in shaping the future of your community. Through your valuable contributions, including key findings from the survey, focus groups, and open house, we have been able to gather crucial community feedback that has significantly influenced the strategic planning process.

This report outlines the progress made thus far and provides an overview of the strategic planning process itself, highlighting the various stages we have navigated and where we currently stand in this journey. Your insights, feedback, and ideas have played a pivotal role in refining our goals and strategies, ensuring that they align with the needs and aspirations of your community.

We are excited to share the milestones we have achieved and the direction we are heading, all of which have been shaped by your invaluable input. Thank you for your continued support and collaboration as we work together toward a shared vision for Cavan Monaghan.

Warm regards,
Town Hall Consulting

Engagement Efforts

As part of our commitment to creating a Strategic Plan that truly reflects the needs and aspirations of Cavan Monaghan, we conducted three unique engagement activities. These opportunities were designed to gather broad input from residents, stakeholders, and community groups alike, ensuring a variety of voices were heard.

1. Online Survey and Fund It Monopoly Tool

Residents were invited to visit connectcavanmonaghan.net to review the strategic plan outline and share their feedback through an easy-to-complete online survey. This platform also offered the “Fund It Monopoly” tool, which allowed participants to “fund” the projects most important to them by allocating virtual dollars across key priorities. This tool made it fun and simple for residents to weigh in on projects they felt would benefit our community the most.

2. Open House Monopoly Night

We hosted an in-person Open House where residents could drop in, connect with Town Council members and staff, and once again participate in the “Fund It Monopoly” activity, this time in person. An open ideas board was also available for everyone to share their thoughts and suggestions directly. This event was a valuable chance for residents to engage with decision-makers face-to-face, discuss the strategic plan, and see community priorities come to life.

3. Focus Groups with Key Community Members

We conducted focus groups for key community representatives, including leaders from local clubs, committees, and various community organizations. These sessions allowed for detailed feedback on topics relevant to specific groups in your community. By inviting these members, we ensured that important perspectives from these active community leaders were gathered, complementing the broader public input received through other efforts.

Together, these engagement activities gathered valuable insights from across the community, helping us understand priorities and perspectives from a broad range of residents and groups. Each form of input will guide the next steps in developing a strategic plan that reflects the community’s shared vision for Cavan Monaghan.

Promotional Efforts

To ensure broad awareness and participation in the Strategic Plan engagement activities, we implemented a comprehensive promotional campaign across multiple platforms and channels. These efforts were designed to reach as many residents, stakeholders, and community groups as possible.

- **Project Web Page Launch:** The project webpage was launched in September, encouraging residents to subscribe for updates. Social media posts promoting the page were shared on Facebook, Instagram, and X on September 9th, 16th, 23rd, and 30th.
- **Survey Promotion:** The survey was actively promoted through a series of social media posts shared on October 16th, 18th, 20th, 21st, 22nd, 24th, 26th, and 28th.
- **Monopoly Night Advertisement:** An advertisement for Monopoly Night was featured in the October edition of the Millbrook Times and shared across social media platforms on October 16th, 18th, 20th, 22nd, 24th, and 26th.
- **Community Events:** A postcard version of the promotional material was distributed during the Fall Festival in Downtown Millbrook on October 5th.
- **Online Engagement Follow-Ups:** The project was launched on ConnectCavanMonaghan.net to provide additional access and visibility. A follow-up social media campaign promoted the ability to participate in Monopoly Night online, with posts shared on October 31st, November 1st, 2nd, and 3rd.

These targeted efforts ensured widespread promotion and facilitated community involvement at every stage of the project.



Online Survey

As part of our public engagement, an online survey was conducted over 5 weeks. The aim of our survey was to engage community members to better understand and appreciate your views and experiences while developing a shared strategic vision for the future of Cavan Monaghan.

The results of the online survey provide valuable insights into community perspectives on the strategic plan for the Township of Cavan Monaghan. Of 89 participants from the online survey and fund it tool, the majority (**89.16%**) **were residents**, showcasing strong local representation, while the rest included business owners, employees, and township staff. Notably, **65.06% of respondents have lived or worked in the area for more than 10 years**, reflecting input from a well-established segment of the community.

Mission, Vision, Values

The survey provided us with invaluable information and validation, crucial for the creation of a strong strategic plan. Notably, 85% responded positively, and of that, 20% provided additional feedback on the mission, vision, and values.

This strong endorsement reinforces our direction and commitment, while the feedback also helps us refine and enhance the strategic priorities.



“ It appears we are going in the right direction, but implementation is key. ”

Online Survey

Strategic Priorities

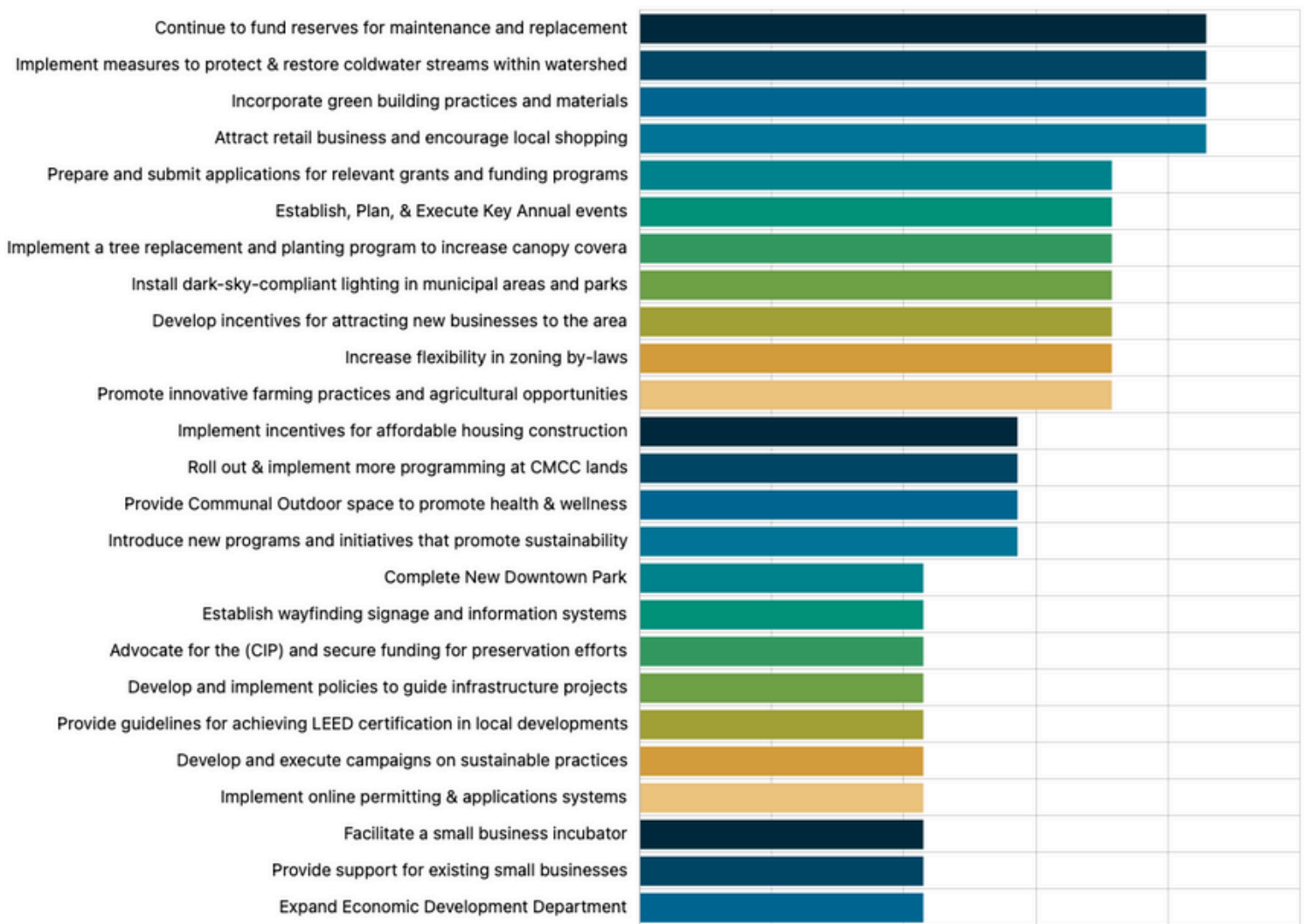
As part of the survey, we also asked participants to rank each of the strategic priority areas from most to least importance. The results provided us with the overall ranking below.



Online Survey

Fund It Monopoly Results

As part of our online surveying process, we asked respondents to prioritize the projects they felt were most important by allocating funds to them. This approach allowed participants to have a direct influence on which initiatives they believe should receive the most attention and resources. These projects fall under the six priority areas identified in our strategic plan. By "funding" the projects, respondents were able to express their preferences in a tangible way, helping us to better understand the community's priorities. Notably, the results of this online tool aligned strongly with the findings from the Open House Monopoly night, as outlined further in this report. Below are the results of this unique engagement method, highlighting the projects that garnered the most support.



Open House

At the Open House, 29 participants were given \$5 million dollars in monopoly money to allocate towards the potential municipal projects they believed were most important to them. Each project had an estimated cost associated and participants experienced prioritizing their \$5 million dollar budget towards the projects they valued most. Through this interactive experience, community members had the opportunity to learn about the objectives and actions under our proposed six strategic priorities. Participants engaged in meaningful conversations with both Township staff and members of the Council, allowing for a deeper understanding of the goals and priorities being considered.



30 Participants



6 Priority Pillars



89 Actions



\$80,640,600 spent

Top 10 Projects

Based on the feedback and allocation of Monopoly money during the open house, the following represent the top 10 priorities as identified by the community. These projects were weighted based on the associated cost of the project in relation to the total amount of monopoly money put towards it by participants.

All project “banks” were tallied at the end of the open house and their priority ranking was established, indicating these project as highest importance to your community.

- 1 Continue to fund reserves for maintenance and replacement
- 2 Advocate for the Capital Improvement Plan (CIP) and secure funding for preservation efforts
- 3 Implement incentives for affordable housing construction
- 4 Complete Park design plan
- 5 Research community needs, trends & partnership opportunities for senior housing
- 6 Promote mixed-use developments to diversify land use
- 7 Update & repair recreation amenities
- 8 Host quarterly town hall meetings
- 9 Construct new downtown park
- 10 Develop strategic transit routes connecting key locations

Open House

Other Ideas

Throughout the community engagement process, we heard a wide range of innovative and valuable ideas from residents and stakeholders. Each idea was carefully considered and discussed, with some aligning closely with our strategic priorities (on page 5). In fact, some of these ideas even garnered community funding support at our Open House Monopoly night, reflecting the strong desire for their implementation. Below are three significant findings that emerged from the Other Ideas Board, along with the funding amounts contributed by the community.

Preservation & conservation of existing buildings including old Millbrook arena

Indoor sports facility including second ice pad, pool, and soccer fields

Work with community groups (ex. lower fees for CMCC rooms)



Focus Groups

As part of our engagement efforts, we hosted three focus groups with representatives from local clubs, committees, and agencies across the township, with a collective attendance of approximately 30 community members. These focus groups offered a unique opportunity for key community members to provide insightful feedback on the needs of Cavan Monaghan. Their perspectives were invaluable in highlighting priorities that might be particularly meaningful to specific community groups as well as to Cavan Monaghan as a whole. Through these discussions, you identified key themes about the strengths and opportunities for the community's future

Strengths:

Participants highlighted several key strengths that make Cavan Monaghan a vibrant and unique community, including:

- The strong agricultural community and commitment to farming
- An active and engaged community that supports local initiatives
- Rich heritage and history
- Strategic proximity to urban centers, which supports tourism and presents opportunities
- A dedicated volunteer base
- Abundant nature and green space
- A diverse population contributing to the cultural fabric of the township

Opportunities:

The discussions also revealed opportunities that could further enhance community life, such as:

- Diversifying recreation opportunities to engage more residents
- Expanding agri-industry and agri-tourism initiatives
- Building stronger partnerships with other municipalities
- Increasing community events to foster connection and participation
- Utilizing available lands to attract new businesses and industries that align with community values

Focus Groups

While the focus groups celebrated the strengths and opportunities that make Cavan Monaghan a vibrant and promising community, they also highlighted important considerations for the future. Participants identified key challenges and areas for growth that require attention to ensure sustainable development and a high quality of life for all residents. By addressing these threats and weaknesses, the township can build on its successes while proactively planning for the road ahead

Threats:

Key external challenges were also identified, underscoring areas where vigilance will be important to protect Cavan Monaghan's future:

- Competition with nearby municipalities for industrial land.
- Provincial policies limiting municipal autonomy and funding.
- Strain on services and infrastructure due to rapid population growth.
- Risk of losing cultural and agricultural identity amid development.
- Businesses and residents moving away due to limited resources and affordability.

Weaknesses:

The group also identified key weaknesses as opportunities for growth and improvement, such as:

- Aging facilities and inadequate social and recreational services.
- Limited industrial/commercial base resulting in low tax revenue.
- Insufficient affordable housing and uneven municipal services.
- Small business base unable to meet population demands.
- Challenges integrating new residents with established communities.

All of the feedback gathered during these focus groups has been invaluable and is being used in shaping the final version of our strategic plan. The insights shared during these focus groups provided strong support for the draft Strategic Plan, reinforcing that Township Council and staff are in alignment with community needs. Additionally, some great new ideas were shared and considered, further enriching the plan. All ideas and suggestions were taken into account, ensuring that the final version of the Strategic Plan is comprehensive and deeply rooted in the voices and values of Cavan Monaghan's active participants.

Key Findings

The feedback received from the community members has been truly invaluable. Below, we have outlined the main takeaways that were consistently highlighted as crucial by community members during our community engagement efforts. These key findings represent the collective voice of your community and have been instrumental in shaping the priorities and focus areas of your municipality's strategic plan.

01

Family Living and Vitality:

Community members emphasized the importance of enhancing family life through better education and childcare options, with calls for new or expanded school capacity and improved access to before and after-school programs. Support for developing indoor recreational facilities and hosting more inclusive community events was also strongly expressed to encourage year-round engagement.

02

Infrastructure and Development:

Residents highlighted the need for balanced development to ensure infrastructure keeps pace with growth. Priorities included improvements to essential services like water systems, expanded public transit options, and increased healthcare facilities and senior services to support the aging population.

03

Economic and Environmental Sustainability:

Supporting local businesses and fostering economic growth that aligns with the town's character were crucial points for respondents. Conservation efforts, including protecting green spaces and implementing sustainable development practices, were also seen as essential for maintaining environmental health.

The insights gathered through these engagement efforts demonstrate that our community's collective voice is unified in seeking balanced growth, enhanced quality of life, and sustainable practices. These findings will serve as a guiding framework for shaping policies and initiatives that reflect the values and priorities of our residents. As we move forward, this feedback will remain a cornerstone of the commitment to building a vibrant, resilient, and inclusive municipality that supports all members of the community.

A Snapshot of Your Impact

Your voice matters.

This document offers a glimpse into the remarkable feedback we've received from you, the community members of Cavan Monaghan. From the great turnout at our Open House Monopoly Night to the insightful discussions held throughout our engagement efforts, your participation has been phenomenal. The previous pages outlined key takeaways, providing a summary of the most prominent suggestions. However, we want to emphasize that every suggestion, idea, and comment shared has been heard and is immensely valued.

Thank you once again for your active engagement and invaluable contributions to shaping your collective future.





We thank you for your continued support in our efforts to contribute to the future of Cavan Monaghan through this strategic planning process.

QUESTIONS?

Township of Cavan
Monaghan

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Town Hall Consulting Inc.

Web:
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Email:
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Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Bill Balfour Fire Chief
Report Number:	Fire Department 2025-02
Subject:	Fire Station Completion and Revised Lease Agreement

Recommendations:

- 1) That Council receive Fire Department 2025-02 regarding the final cost for new Fire Station No. 1 Project; and
- 2) That Council execute the attached revised lease agreement, for paramedic emergency services located at the New Fire and Ambulance Station, between the County of Peterborough and the Township of Cavan Monaghan; and
- 3) That Council sign By-law No. 2025-14 to authorize the execution of the Lease agreement between the County of Peterborough and the Township of Cavan Monaghan.

Overview:

The new Fire Station No. 1 project has reached completion and is fully operational as of January 8, 2025. Both Peterborough County City Paramedics and Cavan Monaghan Fire Department are providing service from the new Fire Station No. 1.

The Fire Station project began its design phase in 2021, with a redesign approved through Fire Department Report 2021-02. This report serves to provide Council an update on the Fire Station Project and the final costs including the factors of the budget overages.

Council approved the construction of a New Fire Station with a total budget of \$8,089,510; comprised of \$110,000 for preliminary design (Finance 2022-02 Capital) and \$7,979,510 for the Capital Construction (Fire 2022-02).

The total Fire Station Capital costs, including additional works to be completed in 2025, is \$9,193,079.00 The total deficit portion of the project is \$1,103,569.00.

The County of Peterborough was a partner in the Fire Station project and an agreement outlining the terms of the agreement were approved by Council in Fire department report 2023-06 The basic rent portion of the agreement, was approved by Council to be utilized to offset the Capital Debenture repayments of the Fire Station project. When the debenture is fully paid, the funds will be transferred to a dedicated reserve for Fire Department capital requests.

As the contract with Gay Co has closed, the project's budget over expenditure(deficit) of \$1,103,569.00 has been a result of several key factors. Inflation, including a 3.3% increase in the construction price index over the multi-year timeline, higher costs for labor, materials, and services. Constructability challenges arose during the construction phase, requiring revised work plans, extended timelines, and additional materials, which resulted in delay claims from trades involved in the project. Furthermore, expanded technology requirements, including network systems and design specifications for leaseholder improvements, which exceeded initial budget estimates and the hiring of a new engineering firm and project management team.

Cambium Inc. was engaged to address project challenges, ensuring adherence to the revised schedule while maintaining the approved overall scope. Their expertise in project management and contract administration was instrumental in delivering a high-quality, functional facility designed to serve the community for the next 40 to 50 years. Additionally, Cambium identified efficiencies within contractual obligations with various vendors, enhancing the building's overall functionality, performance, and energy efficiency.

Following these enhancements along with leaseholder improvement requests, a revision to the agreement with Peterborough County was requested to reflect the requested changes. In response to this request, Peterborough County Council approved a new agreement with updated basic rent rates on February 19, 2025. The previous lease agreement was endorsed by Council in Fire Department Report 2023-07. While the overall terms within the agreement remains unchanged, adjustments were made solely to the Township's revenue section, as outlined below.

With County Council's approval of these amendments, Council's approval of the revised rates is now being requested for the increased rates to be received by the Township.

The previous and updated basic rent rates are as follows:

Old Basic Rate Outlined in Lease Agreement

Period	Annual Rate (per sq. ft. of Rentable Area)	Annual Amount (plus Sales Taxes)	Monthly Amount (plus Sales Taxes)
Years 1 – 10	\$15.50	\$47,709.00	\$3,975.75
Years 11 – 20	\$16.50	\$50,787.00	\$4,232.25

New Basic Rate Outlined in Lease Agreement

Period	Annual Rate (per sq. ft. of Rentable Area)	Annual Amount (plus Sales Taxes)	Monthly Amount (plus Sales Taxes)
Years 1 – 10	\$18.50	\$56,943.00	\$4,745.25
Years 11 – 20	\$20.00	\$61,560.00	\$5,130.00

Certain project elements were removed from Gay Co.'s contract to ensure completion of project and address seasonal constraints, such as winter weather, which would have delayed progress and extended contractual obligations with various contractors. These remaining items below will be overseen by Township staff to ensure their completion in 2025. The outstanding work(s) includes:

Work(s) left to complete	Estimated cost
Landscaping and topsoil	\$50,000.00
Asphalt between Buildings and Grading	\$25,000.00
Bollards at Municipal office	\$10,000.00
Sidewalk Railing and Design	\$45,000.00
Furnace roof access safety	\$10,000
Total including Municipal HST	\$140,000.00

The items identified as outstanding work(s) have been included in total project deficit, as detailed in the report presented to Council for approval and Financing options for Council's consideration will be outlined in Finance Report 2025-03, which is scheduled to be brought forward on March 3, 2025.

Financial Impact:

Council approved the construction of a New Fire Station with a total budget of \$8,089,510; comprised of \$110,000 for preliminary design (Finance 2022-02 Capital) and \$7,979,510 for the Capital Construction (Fire 2022-02).

The total Fire Station Capital costs, including additional works to be completed in 2025, is \$9,193,079.00 The total deficit portion of the project is \$1,103,569.00.

Council had directed staff to report back with alternative financial options R-2024-264 (October 7, 2024) and therefore a comprehensive report on three capital projects, including the Fire Station, is presented in the Finance Report 2025-03. This approach will allow Council to evaluate funding options for all three projects together

Attachment:

Attachment No. 1 By-law No. 2025-14

Respectfully Submitted by,

Reviewed by,

Bill Balfour
Fire Chief

Yvette Hurley
Chief Administrative Officer

The Township of Cavan Monaghan

By-law No. 2025-14

Being a by-law to execute a revised lease agreement between the Township of Cavan Monaghan and the County of Peterborough

Whereas Section 11 of the Municipal Act, 2001, as amended, states that a lower-tier municipality may pass by-laws respecting matters within their spheres of jurisdiction;

And Whereas the Township of Cavan Monaghan deems it desirable to enter into and execute a revised Agreement with the County of Peterborough for the lease of space within the Fire Hall as described within the Agreement;

And Whereas the Township of Cavan Monaghan deems it necessary to repeal in its entirety By-law No. 2023-64, containing the original Agreement, and pass a by-law containing the revised Agreement;

Now Therefore, the Council of the Township of Cavan Monaghan hereby enacts as follows:

1. That the Mayor and Clerk are hereby authorized and directed to execute the agreement with the County of Peterborough.
2. That the agreement is attached as Schedule 'A' to this By-law.
3. That By-law No. 2023-64 be repealed in its entirety.

Read a first, second and third time and passed this 3rd day of March, 2025.

Matthew Graham
Mayor

Cindy Page
Clerk

Schedule 'A' – Lease Agreement

THE CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

(LANDLORD)

- and -

THE CORPORATION OF THE COUNTY OF PETERBOROUGH

(TENANT)

LEASE

Project: New Fire Station No. 1, Highlands Boulevard, Millbrook, Ontario

Premises: Approximately 3,078 square feet, outlined in red on Schedule "A"

LEASE

THIS LEASE dated as of the 14th day of April, 2023.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

(hereinafter called “**Landlord**”)

OF THE FIRST PART;

- and -

THE CORPORATION OF THE COUNTY OF PETERBOROUGH

(hereinafter called “**Tenant**”)

OF THE SECOND PART;

ARTICLE 1 LEASE SUMMARY

1.01 Lease Summary

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

- (a) **Premises:** Two (2) ambulance bays, the offices and rooms as shown outlined in red on Schedule “A” attached hereto, having a Rentable Area of approximately 3,078 square feet;
- (b) **Term:** Twenty (20) years;
- (c) **Possession Date:** As set out in subsection 1(d);
- (d) **Fixturing Period:** Provided that: (i) the Tenant produces a certificate of insurance evidencing Tenant’s compliance with the insurance requirements set out in this Lease; (ii) the Tenant produces evidence that any utility account exclusive to the Premises (if any) has been registered in the Tenant’s name; (iii) the Landlord has approved the Tenant’s drawings and specifications; and (iv) the Tenant has provided evidence satisfactory to the Landlord that it has obtained all necessary permits and approvals for the Tenant’s Work, then the Tenant shall be granted access to the Premises for a period of sixty (60) days commencing on the date on which the Landlord’s Work is Substantially Completed (as defined herein) (the “**Fixturing Period**”), currently estimated to be April 1, 2024 (the “**Possession Date**”) for the purpose of constructing leasehold improvements and preparing the Premises for its intended use. During the Fixturing Period, the Tenant shall not be required to pay Basic Rent or Additional Rent (as hereinafter defined) to the Landlord, save and except for utilities consumed in the Premises and garbage removal costs, otherwise the Tenant shall abide by and adhere to all other terms and conditions of this Lease.

Notwithstanding anything to the contrary herein, the Possession Date may be advanced or deferred to the date on which the Landlord’s Work is substantially complete to the point where the Tenant may commence Tenant’s Work without undue interference by the Landlord (“**Substantially Complete**”) and which Possession Date, if advanced or deferred, is to be determined upon Landlord giving fifteen (15) calendar days’ prior written notice to the Tenant.

The Landlord shall make every reasonable effort to have the Landlord’s Work Substantially Complete on or before April 1, 2024 (the “**Target Possession Date**”), but if the Landlord’s Work is not completed on or before such Target Possession Date, this Lease shall not be void or voidable nor shall the Landlord be liable for any loss or damages whatever resulting therefrom and the Possession Date shall be deferred as set forth above.

If the Possession Date is delayed as a result of any of the Tenant’s own delays, failures, actions or omissions, including the Tenant’s failure to provide plans and specifications as required hereunder or as a result of the Tenant’s failure to obtain requisite permits/approvals or otherwise comply with the provisions of the Lease, then the Possession Date shall be such date upon which the Landlord would have turned over the Premises to the Tenant but for such delays or default or acts of the Tenant, and the Tenant shall not be entitled to any abatement or reduction of Rent or other payments or any other rights in respect thereof by reason of any delay in its occupancy.

The decision of the Landlord’s Architect as to (i) the date upon which the Landlord’s Work is Substantially Complete or the date upon which the Landlord’s Work would have been Substantially Complete but for any delay, default or act of the Tenant, (ii) Rentable Area of the Premises and of any other Useable Area or Rentable Area in the Project, and (iii) the availability of the Premises for possession by the Tenant, shall be final and binding upon the parties.

(e) **Commencement Date:** The day immediately following the expiry of the Fixturing Period;

(f) **Basic Rent:**

<u>Period</u>	<u>Annual Rate (per sq. ft. of Rentable Area)</u>	<u>Annual Amount (plus Sales Taxes)</u>	<u>Monthly Amount (plus Sales Taxes)</u>
Years 1 – 10	\$18.50	\$56,943.00	\$4,745.25
Years 11 – 20	\$20.00	\$61,560.00	\$5,130.00

(g) **Use of Premises:** The Tenant shall not use the Premises for any purpose other than for operating an ambulance facility and related offices, in accordance with applicable Laws and this Lease;

(h) **Address for Service of Notice on Tenant:**

The Corporation of County of Peterborough
 470 Water Street
 Peterborough, Ontario, K9H 3M3

Address for Service of Notice on Landlord:

Township of Cavan Monaghan
988 County Road 10
Millbrook, ON L0A 1G0
Attention: Ms. Yvette Hurley
Chief Administrative Officer
Deputy Clerk, Deputy Treasurer

ARTICLE 2 DEFINITIONS

2.01 Definitions

Unless specifically defined elsewhere in this Lease, where used in this Lease, the following words or phrases shall have the meanings set forth in the balance of this Article.

- (a) “Architect” means a professionally accredited architect, engineer, surveyor or other qualified person appointed by the Landlord from time to time.
- (b) “Building” means the entire building in which the Premises are located.
- (c) “Common Facilities” means all areas, facilities, systems, improvements, furniture, fixtures and equipment in or on the Project (excluding Leasable Areas not exclusively used or occupied by the Tenant or the Landlord) and the lands forming part of the Project.
- (d) “Fiscal Year” means the period used by Landlord for fiscal purposes in respect of the Project. Unless otherwise determined by Landlord by written notice to Tenant at any time or times, each Fiscal Year shall be a calendar year. In the event of a change in the Fiscal Year, or with respect to a partial Fiscal Year at the beginning or end of the Term, all appropriate adjustments resulting from a Fiscal Year being shorter or longer than twelve (12) months shall be made.
- (e) “Landlord’s Work” means the work to be performed by the Landlord, at its own cost, as more particularly set out in Schedule B attached hereto.
- (f) “Lands” means those lands consisting of the legal parcel or PIN on which the Building is located.
- (g) “Laws” means all statutes, regulations, by-laws, orders, rules, requirements and directions of all governmental authorities having jurisdiction.
- (h) “Lease” means this Lease including all of the schedules attached hereto.
- (i) “Leasable Areas” means all areas and spaces of the Project to the extent designated or intended from time to time by Landlord to be leased to tenants, whether leased or not, but excluding any parking areas and facilities, storage areas, and premises at or below grade used for sports, fitness or other recreational purposes.
- (j) “Operating Costs” means the aggregate of all expenses and costs of every kind for each fiscal period designated by Landlord, as determined in accordance with generally accepted

accounting principles and without duplication, incurred by or on behalf of Landlord with respect to the operation, maintenance, repair, replacement and management of the Project, and all insurance relating to the Project. Provided that if the Project is less than one hundred percent (100%) completed or occupied for any time, Operating Costs shall be adjusted to mean the amount obtained by adding to the actual Operating Costs during such time such additional costs and amounts as would have been incurred or otherwise included in Operating Costs if the Project had been one hundred percent (100%) completed, leased and occupied as determined by Landlord, acting reasonably. For clarification, Landlord shall be entitled to adjust upward only those amounts which may vary depending on occupancy.

- (1) Without in any way limiting the generality of the foregoing, Operating Costs shall include all costs in respect of the following:
 - (i) all remuneration, including wages and fringe benefits, of employees engaged in the operation, maintenance, repair, replacement and management of the Project;
 - (ii) fire sprinkler maintenance and security monitoring, if any, of the Project;
 - (iii) cleaning, parking striping, window cleaning and waste removal;
 - (iv) intentionally deleted;
 - (v) all utilities supplied to the Project including, without limitation, water, gas, electricity and sewer charges, excluding those charged directly to tenants of the Project;
 - (vi) landscaping and maintenance of all outside areas, including snow and ice clearing and removal and salting of driveways and parking areas and of sidewalks adjacent to the Project;
 - (vii) unless they are charged fully in the Lease Year in which they are incurred, all in accordance with commercially reasonable accounting practices applied in the real estate industry, depreciation or amortization (whether incurred before or during the Term), over the useful life (but not exceeding ten (10) years) of all improvements, furnishings, fixtures, equipment, machinery, systems, paving, and facilities constructed or installed in or used in connection with the Project which, by their nature, require periodic or substantial repair or replacement, or which are constructed, installed or used primarily to reduce the cost of other items included in Operating Costs, whether or not such other costs are in fact reduced, and interest on the undepreciated cost of all items in respect of which depreciation or amortization is included herein at two percent (2%) in excess of the prime rate of interest charged by Landlord's bank at Toronto as of the first day of each Fiscal Year;
 - (viii) all insurance which Landlord obtains and the cost of any deductible amounts payable by Landlord in respect of any insured risk or claim;
 - (ix) policing, supervision, security and traffic control;

- (x) maintenance, repairs (including major repairs) and replacements in respect of the Common Facilities including maintenance and repair of structural elements (but not repairs of inherent structural defects or weaknesses) of the buildings in the Project and maintenance, repairs and replacements of the roof membranes (and other non-structural elements of the roof) of such buildings
- (xi) all costs in the nature of Operating Costs in respect of areas, services and facilities outside the Project, such as sidewalks and boulevards, off-site utilities and other service connections, and in respect of areas, services and facilities shared by users of the Project and users of any other property, to the extent Landlord performs or contributes to the same as a result of its ownership of the Project;
- (xii) costs incurred in connection with the Premises and the Project (or either of them) that are intended as labour or energy saving devices or are intended to effect other savings in the maintenance or stability of services, to all or part of the Premises and the Project (or either of them) including, but not limited to, improvements necessary to achieve or maintain specific energy ratings, costs incurred to comply with Laws where the Laws did not apply at the time when permits for the construction of the Project were obtained, and reasonable allocations of the costs of acquiring technology, licenses, and systems and outsourced resources including data storage, call Project services and other services in the operation of the Landlord Properties;
- (xiii) intentionally deleted;
- (xiv) business taxes, if any, on Common Facilities;
- (xv) capital taxes, if any, payable by Landlord in respect of or resulting from Landlord's ownership or other interest in the Project or any part thereof; namely, any tax or taxes payable under any provincial or federal legislation based upon or computed by reference to the paid-up capital or place of business of Landlord as determined for the purposes of such tax or based upon or computed by reference to the taxable capital employed in Canada, or any similar tax levied, imposed or assessed in the future in lieu thereof or in addition thereto by any governmental authority, all of which shall be determined by Landlord's auditor or accountant, whose determination shall be final and binding;
- (xvi) capital costs incurred for any of the above up to TEN THOUSAND DOLLARS (\$10,000.00) for any one item;
- (xvii) Sales Taxes payable by Landlord on the purchase of goods and services included in Operating Costs (excluding any such Sales Taxes which are available to and claimed by Landlord as a credit or refund in determining Landlord's net tax liability on account of Sales Taxes, but only to the extent that such Sales Taxes are included in Operating Costs);

- (xviii) the fair rental value of space occupied by Landlord for management, supervisory or administrative purposes relating to the Project;
- (xix) third party accounting, legal, and other professional and consulting fees and disbursements incurred in connection with the operation of the Project, and the costs of administering, minimizing, contesting or appealing assessments of Realty Taxes (whether or not successful) through such third party;
- (xx) Reasonable administration fee not to exceed ten percent (10%) of Operating Costs.

The Landlord shall have the right to allocate Operating Costs, or some of them, to such portion(s) of the Project as determined by the Landlord, acting reasonably.

- (2) Operating Costs, however, shall be reduced by the following to the extent actually received by Landlord:
 - (i) proceeds of insurance and damages received by Landlord from third parties to the extent of costs otherwise included in Operating Costs;
 - (ii) contributions from parties other than tenants of the Project, if any, in respect of Operating Costs, such as contributions made by parties for sharing the use of Common Facilities, but not including rent or fees charged directly for the use of any Common Facilities such as parking fees and rent for storage areas; and
 - (iii) amounts in the nature of Excess Costs, as defined in subsection 0, to the extent received by Landlord from tenants of the Project.
- (3) Operating Costs, however, shall exclude the following:
 - (i) Realty Taxes;
 - (ii) expenses incurred by Landlord in respect of other tenants' leasehold improvements;
 - (iii) capital costs except to the extent included pursuant to Section 2.01(j)(1)(xvi) above;
 - (iv) repairs or replacements to the extent that the cost of the same is recovered by Landlord pursuant to original construction warranties;
 - (v) repairs or replacements to the structural components of the Project, as determined by Landlord's structural engineer, being the roof decks (but no other part of the roof such as the roof membranes) foundations, columns, beams and weight bearing slabs and walls;
 - (vi) net proceeds received by the Landlord from insurance policies taken out by the Landlord to the extent that the proceeds relate to Operating Costs; and

- (vii) costs of making any alterations, repairs or replacements in connection with any condition of environmental concern in respect of the Building and/or the Lands (excluding the Premises), provided same did not result from the Tenant's use and occupancy.
- (k) "Project" means the Lands and all buildings, structures, improvements, equipment and facilities of any kind erected or located thereon from time to time, as the Lands, buildings, structures, improvements, equipment and facilities may be expanded, reduced or otherwise altered by Landlord in its sole discretion from time to time.
- (l) "Proportionate Share" means a fraction which has as its numerator the Rentable Area of the Premises and which has as its denominator the aggregate ground floor Rentable Area of the Building, as amended from time to time.
- (m) "Realty Taxes" means all taxes, rates, duties, levies, fees, charges, local improvement rates, levies and assessments whatever ("Taxes"), whether municipal, provincial, federal or otherwise, which may be levied, assessed or charged against or in respect of the Project or any part thereof or any fixtures, equipment or improvements therein, or against Landlord in respect of any of the same or in respect of any rental or other compensation receivable by Landlord in respect of the same, and including all Taxes which may be incurred by or imposed upon Landlord or the Project in lieu of or in addition to the foregoing including, without limitation, any Taxes on or in respect of real property rents or receipts as such (as opposed to a tax on such rents as part of the income of Landlord), any Taxes based, in whole or in part, on the value of the Project. Taxes shall, in every instance, be calculated on the basis of the Project being fully assessed and taxed at prevailing commercial rates for occupied space during the period for which Taxes are being calculated.
- (n) "Rentable Area" of the Premises shall be the Useable Area of such premises plus a portion, determined, attributed or allocated by Landlord, of the area of Common Facilities from time to time in the Project such as, without limitation, janitor facilities, sprinkler, transformer and garbage rooms, mechanical and electrical rooms and common hallways/entrances. The Rentable Area of storage areas, parking, trucking and public transportation areas and facilities, equipment and utilities areas and facilities and Common Facilities shall be zero. Every Rentable Area shall be as determined by the Architect or by a surveyor or other qualified person appointed by Landlord from time to time and on Tenant's request Landlord shall within a reasonable time thereafter provide Tenant with a certificate of such person as to the Rentable Area of the Premises, which certificate shall be conclusive and binding upon the parties hereto.
- (o) "Sales Taxes" means all business transfer, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by any federal, provincial or municipal government upon Landlord or Tenant, or in respect of this Lease, or the payments made by Tenant hereunder or the goods and services provided by Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to Tenant hereunder.
- (p) "Tenant's Work" means the work to be performed by the Tenant, at its own cost, as more particularly set out in Schedule B attached hereto.
- (q) "Useable Area" of the Premises or any Leasable Areas means the area measured from the exterior face of all exterior walls and windows, from the exterior face of all interior walls

and windows dividing any Leasable Areas from Common Facilities, and from the Project line of all interior walls and windows separating any Leasable Areas from other Leasable Areas, all without deduction for any space occupied by structures, columns, beams, conduits, ducts or projections of any kind, and all without deduction for the recessing of any entrance way or storefront from the lease line to the point where the appropriate measurement is to be made.

ARTICLE 3 INTENT OF LEASE

3.01 Net Lease

It is the intent of the parties hereto that, except as expressly herein set out, this Lease be absolutely net to Landlord and Landlord not be responsible for any expenses or obligations of any kind whatsoever in respect of the Premises or the Project.

ARTICLE 4 LEASE OF PREMISES

4.01 Premises

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those premises (“**Premises**”) being part of the Project and shown outlined on the plan attached hereto as Schedule A. Tenant acknowledges that the singular purpose of the site plan attached as Schedule A is to identify the approximate location of the Premises; it being understood and agreed that the contents thereof are not intended as a representation of any kind as to the precise size or dimensions of the Premises or any other aspect of the Project. The depiction of other occupants in the Project on the site plan does not constitute a representation, warranty or covenant of any kind whatsoever by Landlord and should not be relied upon as an inducement to enter into this Lease. Tenant acknowledges that Landlord reserves the right to make, at any time or times whether before or during the Term, any adjustments, relocations, rearrangements or other modifications to the site plan and/or Project (including the Premises) required by governmental authorities or by Landlord. The Premises shall extend from the upper surface of the structural subfloor to the lower surface of the structural ceiling within the boundaries of the Rentable Area of the Premises, determined as provided in Article 2. The Premises shall exclude the exterior faces of all perimeter walls and doors of the Premises, notwithstanding the manner in which Rentable Area is measured.

Notwithstanding the foregoing, within thirty (30) days prior to the Commencement Date, the parties will agree to the final Rentable Area of the Premises (which, for the purposes of calculating any Rent payable by the Tenant, shall be no greater than five percent (5%) of the Rentable Area set out in Section 1.01(a)).

4.02 Term

The term of this Lease (the “**Term**”) shall be for the period described as the Term in Section 1.01 hereof, commencing on the Commencement Date.

4.03 Licence to Use Common Facilities

Subject to all other relevant provisions of this Lease, Landlord grants to Tenant the non-exclusive licence during the Term to use for their intended purposes, in common with others entitled thereto, such portions of the Common Facilities as are reasonably required for the use and occupancy of the Premises twenty-four (24) hours per day, seven (7) days per week.

4.04 Quiet Enjoyment

Subject to Tenant's complying with all of the terms of this Lease, Tenant may peaceably possess and enjoy the Premises for the Term without interruption by Landlord or any person claiming through Landlord.

4.05 Acceptance of Premises

Tenant accepts the Premises in the state and condition in which they are received from Landlord "as is, where is", save and except for satisfactory completion of Landlord's Work. Occupancy of the Premises by the Tenant shall be conclusive evidence against the Tenant that, at the time the Tenant assumed occupancy, the Premises were in good order and satisfactory condition and that the Tenant has accepted the Premises "as is".

ARTICLE 5 RENT

5.01 Tenant to Pay

Tenant shall pay in lawful money of Canada at such address as shall be designated from time to time by Landlord Basic Rent and Additional Rent (all of which is herein sometimes referred to collectively as "**Rent**") as herein provided without any deduction, set-off or abatement whatsoever, Tenant hereby agreeing to waive any set-off rights it may have under any statute or at law.

5.02 Basic Rent

Commencing on the Commencement Date Tenant shall pay to Landlord a fixed minimum annual rent ("**Basic Rent**") for each Lease Year of the Term in the annual amount(s) described as Basic Rent in Section 1.01, to be paid in equal monthly instalments, as described as Basic Rent in Section 1.01, in advance on the first day of each month during the Term. On the Commencement Date, if it is other than the first day of a calendar month, Tenant shall pay to Landlord for such partial month Basic Rent computed on a per diem basis. If an amount per square foot is specified in the description of Basic Rent in Section 1.01, then the Basic Rent is intended to be such amount per square foot of Rentable Area of the Premises per annum, and the Basic Rent shall be subject to adjustment based upon the Rentable Area of the Premises determined pursuant to this Lease. Within thirty (30) days after such adjustment, if any, being made Tenant shall pay to Landlord any deficiency in previous payments of Basic Rent and Additional Rent, and if Tenant is not in default under the terms of this Lease the amount of any overpayment by Tenant of Basic Rent and Additional Rent shall be paid to Tenant or credited to the account of Tenant.

5.03 Additional Rent

In addition to Basic Rent, Tenant shall pay to Landlord, or as Landlord shall direct, all other amounts as and when the same shall be due and payable pursuant to the provisions of this Lease or pursuant to any other obligation in respect of the Premises, all of which shall be deemed to accrue on a per diem basis; all of such amounts are herein sometimes referred to as "**Additional Rent**". Tenant shall promptly deliver to Landlord upon request evidence of due payment of all payments of Additional Rent required to be paid by Tenant hereunder.

5.04 Deemed Rent and Allocation

If Tenant defaults in payment of any Rent (whether to Landlord or otherwise) as and when the same is due and payable hereunder, Landlord shall have the same rights and remedies against Tenant upon such default as if such sum or sums were rent in arrears under this Lease. Landlord may allocate payments received

from Tenant among items of Rent then due and payable by Tenant. No acceptance by Landlord of payment by Tenant of any amount less than the full amount payable to Landlord, and no endorsement or direction on any cheque or other written instruction or statement respecting any payment by Tenant shall be deemed to constitute payment in full or an accord and satisfaction of any obligation of Tenant.

5.05 Monthly Payments of Additional Rent

Landlord may from time to time by written notice to Tenant estimate or re-estimate any amount(s) payable by Tenant to Landlord hereunder including without limitation, amounts in respect of Operating Costs, Realty Taxes and utilities, for the then current or next following Fiscal Year, provided that the fiscal period used by Landlord in respect of any particular item may correspond to a shorter period within any Fiscal Year where such item, for example Realty Taxes, is payable in full by Landlord over such shorter period. The amounts so estimated shall be payable by Tenant in advance in equal monthly instalments over the Fiscal Year or other fiscal period on the same days as the monthly payments of Basic Rent. Landlord may, from time to time, alter the fiscal period selected in each case. As soon as practical after the expiration of each Fiscal Year, Landlord shall furnish to Tenant a statement of the actual amounts payable by Tenant in respect of Operating Costs, Taxes, utilities and any other relevant provisions hereof for such Fiscal Year. If the amount determined to be payable by Tenant as aforesaid shall be greater or less than the payments on account thereof previously made by Tenant, then within thirty (30) days after delivery of such statement the appropriate adjustments will be made and Tenant shall pay any deficiency to Landlord and, if Tenant is not in default under the terms of this Lease, the amount of any overpayment shall be paid to Tenant or credited to the account of Tenant. The Tenant will not assign, transfer, or otherwise dispose of any right or claim in respect of any alleged or actual overpayment of Rent. Such statement of Landlord shall be final and binding and Tenant shall have no right to dispute the accuracy or propriety of any amounts or calculations included therein, except to the extent that Tenant shall have, within thirty (30) days after being given such statement, demonstrated to the satisfaction of Landlord any error in such statement.

Upon written request made by the Tenant within ninety (90) days after receipt of the Landlord's statement, the Landlord will respond to reasonable questions with respect to the Landlord's determination of the Tenant's Proportionate Share to which the statement relates and will provide reasonable additional supporting documentation as requested by the Tenant, acting reasonably, with respect to determination of the Tenant's Proportionate Share.

ARTICLE 6 TAXES

6.01 Taxes Payable by Tenant

The parties acknowledge that Tenant is exempt from the payment of Realty Taxes and to the extent that it continues to be exempt from the payment of Realty Taxes, it will not be required to pay to Landlord any Realty Taxes during the Term. To the extent that Tenant is not exempt from the payment of Realty Taxes, Tenant shall pay to Landlord as and when due all Realty Taxes and other taxes, if any, levied, confirmed, imposed, assessed or charged (herein referred to as "**charged**") against or in respect of the Premises and all fixtures, equipment, improvements and alterations in the Premises, and including any such Realty Taxes and other taxes charged against the Premises in respect of any Common Facilities. In addition, and subject to the limitations described above, Tenant shall pay the Proportionate Share of Realty Taxes, if any, separately charged against Common Facilities. To the extent of Realty Taxes received by Landlord from Tenant, Landlord shall pay same to the taxing authority. Notwithstanding anything to the contrary, the Landlord shall be entitled to the exclusive benefit of any vacant unit Realty Tax rebate which may be recovered on account of any unoccupied Leasable Areas within the Project, and the Tenant waives its rights to any direct or indirect benefit from such rebate.

6.02 Determination of Tenant's Taxes

Tenant's obligation to pay Realty Taxes charged against or in respect of the Premises shall be determined on the basis of a separate bill if available. If the relevant taxing authority does not issue a separate bill for the Premises then Tenant's obligation in respect thereof shall be computed by applying the relevant tax rate to a separate assessment of the Premises, if any. If there is neither a separate bill for Realty Taxes for the Premises nor a separate assessment of the Premises for any period of time, then for such period the Realty Taxes charged against or in respect of the Premises shall be determined by Landlord, acting reasonably. Provided that Tenant shall be solely responsible for any increase in Realty Taxes resulting from any act or election of Tenant or from any fixtures or improvements in the Premises, and Tenant shall not be responsible for any such increase resulting from any act or election of Landlord or any other occupant of the Project or any fixtures or improvements in other Leasable Areas. Any amounts payable by Tenant on account of Realty Taxes shall be adjusted on a per diem basis in respect of any period not falling wholly within the Term.

The parties acknowledge and agree that this Section 6.02 shall not apply to the extent that Tenant is exempt from the payment of Realty Taxes.

6.03 Business Taxes and Sales Taxes

- (a) Tenant shall pay to the relevant taxing authority as and when the same are due and payable all taxes charged in respect of any business conducted on, or any use or occupancy of, the Premises.
- (b) Tenant shall pay to Landlord when due all Sales Taxes imposed on Landlord or Tenant with respect to Rent payable by Tenant hereunder or in respect of the rental of space under this Lease.

6.04 Tax Bills and Assessment Notices

Tenant shall deliver to Landlord forthwith upon Tenant's receiving the same copies of all assessment notices, tax bills, receipts and other documents received by Tenant relating to Realty Taxes on the Premises or the Project.

6.05 Contest of Realty Taxes

- (a) Landlord may contest any Realty Taxes and appeal any assessments related to the Project and may withdraw any such contest or appeal or may agree with the relevant authorities on any settlement in respect thereof. Tenant will cooperate with Landlord in respect of any such contest and appeal and shall provide to Landlord such information and execute such documents as Landlord requests to give full effect to the foregoing. All costs of any such contest and appeal by Landlord shall be included in Operating Costs.
- (b) Tenant will not have the right to contest any Realty Taxes or appeal any assessments related to the Project.

ARTICLE 7 OPERATION OF PROJECT

7.01 Operation of Project by Landlord

Landlord shall repair, maintain and operate the Project as would a prudent owner having regard to its size, age, location and character.

7.02 Tenant's Payment of Operating Costs

Commencing on the Commencement Date and thereafter at all times throughout the Term Tenant shall pay to Landlord the Proportionate Share of Operating Costs. Subject to Section 5.05, the amounts payable by Tenant pursuant to this Section 7.02 shall be paid to Landlord within ten (10) days after the submission to Tenant of a statement showing the amount payable by Tenant from time to time. All amounts payable under this Article 7 in respect of any period not falling entirely within the Term shall be adjusted on a per diem basis.

7.03 Adjustments to Operating Costs

If by reason of the particular use or occupancy of the Premises or any of the Common Facilities by Tenant, its employees, agents or persons having business with Tenant, additional costs in the nature of Operating Costs, such as utility charges, security costs, and costs of hoisting, supervision, waste removal and receiving, storing or handling materials and articles, and costs of heating, ventilating and air-conditioning, are incurred in excess of the costs which would otherwise have been incurred for such items (“**Excess Costs**”), then Landlord shall have the right to determine on a reasonable basis and require Tenant to pay such Excess Costs plus an administration fee of ten percent (10%) of such costs.

ARTICLE 8 USE OF PREMISES

8.01 Use of Premises

To the intent that this covenant shall run with the Premises for the benefit for the Project, excluding the Premises, Tenant covenants that it shall not use and shall not permit the Premises to be used for any purpose other than as described as Use of Premises in Section 1.01 hereof. Tenant acknowledges that Landlord is making no representation or warranty as to the Tenant's ability to use the Premises for its intended use and the Tenant shall, prior to executing this Lease, perform such searches and satisfy itself that its use is permitted under all applicable Laws and that Tenant will be able to obtain any applicable licenses or permits.

8.02 Tenant's Fixtures

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

8.03 Signs

Tenant shall not place or affix any sign, decal, logo or design of any nature either on or about the exterior walls of the Premises, without first obtaining Landlord's written consent in each instance as to the specifications, design, location and method of installation.

The Tenant shall have the right to install a sign on the exterior of the Building, subject to the approval of municipal authorities and subject to the Landlord's prior approval, which shall not be unreasonably withheld or delayed. The type, size, design and colours of the Tenant's signage shall be at the Tenant's discretion, but subject to municipal by-laws and the prior approval of the Landlord, which approval shall not be unreasonably withheld.

8.04 Waste Removal

Tenant shall not allow any refuse, garbage or any loose, objectionable material (hereinafter collectively referred to as "Refuse") to accumulate in or about the Premises or the Project and will at all times keep the Premises in a clean and neat condition. Tenant shall comply with Landlord's regulations respecting the storage and removal of waste and shall be responsible for all costs of removal of waste from the Premises (other than costs of routine waste removal included in Operating Costs) including but not limited to maintaining in good standing a waste removal contract to service the Premises. Until removed from the Project all waste from the Premises shall be kept in appropriate containers within the Premises. Notwithstanding anything to the contrary contained in this Lease, the Tenant shall be responsible for paying the Landlord, as Additional Rent, the costs incurred by the Landlord for such Refuse pick-up and removal on behalf of the Tenant, plus an administration fee of ten percent (10%) of the aggregate of such costs. For greater certainty, such costs shall not be considered part of the Operating Costs, but shall be a separate, additional charge payable by the Tenant.

8.05 Pest Control

Tenant shall be responsible for pest extermination in respect of the Premises and shall engage, for such purpose, such contractors at such intervals as Landlord may require. Tenant shall not bring or permit to be brought onto the Premises or the Project any animals or birds of any kind.

8.06 Waste and Nuisance

- (a) Tenant shall not cause, suffer or permit any waste or damage to the Premises or leasehold improvements, fixtures or equipment therein nor permit any overloading of the floors thereof and shall not use or permit to be used any part of the Premises for any dangerous, noxious or offensive activity or goods and shall not do or bring anything or permit anything to be done or brought on or about the Premises or the Project which results in undue noise or vibration or which Landlord may reasonably deem to be hazardous or a nuisance or annoyance to any other tenants or any other persons permitted to be on the Project, including without limitation any objectionable odours emanating from the Premises. Tenant shall immediately take steps to remedy, remove or desist from any activity, equipment, goods or condition on or emanating from the Premises to which Landlord objects on a reasonable basis. Tenant shall take every reasonable precaution to protect the Premises and the Project from risk of damage by fire, water or the elements or any other cause.
- (b) Tenant shall not itself, and shall not permit any of its employees, servants, agents, contractors or persons having business with Tenant, to obstruct any Common Facilities or use or permit to be used any Common Facilities for other than their intended purposes. Without limiting the foregoing, Tenant shall not permit any equipment, goods or material whatsoever to be placed or stored anywhere in or on the Common Facilities, including without limitation on the loading docks and other outside areas adjacent to the Premises. Tenant shall not, and shall not permit anyone else to, place anything on the roof of the Building or go on to the roof of the Building for any purpose whatsoever, without

Landlord's prior written approval, which may be arbitrarily withheld in Landlord's sole discretion.

- (c) Tenant shall be solely responsible for any contaminant, pollutant or toxic substance at any time affecting the Premises resulting from any act or omission of Tenant or those for whom the Tenant is at law responsible during the Term, and any period prior to the Term during which the Premises were used or occupied by or under the control of Tenant, and shall be responsible for the clean-up and removal of any of the same and any damages caused by the occurrence, clean-up or removal of any of the same, and Tenant shall indemnify Landlord in respect thereof.

8.07 Compliance with Laws

Tenant shall be solely responsible for obtaining from all authorities having jurisdiction all necessary permits, licences and approvals as may be necessary to permit Tenant to occupy the Premises and conduct its business thereon, as required by all applicable Laws. Tenant shall bear all risks and liabilities in the event that the Tenant occupies the Premises and/or conducts business thereon without all necessary permits, licences and approvals having been obtained. At Tenant's own expense, Tenant shall observe and comply with all Laws pertaining to or affecting the Premises, including without limitation those respecting the condition and occupation of the Premises, the Tenant's use of the Premises or the conduct of any business in the Premises, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises, and comply with the regulations of any insurance underwriters in respect of the insurance maintained by the Landlord in respect of the Project, or required by the Tenant under this Lease, and carry out all modifications to the Premises and the Tenant's conduct of business in or use of the Premises which may be required by any such authorities. Notwithstanding the foregoing, the Tenant shall not be required to remedy any non-compliance that existed in the Premises prior to the Possession Date and the Landlord agrees that the Landlord shall be responsible for remedying any such non-compliance at its sole cost.

ARTICLE 9 SERVICES AND UTILITIES

9.01 Utilities

- (a) Subject to Landlord's ability to do so, Landlord shall supply or cause to be supplied to the Premises electricity and other utilities for the reasonable use of the Premises for their intended purposes. Tenant shall promptly pay for, as and when they fall due, to Landlord or as Landlord shall from time to time direct, all costs of supplying water, electricity, gas, and any other utilities which are available and supplied to or in respect of the Premises, and all costs for all fittings, connections and meters and all work performed in connection with any services or utilities provided to the Premises. Tenant shall promptly execute and deliver any agreements required by Landlord or by utilities suppliers in respect of the supply of any utilities to the Premises. Tenant's use of any such utilities shall not exceed the available capacity of the existing systems from time to time.
- (b) Should there be no individual meters for the measurement of the consumption of any utilities supplied to the Premises then Landlord, acting reasonably, may allocate the cost of such utilities among the various users thereof. If required by Landlord, Tenant shall install at its expense a separate meter or meters to measure the consumption of any or all utilities in the Premises. The cost of any utilities which are not charged to tenants of the Building individually shall be included in Operating Costs. The Tenant shall reimburse the Landlord, within twenty (20) days of receipt of Landlord's invoice, for the cost of any

such utilities paid by the Landlord on the Tenant's behalf plus an administration fee of ten percent (10%) of the total cost of such utilities.

9.02 Heating and Air-conditioning

Tenant shall heat and, where applicable, air-condition the Premises in a reasonable manner using heating and air-conditioning equipment ("HVAC") installed in the Building by Landlord. The parties acknowledge that there is not HVAC exclusively servicing the Premises and the Landlord shall complete any necessary repairs, maintenance and replacements, and the cost thereof shall be included in Operating Costs to the extent permitted under this Lease.

9.03 Non-Liability of Landlord

Landlord shall not be liable for any damages, direct or indirect, resulting from or contributed to by any interruption or cessation in supply of any utilities or heating, ventilating, air-conditioning and humidity control. Without limiting the generality of the foregoing, Landlord shall not be liable for and Tenant shall indemnify Landlord against any and all indirect or consequential damages or damages for personal discomfort or illness of Tenant or any persons permitted by it to be on the Premises, by reason of the suspension or non-operation of any utilities, heating, ventilating, air-conditioning or humidity control.

9.04 Landlord's Suspension of Utilities

In order to effect any maintenance, repairs, replacements or alterations to any of such utilities, heating, ventilating, air-conditioning or humidity control equipment or systems, or any other part of the Project, Landlord shall have the right to modify or temporarily discontinue or suspend the operation of any such equipment or systems as required from time to time.

ARTICLE 10 MAINTENANCE, REPAIRS AND ALTERATIONS

10.01 Maintenance and Repairs of Premises

At all times throughout the Term Tenant, at its sole expense, shall perform such maintenance (including painting and repair or replacement of any interior finishings), repairs and replacements as required to keep the Premises, all contents thereof and all services and equipment located in or primarily serving the Premises, in first-class appearance and condition, and in accordance with all Laws and Landlord's reasonable requirements, subject only to the obligations of Landlord expressly provided in Section 10.07. For purposes of this Section 10.01, but without affecting the interpretation of any other provision of this Lease, Premises shall include all leasehold improvements to the Premises, the storefront, the exterior finishes of exterior walls and all storefront and bulkhead signage, the entranceway to the Premises, and all areas and facilities adjacent or proximate to and serving exclusively the Premises.

Tenant and those for whom it is in law responsible shall not: (i) enter upon the roof of the Building nor (ii) perform any work on or to the roof of the Building without first obtaining the prior written consent of the Landlord, which may include Landlord's insistence on accompanying the Tenant's personnel on to the roof of the said Building.

10.02 Approval of Repairs and Alterations

- (a) Tenant shall not make any repairs, replacements, changes, additions, improvements or alterations (hereinafter referred to as "**Alterations**") to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld unless such

proposed Alterations might affect the demising walls, entrances or storefront of the Premises or the structure of the Building or the coverage of the Project for zoning purposes, or the parking requirements for the Project, or impair the value or usefulness of the Premises or the Project, in any of which cases Landlord's consent may be unreasonably withheld in Landlord's sole discretion.

- (b) With its request for consent Tenant shall submit to Landlord details of the proposed Alterations including plans and specifications prepared by qualified architects or engineers, and such Alterations shall be completed in accordance with the plans and specifications approved in writing by Landlord. Unless expressly authorized in writing by Landlord to the contrary, all Alterations which might cost in excess of TWENTY THOUSAND DOLLARS (\$20,000.00) to complete or which might affect the structure or mechanical, electrical, utility, sprinkler, communications or other similar systems of the Premises or the Building, shall be conducted under the supervision of a qualified architect or engineer approved by Landlord, such approval not to be unreasonably withheld.
- (c) All Alterations shall be planned and completed in compliance with all Laws and Tenant shall prior to commencing any Alterations, obtain at its expense all necessary permits and licences. Prior to the commencement of any such Alterations Tenant shall furnish to Landlord such evidence as reasonably required by Landlord of the projected cost of Alterations and Tenant's ability to pay for same, together with such indemnification against costs, liens and damages as Landlord shall reasonably require including, if required by Landlord, a performance, completion and labour and materials bond acceptable to Landlord guaranteeing completion of such Alterations.
- (d) All Alterations shall be performed at Tenant's cost, promptly and in a good and workmanlike manner and in compliance with Landlord's rules and regulations, by competent contractors or workmen who shall be first approved in writing by Landlord, which approval shall not be unreasonably withheld. If any Alterations affect the structure or any mechanical, electrical, utility, sprinkler, communications or other similar systems within the Premises or the Project, they shall, at Landlord's option, be performed at Tenant's expense by Landlord or by contractors designated by Landlord and under Landlord's supervision. For all Alterations performed by Landlord or at Landlord's expense or under Landlord's supervision, Tenant shall pay forthwith upon request all amounts paid or payable by Landlord to third parties and all reasonable charges of Landlord for its own personnel plus ten percent (10%) for Landlord's inspection, supervision and overhead. All Alterations, the making of which might disrupt other tenants or occupants of the Project or the public, shall be performed outside Business Hours.
- (e) If Tenant performs any such Alterations without compliance with all of the foregoing provisions of this Article 10, Landlord shall have the right to require Tenant to remove such Alterations forthwith.
- (f) Tenant shall pay to Landlord forthwith upon request all of Landlord's reasonable costs including, without limitation, fees of architects, engineers and designers, incurred in dealing with Tenant's request for Landlord's consent to any Alterations, whether or not such consent is granted, and in inspecting and supervising any such Alterations and Landlord shall have the right to require Tenant to pay Landlord a deposit on account of such costs as a precondition to Landlord's granting such consent.

- (g) Notwithstanding anything to the contrary, the Tenant shall be entitled to make minor interior alterations to the Premises, without the Landlord's consent, but upon prior written notice to the Landlord, provided that:
- (i) such alterations do not in the aggregate cost in excess of Ten Thousand Dollars (\$10,000.00) in each instance or in any twelve (12) consecutive month period;
 - (ii) such alterations in no way affect: (i) the structure of the Premises or the Building; (ii) the plumbing system, heating, ventilating, electrical and air-conditioning systems, sprinkler systems or any other Landlord's systems of the Premises or Project; (iii) the Common Facilities; (iv) signage on any part of the outside of, or in a location that could be viewed from the outside of, the Premises; or (v) any part of the Project outside of the interior of the Premises; and
 - (iii) such alterations do not require a building permit or any other approvals of authorities having jurisdiction.

10.03 Repair According to Landlord's Notice

Landlord or any persons designated by it shall have the right to enter the Premises at any time to view the state of repair and condition thereof and Tenant shall promptly perform according to Landlord's written notice any maintenance (including painting and repair or replacement of any interior finishings), repairs or replacements in accordance with Tenant's obligations hereunder.

10.04 Notice by Tenant

Tenant shall give immediate written notice to Landlord of any accident, defect or damage in any part of the Premises or the Project which comes to the attention of Tenant or any of its employees or contractors notwithstanding the fact that Landlord may have no obligation in respect of the same.

10.05 Ownership of Leasehold Improvements

All leasehold improvements installed in or about the Premises shall forthwith upon the installation thereof become the property of Landlord but without Landlord's thereby accepting any responsibility in respect of the maintenance, repair or replacement thereof. The expression "leasehold improvements" where used in this Lease includes, without limitation, all fixtures, installations, alterations and additions from time to time made or installed in or about the Premises, and includes all of the following, whether or not they are trade fixtures or easily removable: doors, partitions and hardware; mechanical, electrical and utility installations; heating, ventilating, air-conditioning and humidity control equipment; lighting fixtures and built-in furniture.

10.06 Construction Liens

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

by paying the amount claimed into court, and the amounts so paid and all costs incurred by Landlord, including legal fees and disbursements, shall be paid by Tenant to Landlord forthwith upon demand.

10.07 Landlord's Maintenance and Repair

Subject to the provisions of Article 12 herein and subject to Tenant's obligations hereunder, Landlord covenants to maintain and repair the following as a prudent owner: (i) the structure of the Project and exterior walls of the Building (but for clarity, any costs incurred by the Landlord with respect to the general maintenance of the structural components, including without limitation, tuckpointing and caulking shall be included in Operating Costs); (ii) electrical, mechanical and drainage equipment and systems forming part of the Project but not located within the Premises and not serving exclusively the Premises; and (iii) damage to the Premises, excluding all leasehold improvements, against which and to the extent to which Landlord is required to be insured pursuant hereto or is otherwise insured and which is not Tenant's obligation to repair under this Lease and against which Tenant is not required to be insured and is not otherwise insured. Landlord's costs of compliance with this Section 10.07 shall be included in Operating Costs to the extent set out in this Lease. Provided that to the extent that such repair is necessitated directly or indirectly by any act or omission of Tenant or any servant, employee, agent, contractor, invitee or licensee of Tenant, Tenant shall be solely responsible for the cost of such repairs in accordance with Section 10.08 and shall indemnify Landlord in respect thereof.

10.08 Special Services

- (a) Tenant shall pay Landlord on demand all charges as determined and allocated by Landlord acting reasonably in respect of all special services provided to or for the benefit of Tenant beyond building standard services the costs of which are included in Operating Costs. Unless otherwise expressly agreed between Landlord and Tenant to the contrary in respect of any specific matter from time to time, all work performed and materials supplied by Landlord for Tenant or otherwise respecting the Premises pursuant to the provisions hereof or otherwise shall be paid for by Tenant to Landlord forthwith on demand at Landlord's cost for the same plus ten percent (10%) for inspection, supervision and overhead.
- (b) Landlord shall be the exclusive supplier in respect of the Premises, at Tenant's expense, for any services requiring drilling or otherwise penetrating floors, walls or ceilings, and for locksmithing and security arrangements. If Landlord, in its sole discretion, agrees in writing with Tenant that it shall not be the exclusive supplier of any of the aforesaid services, then only persons approved by Landlord acting reasonably may supply same to the Premises.

ARTICLE 11 END OF TERM

11.01 Vacating of Possession

Forthwith upon the expiry or earlier termination of the Term, Tenant shall deliver to Landlord vacant possession of the Premises in such condition in which Tenant is required to keep the Premises during the Term pursuant hereto and shall leave the Premises in neat and clean condition and shall deliver to Landlord all keys for the Premises and all keys or combinations to locks on doors or vaults in the Premises.

11.02 Removal of Trade Fixtures

Provided Tenant has paid all Rent and is not otherwise in default hereunder, or if otherwise authorized or requested by Landlord, at the expiry or earlier termination of the Term Tenant shall remove its trade fixtures

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

11.03 Removal of Leasehold Improvements

Notwithstanding that the leasehold improvements become the property of Landlord upon installation, at the expiry or earlier termination of the Term Tenant shall remove any or all of such leasehold improvements made or installed in or about the Premises by Tenant, or by Landlord as Tenant's contractor, without the Landlord's approval and in so doing shall repair all damage resulting therefrom.

11.04 Overholding by Tenant

If Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of Landlord but without any further written agreement, this Lease shall not be deemed thereby to have been renewed and Tenant shall be deemed to be occupying the Premises as a monthly tenant on the same terms as set forth in this Lease insofar as they are applicable to a monthly tenancy except the monthly Basic Rent shall be equal to 150% of the monthly Basic Rent payable during the last twelve months of the Term.

ARTICLE 12 DAMAGE AND DESTRUCTION

12.01 Insured Damage to Premises

- (a) If there is damage to or destruction of the Premises caused by an occurrence against which, and to not more than the extent that, Landlord either is required to insure pursuant to this Lease or is otherwise insured ("**Insured Damage**"), then the following provisions of this Section 12.01 shall apply.
- (b) If such damage or destruction is such as to render the whole or any part of the Premises unusable for the purpose of Tenant's use and occupancy thereof, Landlord shall deliver to Tenant within thirty (30) days following the occurrence of such damage or destruction its reasonable opinion as to whether or not the same is capable of being repaired, to the extent of Landlord's repair obligations hereunder, within one hundred and eighty (180) days following such occurrence.
- (c) If this Lease is not terminated as herein provided, Landlord, to the extent of insurance proceeds which it receives or would have received had it maintained such insurance as it is required to maintain hereunder, and to the extent that any mortgagee(s) entitled to be paid such insurance proceeds consents to the use of the same for repair of such damage or destruction, shall diligently proceed to perform repairs to the Premises to the extent of its obligations pursuant to Section 10.07 hereof; and Tenant, commencing as soon as practicable but without interfering with Landlord's repairs, shall diligently perform such repairs as are Tenant's responsibility pursuant hereto.
- (d) If, (i) in Landlord's reasonable opinion, the Premises are not capable of being repaired as aforesaid within one hundred and eighty (180) days following such occurrence, or (ii) Tenant was at the time of such damage in breach of this Lease and fails within fifteen (15) days after notice of such default to remedy same to the extent possible in view of such

damage, Landlord may, at its option, and in the case of (i) above, Tenant may, at its option, elect, by written notice to the other within thirty (30) days after delivery by Landlord of the opinion provided for in subsection 12.01(b) above, to terminate this Lease, whereupon Tenant shall immediately surrender possession of the Premises and Basic Rent and all other payments for which Tenant is liable pursuant hereto shall be apportioned to the effective date of such termination.

- (e) If the damage is such as to render the whole or any part of the Premises unusable in whole or in part for the purpose of Tenant's use and occupancy thereof for a period of ten (10) days or more, then the Basic Rent payable hereunder shall abate for the portion of such period in excess of ten (10) days, to the extent that Tenant's use and occupancy of the Premises is in fact diminished, which determination shall be made by the Architect, until the earlier of (i) the thirtieth (30th) day after the Premises are determined by Landlord to be ready for Tenant to commence its repairs to the Premises, and (ii) the date on which Tenant first commences the conduct of business in any part of the Premises which had been damaged.
- (f) The respective obligations of Landlord and Tenant with respect to repair of the Premises following any damage or destruction shall be performed with all reasonable speed and in accordance with all applicable obligations to repair contained herein. Tenant acknowledges that its obligations to repair the Premises after such damage or destruction shall be performed at its sole cost without any contribution by Landlord whether or not the damage or destruction was caused by Landlord's fault and whether or not Landlord had at any time made any contribution to the cost of any leasehold improvements in the Premises. In any event, within sixty (60) days after Landlord has completed its repairs to the Premises as aforesaid, Tenant shall complete its repairs to the Premises and shall recommence the conduct of business thereon.

12.02 Uninsured Damage and Last Two Years

If there is damage to or destruction of the Premises and if, in Landlord's reasonable opinion, of which notice is given to Tenant within fifteen (15) days after the later of the date of such damage or destruction and the date upon which Landlord is notified by Tenant of such damage or destruction, the Premises are not capable of being repaired to the extent of Landlord's repair obligations within thirty (30) days following the giving of such notice and if (i) such damage or destruction is not Insured Damage, or (ii) such damage or destruction occurs within the last two (2) Lease Years of the Term and either Tenant has no remaining rights to renew this Lease or, having the right to renew this Lease fails to do so within fifteen (15) days after receipt of the said notice, then Landlord, at its option to be exercised by written notice given to Tenant within thirty (30) days after the later of the date of such damage or destruction and the date upon which Landlord is notified by Tenant of such damage or destruction, may terminate this Lease whereupon Tenant shall immediately surrender possession of the Premises and Basic Rent and all other payments for which Tenant is liable hereunder shall be apportioned to the effective date of such termination. If this Lease is not terminated as aforesaid the parties shall repair as provided in subsection 12.01(c) hereof and there shall be no abatement of any Rent unless the damage or destruction is Insured Damage and then only to the extent expressly provided in subsection 12.01(e) above.

12.03 Damage to Project

If twenty-five percent (25%) or more of the Rentable Area of Leasable Areas of the Project is damaged or destroyed by any cause whatsoever, whether or not there is any damage to the Premises, Landlord may, at its option, by notice given to Tenant within sixty (60) days after such occurrence, terminate this Lease as

of a date specified in such notice, which date shall be not less than thirty (30) days and not more than one hundred and eighty (180) days after the giving of such notice. In the event of such termination, Tenant shall surrender vacant possession of the Premises by not later than the said date of termination, and Basic Rent and all other payments for which Tenant is liable hereunder shall be apportioned to the effective date of termination. If Landlord does not so elect to terminate this Lease, Landlord shall diligently proceed to repair and rebuild the Project to the extent of its obligations pursuant hereto to the extent of insurance proceeds which Landlord receives or would have received had it maintained such insurance as required hereunder, and to the extent that any mortgagee entitled to be paid such insurance proceeds consents to the use of same for such purpose.

12.04 Restoration of Premises or Project

If there is damage to or destruction of the Premises or the Project and if this Lease is not terminated pursuant hereto, Landlord, in performing its repairs as required hereby, shall not be obliged to repair or rebuild in accordance with the plans or specifications for the Premises or the Project as they existed prior to such damage or destruction; rather, Landlord may repair or rebuild in accordance with any plans and specifications chosen by Landlord in its sole discretion provided that Tenant's use of and access to the Premises and the general overall quality of the Project are not materially detrimentally affected by any difference in plans or specifications of the Premises or the Project.

12.05 Determination of Matters

For the purposes of this Article 12 all matters requiring determination such as, without limitation, the extent to which any area(s) of the Premises or the Project are damaged or are not capable of being used, or the time within which repairs may be made, unless expressly provided to the contrary, shall be determined by Landlord's Architect, such determination to be final and binding on the parties.

ARTICLE 13 INSURANCE AND INDEMNITY

13.01 Landlord's Insurance

Landlord shall obtain and maintain in full force and effect during the Term with respect to the Project insurance against such occurrences and in such amounts, on such terms and with such deductible(s) as would a prudent owner of such a Project. Such insurance may include, without limitation: (i) insurance on the Building and any improvements therein which Landlord desires to insure, against damage by fire and other risks covered by extended coverage fire insurance policies or, at Landlord's option, all risks insurance; (ii) boiler and machinery insurance; (iii) rental income insurance; (iv) public liability insurance; and (v) such other insurance and in such amounts and on such terms as Landlord, in its discretion, may reasonably determine. Notwithstanding that Tenant shall be contributing to the costs of such insurance pursuant to the terms of this Lease, Tenant shall not have any interest in or any right to recover any proceeds under any of Landlord's insurance policies.

13.02 Tenant's Effect On Other Insurance

- (a) Tenant shall not do or permit anywhere on the Premises or Project anything which might:
 - (i) result in any increase in the cost of any insurance policy of Landlord on the Project; (ii) result in an actual or threatened cancellation of or adverse change in any insurance policy of Landlord on the Project; or (iii) be prohibited by any insurance policy of Landlord on the Project.

- (b) If the cost of any insurance policies of Landlord on the Project is increased as a result of any improvements made by Tenant or anything done or permitted by Tenant anywhere on the Premises or Project, Tenant shall pay the full amount of such increase to Landlord forthwith upon demand. Tenant's responsibility for any increased cost of insurance as aforesaid shall be conclusively determined by a statement issued by the organization, company or insurer establishing the insurance rates for the relevant policy.
- (c) If there is an actual or threatened cancellation of or adverse change in any policy of insurance of Landlord on the Project by reason of anything done or permitted by Tenant anywhere on the Premises or Project, and if Tenant fails to remedy the situation giving rise to such actual or threatened cancellation or change within twenty-four (24) hours after notice from Landlord, then Landlord may, at its option, either (i) terminate this Lease forthwith by written notice; or, (ii) remedy the situation giving rise to such actual or threatened cancellation or change, all at the cost of Tenant to be paid to Landlord forthwith upon demand, and for such purpose Landlord shall have the right to enter upon the Premises without further notice.

13.03 Tenant's Insurance

- (a) Tenant shall, at its sole expense, maintain in full force and effect at all times throughout the Term and such other times, if any, as Tenant occupies the Premises or any portion thereof, such insurance as would be maintained by a prudent tenant of premises such as the Premises, which insurance shall include at least all of the following:
 - (i) Commercial general liability insurance on an occurrence basis with respect to Tenant's business activities and occupancy of or things on the Premises, and with respect to the use and occupancy of any other part of the Project by Tenant or any of its employees, servants, agents, invitees, licensees, subtenants, contractors or persons for whom Tenant is in law responsible, with coverage for any occurrence of not less than FIVE MILLION (\$5,000,000.00) DOLLARS;
 - (ii) All risks insurance covering the leasehold improvements, trade fixtures and contents on the Premises, for not less than the full replacement cost thereof and with a replacement cost endorsement;
 - (iii) Broad form comprehensive boiler and machinery insurance on all insurable objects located on or about the Premises or which are the property or responsibility of Tenant, for not less than the full replacement cost thereof and with a replacement cost endorsement;
 - (iv) Business interruption insurance in such amounts as necessary to fully compensate Tenant for direct or indirect loss of sales or earnings attributable to any of the perils required to be insured against under the policies referred to in subsections 13.03(a)(ii) and 13.03(a)(iii) and all circumstances usually insured against by cautious tenants including losses resulting from interference with access to the Premises or the Project as a result of such perils or for any other reason;
 - (v) Tenant's legal liability insurance for the full replacement cost of the Premises, and the loss of use thereof; and

- (vi) Any other insurance against such risks and in such amounts as Landlord or any mortgagee of Landlord may from time to time reasonably require upon not less than thirty (30) days' notice to Tenant.
- (b) Each of Tenant's insurance policies shall name Landlord as an additional named insured, and shall be taken out with insurers and shall be in such form and on such terms as are satisfactory to Landlord from time to time. Without limiting the generality of the foregoing, each of Tenant's insurance policies shall contain:
 - (i) the standard mortgage clause as may be required by any mortgagee of Landlord;
 - (ii) a waiver by the insurer of any rights of subrogation to which such insurer might otherwise be entitled against Landlord or any person for whom Landlord is in law responsible;
 - (iii) an undertaking by the insurer that no material change adverse to Tenant or Landlord or any mortgagee of Landlord will be made and the policy will not lapse or be terminated, except after not less than thirty (30) days' written notice to Tenant and Landlord and to any mortgagee of Landlord;
 - (iv) a provision stating that Tenant's insurance policy shall be primary and shall not call into contribution any other insurance available to Landlord;
 - (v) a joint loss endorsement, where applicable;
 - (vi) a severability of interests clause and a cross-liability clause; and
 - (vii) a waiver, in respect of the interests of Landlord and any mortgagee of Landlord, of any provision with respect to any breach of any warranties, representations, declarations or conditions contained in the said policy.
- (c) Tenant shall ensure that Landlord shall at all times be in possession of either certificates or certified copies of Tenant's insurance policies which are in good standing and in compliance with Tenant's obligations hereunder.
- (d) Tenant hereby releases Landlord and its servants, agents, employees, contractors and those for whom Landlord is in law responsible from all losses, damages and claims of any kind in respect of which Tenant is required to maintain insurance hereunder or is otherwise insured.

13.04 Landlord's Right to Place Tenant's Insurance

If Tenant fails to maintain in force, or pay any premiums for, any insurance required to be maintained by Tenant hereunder, or if Tenant fails from time to time to deliver to Landlord satisfactory proof of the good standing of any such insurance or the payment of premiums therefor, then Landlord, without prejudice to any of its other rights and remedies hereunder, shall have the right but not the obligation to effect such insurance on behalf of Tenant and the cost thereof and all other reasonable expenses incurred by Landlord in that regard shall be paid by Tenant to Landlord forthwith upon demand.

13.05 Landlord's Non-Liability

Tenant agrees that Landlord shall not be liable or responsible in any way for any injury or death to any person or for any loss or damage to any property, at any time on or about the Premises or any property owned by or being the responsibility of Tenant or any of its servants, agents, customers, contractors or persons for whom Tenant is in law responsible elsewhere on or about the Project, save and except where such loss or damage has resulted from or contributed to by the negligence of Landlord, its servants, agents, employees, contractors or persons for whom Landlord is in law responsible. Without limiting or affecting the generality of the foregoing, Landlord shall not be liable or responsible for any such injury, death, loss or damage to any persons or property caused or contributed to by any of the following: fire, explosion, steam, water, rain, snow, dampness, leakage, electricity or gas, save and except where such loss or damage has resulted from or contributed to by the negligence of Landlord, its servants, agents, employees, contractors or persons for whom Landlord is in law responsible. Without limiting or affecting the interpretation of the foregoing, and notwithstanding the foregoing, it is agreed that Landlord shall in no event be liable for any indirect or consequential damages suffered by Tenant.

13.06 Indemnity of Landlord

Tenant shall indemnify Landlord and all of its servants, agents, employees, contractors and persons for whom Landlord is in law responsible against any and all liabilities, claims, damages, losses and expenses, including all reasonable legal fees and disbursements, arising from: (i) any breach by Tenant of any of the provisions of this Lease; (ii) any act or omission of any person on the Premises or any use or occupancy of or any things in the Premises; (iii) any act or omission of Tenant or any of its servants, agents, employees, invitees, licensees, sub-tenants, concessionaires, contractors or persons for whom Tenant is in law responsible on the Premises or elsewhere on or about the Project; or (iv) any injury or death of persons, or any loss or damage to property of Tenant or any of its servants, agents, employees, invitees, licensees, subtenants, contractors or persons for whom Tenant is in law responsible, on the Premises or elsewhere on or about the Project.

13.07 Landlord's Employees and Agents

Every indemnity, exclusion or release of liability and waiver of subrogation contained in this Lease for the benefit of Landlord shall extend to and benefit all of Landlord's servants, agents, employees, others for whom Landlord is in law responsible, and contractors of Landlord. Solely for such purpose, and to the extent that Landlord expressly chooses to enforce the benefits of this Section for the foregoing persons, it is agreed that Landlord is the agent or trustee for such persons.

ARTICLE 14 ASSIGNMENT, SUBLETTING AND CHANGE OF CONTROL

14.01 Consent Required

- (a) Tenant shall not assign this Lease in whole or in part and shall not sublet or part with or share possession of all or any part of the Premises and shall not grant any licences or other rights to others to use any portion of the Premises (all of the foregoing being hereinafter referred to as a "**Transfer**"; a party making a Transfer is referred to as a "**Transferor**" and a party taking a Transfer is referred to as a "**Transferee**") without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld. The provisions of this Article 14 shall apply to any Transfer which might occur by inheritance or operation of law.

- (b) If Landlord withholds, delays or refuses to give consent to any Transfer, whether or not Landlord is entitled to do so, Landlord shall not be liable for any losses or damages in any way resulting therefrom and Tenant shall not be entitled to terminate this Lease or exercise any other remedy whatever in respect thereof except to seek the order of a court of competent jurisdiction compelling Landlord to grant any such consent which Landlord is obliged to grant pursuant to the terms of this Lease.

14.02 Obtaining Consent

All requests to Landlord for consent to any Transfer shall be made to Landlord in writing together with a copy of the agreement pursuant to which the proposed Transfer will be made, accompanied by such information in writing as a landlord might reasonably require respecting a proposed Transferee including, without limitation, name, business and home addresses and telephone numbers, business experience, credit information and rating, financial position and banking and personal references, description of business proposed to be conducted by the Transferee on the Premises and parking requirements for such business. Tenant shall promptly pay all costs incurred by Landlord in considering and processing the request for consent including legal costs and all costs of completing any documentation to implement any Transfer, which shall be prepared by Landlord or its solicitor if required by Landlord.

14.03 Terms of Consent

In the event of a Transfer Landlord shall have the following rights, in default of any of which no such Transfer shall occur or be effective:

- (i) to require Tenant and the Transferee, to enter into a written agreement to implement any amendments to this Lease to give effect to Landlord's exercise of any of its rights hereunder;
- (ii) to require the Transferee to enter into an agreement with Landlord in writing and under seal to be bound by all of Tenant's obligations under this Lease in respect of the portion of the Premises which is the subject of the Transfer;
- (iii) require, if the Transfer is a sublease or other transaction other than an assignment, that upon notice from Landlord to the Transferee all amounts payable by the Transferee each month shall be paid directly to Landlord who shall apply the same on account of Tenant's obligations under this Lease;
- (iv) receive all amounts to be paid to Tenant under the agreement in respect of such Transfer less only the direct costs of Tenant related to the Transfer such as legal costs and commissions, and less, in the case of a sublease, all amounts receivable by Tenant under the sublease equal to the amount payable by Tenant hereunder each month during the said term of the sublease in respect of the sublet portion of the Premises.

14.04 Effect of Transfer

- (a) No consent of Landlord to a Transfer shall be effective unless given in writing and executed by Landlord and no such consent shall be presumed by any act or omission of Landlord or by Landlord's failure to respond to any request for consent or by Landlord's accepting any payment of any amount payable hereunder from any party other than Tenant. No Transfer and no consent by Landlord to any Transfer shall constitute a waiver of the necessity to obtain Landlord's consent to any subsequent or other Transfer.

- (b) In the event of any Transfer or any consent by Landlord to any Transfer, Tenant shall not thereby be released from any of its obligations hereunder but shall remain bound by all such obligations pursuant to this Lease for the balance of the Term. If this Lease is renewed or extended by any Transferee pursuant to any option of Tenant, each Transferor shall be liable for all of the obligations of Tenant throughout the Term as renewed or extended.
- (c) Every Transferee shall be obliged to comply with all of the obligations of Tenant under this Lease, and any default of any Transferee shall also constitute a default of Tenant hereunder. If this Lease is ever disclaimed or terminated by a trustee in bankruptcy of a Transferee Tenant shall nevertheless remain responsible for fulfilment of all obligations of Tenant hereunder for what would have been the balance of the Term but for such disclaimer or termination, and shall upon Landlord's request enter into a new lease of the Premises for such balance of the Term and otherwise on the same terms and conditions as in this Lease.

14.05 No Advertising of Premises

Tenant shall not advertise this Lease or all or any part of the Premises or the business or fixtures or contents therein for sale without Landlord's prior written consent.

14.06 Mortgage of Lease

The restrictions on Transfer as aforesaid shall apply to any assigning, subletting, mortgaging, charging or otherwise transferring of the Premises or this Lease for the purpose of securing any obligation of Tenant.

14.07 Corporate or Partnership Tenant

If Tenant or any occupant of the Premises at any time is a corporation or a partnership, the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any securities, voting rights or interest which would result in any change in the effective control of the direction or the management and policies of the corporation or partnership or in any change in the beneficial ownership of such corporation or partnership shall be deemed for all purposes of this Article 14 to be a Transfer, unless such change occurs as a result of trading in securities on a recognized exchange in Canada or the United States. Upon request Tenant shall make the corporate or partnership books and records of Tenant and of any affiliate of Tenant available to Landlord and its representatives for inspection in order to ascertain whether or not there has at any time during the Term been a change in control of Tenant corporation or partnership as aforesaid.

14.08 Assignment by Landlord

If Landlord sells, leases, mortgages or otherwise disposes of the Project or any part thereof or assigns its interest in this Lease, to the extent that the purchaser or assignee agrees with Landlord to assume the covenants and obligations of Landlord hereunder, Landlord shall thereupon be released from all liability pursuant to the terms of this Lease.

14.09 Permitted Transfers

Notwithstanding anything to the contrary in this Lease, so long as the Tenant is The Corporation of the Town of Peterborough or a Permitted Transferee (as defined below) and is not then in default under the terms of this Lease beyond any applicable cure period, the Tenant may, without the consent of the Landlord, but upon not less than thirty (30) days' prior written notice to the

Landlord, sublet all or a portion of the Premises or assign this Lease to a provincial ministry, government agency, private operator, board, municipality or commission (a “Permitted Transfer” and such transferee being a “Permitted Transferee”), provided: (i) the Tenant shall be jointly and severally liable with the Permitted Transferee under this Lease and shall not be released from its covenants by reason of any such Transfer; (ii) the Tenant shall cause the Permitted Transferee to execute a reasonable form of assumption agreement or other agreement reasonably requested by the Landlord directly with the Landlord, prepared at the Tenant’s cost, under which the Permitted Transferee assumes the Tenant’s obligations under this Lease; (iii) all actual, out-of-pocket costs reasonably incurred by the Landlord in connection with the assignment or sublease to a Permitted Transferee shall be paid by the Tenant; and (iv) the business to be carried on in the Premises by the Permitted Transferee is not inconsistent with the use set out herein and otherwise complies with the terms of this Lease.

ARTICLE 15 STATUS AND SUBORDINATION OF LEASE

15.01 Status Statement

Tenant shall, within ten (10) days after written request from Landlord, execute and deliver to Landlord, or to any actual or proposed lender, purchaser or assignee of Landlord, a statement or certificate in such form as requested by Landlord stating (if such is the case, or stating the manner in which such may not be the case): (i) that this Lease is unmodified and in full force and effect; (ii) the date of commencement and expiry of the Term and the dates to which Basic Rent and any other Rent, including any prepaid rent, have been paid; (iii) whether or not there is any existing default by Landlord under this Lease and, if so, specifying such default; and (iv) that there are no defences, counterclaims or rights of set-off in respect of the obligations hereunder of Tenant.

15.02 Subordination

At the option of Landlord to be expressed in writing from time to time this Lease and the rights of Tenant hereunder are and shall be subject and subordinate to any and all mortgages, trust deeds and charges (any of which is herein called “**Mortgage**”) on the Project or any part thereof now or in the future, including all renewals, extensions, modifications and replacements of any Mortgages from time to time. Tenant shall at any time on notice from Landlord or holder of a Mortgage attorn to and become a tenant of the holder of any such Mortgage upon the same terms and conditions as set forth herein and shall execute promptly on request any certificates, agreements, instruments of postponement or attornment or other such instruments or agreements, including without limitation any short form or notice of this Lease for the purpose of registration on title to the Project, as requested from time to time to give full effect to this Article 15. Provided Tenant is not in default hereunder, Landlord shall use reasonable efforts to obtain from the holder of any Mortgage, in respect of which tenant has executed and delivered an instrument of postponement, subordination or attornment as required hereby, its agreement to permit Tenant to continue to occupy the Premises in accordance with the terms of this Lease.

15.03 Tenant’s Failure to Comply

If Tenant fails to execute any certificate, agreement, instrument, or other document as required by the foregoing provisions of this Article 15 within ten (10) days after request by Landlord, then Landlord shall have the right, without limiting any other rights of Landlord hereunder or at law, to terminate this Lease or to execute any such certificate, agreement, instrument or document on behalf of Tenant and in Tenant’s name, for which purpose Tenant hereby appoints Landlord as Tenant’s attorney.

15.04 Registration

Tenant shall not register on title to the Lands this Lease or any short form or notice hereof except in such form as has been approved by Landlord, acting reasonably, in writing, provided that Tenant shall pay Landlord's reasonable expenses, including legal fees, of such approval. The Tenant specifically acknowledges and agrees that Landlord may require that any short form or notice of this Lease be registered against only those lot(s) of the Project upon which the Premises is situated or, in the alternative, Tenant shall be required, at the request of Landlord, to promptly release and/or discharge any registration of this Lease, or any short form or notice thereof from those lot(s) which are the subject of a sale, conveyance, severance or other disposition by Landlord. If Tenant registers or causes or permits there to be registered against the title to the Project any short form or notice of this Lease or other document, Tenant shall forthwith provide to Landlord details of such registration and a duplicate registered copy of the registered document. Upon the natural expiry or earlier termination of the Term, Tenant shall, at its expense, expunge or discharge from the register of the title of the land on which the Project is located any interest of Tenant therein.

ARTICLE 16 DEFAULT AND REMEDIES

16.01 Default and Remedies

If any of the following shall occur:

- (i) Tenant fails, for any reason, to make any payment of Rent as and when the same is due to be paid hereunder and such default continues for five (5) days after written notice given from the Landlord or its solicitor to the Tenant;
- (ii) Tenant fails to perform any obligation of Tenant pursuant to this Lease other than the payment of any Rent, and such default continues for fifteen (15) days, or such shorter period as expressly provided herein, after notice thereof to Tenant;
- (iii) any of Landlord's insurance policies on the Project are actually or threatened to be cancelled or adversely changed as a result of any use of or articles on or about the Premises;
- (iv) Tenant shall purport to make a Transfer affecting the Premises, or the Premises shall be used by any person or for any purpose, other than in compliance with this Lease;
- (v) Tenant or any other occupant of the Premises makes an assignment for the benefit of creditors or becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal or arrangement with creditors, or Tenant makes any sale in bulk of any property on the Premises (other than in conjunction with a Transfer approved in writing by Landlord and made pursuant to all applicable legislation), or steps are taken for the winding up or other termination of Tenant's existence or liquidation of its assets;
- (vi) a trustee, receiver, receiver-manager, or similar person is appointed in respect of the assets or business of Tenant or any other occupant of the Premises;
- (vii) Tenant attempts to or does abandon the Premises or remove or dispose of any goods from the Premises, so that there would not be sufficient goods on the Premises subject to distress to satisfy all arrears of Rent and all Rent payable hereunder for a further period of at least six (6) months;

- (viii) this Lease or any other property of Tenant is at any time seized or taken in execution which remains unsatisfied for a period of five (5) days or more;
- (ix) termination or re-entry by Landlord is permitted under any provision of this Lease or at law;

then the then current and the next three (3) months' Rent shall be forthwith due and payable and, in addition to any other rights or remedies to which Landlord is entitled hereunder or at law, Landlord shall have the following rights and remedies, which are cumulative and not alternative, namely:

- (I) to terminate this Lease in respect of the whole or any part of the Premises by written notice to Tenant;
- (II) as agent of Tenant to relet the Premises and take possession of any furniture, fixtures, equipment or other property thereon and, upon giving notice to Tenant, to store the same at the expense and risk of Tenant or sell or otherwise dispose of the same at public or private sale without further notice, and to make alterations to the Premises to facilitate their reletting and to apply the net proceeds of the sale of any furniture, fixtures, equipment, or other property or from the reletting of the Premises, less all expenses incurred by Landlord in making the Premises ready for reletting and in reletting the Premises, on account of the Rent due and to become due under this Lease and Tenant shall be liable to Landlord for any deficiency and for all such expenses incurred by Landlord as aforesaid; nothing done by Landlord shall be construed as an election to terminate this Lease unless written notice of such termination is given by Landlord to Tenant;
- (III) to remedy any default of Tenant in performing any repairs, work or other obligations of Tenant hereunder, and in so doing to enter upon the Premises, without any liability to Tenant therefor and without constituting a re-entry of the Premises or termination of this Lease or breach of the Landlord's covenant of quiet enjoyment, and, in such case, Tenant shall pay to Landlord forthwith upon demand all reasonable costs of Landlord in remedying or attempting to remedy any such default plus fifteen percent (15%) of the amount of such costs for Landlord's administration; and
- (IV) to obtain damages from Tenant including, without limitation, if this Lease is terminated, all deficiencies between all amounts which would have been payable by Tenant for what would have been the balance of the Term, but for such termination, and all net amounts actually received by Landlord for such period.

16.02 Interest

All amounts of Rent shall bear interest from their respective due dates until the dates of payment at the rate of five percent (5%) per annum in excess of the prime rate of interest charged by Landlord's bank from time to time.

16.03 Costs

Tenant shall pay to Landlord forthwith upon demand all costs incurred by Landlord, including, without limitation, legal expenses on a substantial indemnity basis and reasonable compensation for all time

expended by Landlord's own personnel, arising as a result of any default in Tenant's obligations under this Lease.

16.04 Distress and Tenant's Property

Tenant hereby waives and renounces the benefit of any present or future statute taking away or limiting Landlord's right of distress and agrees with Landlord that, notwithstanding any such statute, all goods and chattels from time to time on the Premises shall be subject to distress for Rent. All Tenant's personal property on the Premises shall at all times be the unencumbered property of Tenant.

16.05 Remedies to Subsist

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

16.06 Impossibility of Performance

If and to the extent that either Landlord or Tenant shall be delayed in the fulfilment of any obligation under this Lease, other than the payment by Tenant of any Rent, by reason of unavailability of material, equipment, utilities, services or by reason of any Laws, or by reason of any other similar cause beyond its control and not avoidable by the exercise of reasonable foresight (excluding the inability to pay for the performance of such obligation), then the party being delayed shall be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay and the other party shall not be entitled to any compensation for any loss or inconvenience occasioned thereby. The party delayed will, however, use its best efforts to fulfil the obligation in question as soon as is reasonably practicable by arranging an alternate method of providing the work, services or materials.

16.07 Waiver of Repudiation

Despite the Bankruptcy and Insolvency Act (Canada) or any other applicable Law, the Tenant hereby waives any right which it may have to repudiate this Lease, whether on the filing of a notice of intention or proposal or otherwise.

ARTICLE 17 CONTROL OF PROJECT

17.01 Landlord's Control

The Project and Common Facilities, is at all times subject to exclusive control and management of the Landlord and entities related to the Landlord. To this end, the Landlord shall, to the extent within its control, operate and maintain the Project in such a manner as the Landlord determines from time to time having

regard to its size, age, features, and location. The Landlord may, in its management and operation of the Project: (i) close all or any portion of the Common Facilities to such an extent as may be necessary to facilitate activities such as sporting events, exhibitions, festivals, street vending and the like, (ii) convert any Common Facilities to Rentable Areas or use any part of the Common Facilities for merchandising, display, decorations, entertainment and structures designed for retail selling or special features or promotional activities, (iii) designate and specify the kinds of containers to be used for the disposal of refuse, and the manner and times at which they are to be placed for collection, including any requirement to segregate recyclable and non-recyclable waste. Landlord shall also have the right to obstruct or close off or restrict entry to all or any part of the Project for purposes of performing any maintenance, repairs or replacements or for security purposes or to prevent the accrual of any rights to any person or the public or any dedication thereof, provided that in exercising any such right Landlord shall use reasonable best efforts to minimize interference with Tenant's access to and use of the Premises.

17.02 Depiction of the Project

The Tenant acknowledges that the depiction of the Project including the Premises as shown on Schedule A does not constitute a representation, warranty or covenant of any kind whatsoever as to Landlord's intentions with respect to the Project. Tenant further acknowledges that Landlord may develop the Project differently from that shown on Schedule A, all as determined by Landlord, acting reasonably, provided that, if the Landlord intends to change, alter, amend or deviate from the existing plan for the Project, as shown on Schedule A, and such changes materially impact the configuration, design, size or location of the Premises, the Landlord shall obtain the Tenant's prior approval prior to making such changes (which approval may not be unreasonably withheld or delayed).

17.03 Alterations of the Project

The Landlord may, to the extent within its control, change the layout or arrangement of the Project, including:

- (a) Constructing other buildings, structures, or improvements in the Project and make alterations, renovations, additions, deletions, or rearrangements of or to any of them, build incremental stories or an office or residential component on top of any building or facilities proximal to the Project;
- (b) Intentionally deleted.

In the exercise of Landlord's rights under subsection 17.03(a) and/or (b), the Landlord shall not be subject to any liability, nor is the Tenant entitled to any compensation or diminution or abatement of Rent, and no alteration or diminution will be deemed to be a constructive or actual eviction of the Tenant or a breach of any covenant for quiet enjoyment.

Tenant acknowledges that portions of the Project may be under construction during the Term, and that such construction activities may cause temporary noise and disturbance to existing tenants of the Project. Landlord will use reasonable efforts to minimize interference with Tenant's occupation of the Premises as a result of such construction activities, but Tenant acknowledges that in no event shall any noise or other disturbance caused by such construction constitute a breach of Tenant's right to quiet enjoyment of the Premises.

Despite anything to the contrary, Tenant acknowledges and agrees that Landlord may acquire from time to time adjoining lands, which lands, once acquired, may in whole or in part(s) form part of the Project which may be developed in whole or in part(s) as either part of the Leasable Area of the Project or part of the

Common Facilities of the Project, or any combination thereof as determined by the Landlord. The Tenant shall not oppose any application made by or on behalf of the Landlord with respect to any actions, steps, decisions, proceedings, permits, licences, zoning, rezoning, variances or other governmental approvals sought by or on behalf of the Landlord from time to time with respect to or in connection with any such lands or the Project, save and except where such application may materially adversely impact the Tenant's use of the Premises as contemplated by this Lease.

In the exercise of its rights under this Section 17.03, the Landlord shall use commercially reasonable efforts: (i) not to interfere with access to the Premises or the Project, except in the case of a real or apprehended emergency; (ii) to perform any work hereunder in such a manner so as to minimize disruption to the Tenant's business operations in the Premises; and (iii) to conduct all such work as expeditiously as reasonably possible having regard to all the circumstances and the nature of the Tenant's operations in the Premises.

17.04 Use of Common Facilities

Tenant shall not itself and shall not permit any of its employees, servants, agents, contractors or persons having business with Tenant, to obstruct any Common Facilities including driveways, laneways or access routes, or to park vehicles in any portion of the Common Facilities other than such areas as expressly authorized by Landlord, and Landlord shall have the right, at Tenant's expense payable on demand, to remove any such obstruction or improperly parked vehicles, without liability for any damage caused thereby.

17.05 Rules and Regulations

Landlord may from time to time make and amend reasonable rules and regulations for the management and operation of the Project and Tenant and all persons under its control shall comply with all of such rules and regulations of which notice is given to Tenant from time to time, all of which shall be deemed to be incorporated into and form part of this Lease. Landlord shall not make any rules or regulations which conflict with any express provision of this Lease unless and only to the extent required by any applicable Laws. Landlord shall act reasonably in enforcing such rules and regulations but shall not be liable for their non-enforcement.

17.06 Access to Premises

- (a) Without limiting any other rights Landlord may have pursuant hereto or at law, Landlord shall have the right to enter the Premises at any time for any of the following purposes: (i) to examine the Premises and to perform any maintenance, repairs or alterations to any part of the Premises or to any equipment and services serving the Premises or any other part of the Project; (ii) in cases of emergency; (iii) to read any utility or other meters; (iv) during the last twelve (12) months of the Term to show the Premises to prospective tenants and to permit prospective tenants to make inspections, measurements and plans; and (v) at any time during the Term to show the Premises to prospective purchasers or lenders.
- (b) Landlord shall have the right to run through the Premises conduits, wires, pipes, ducts and other elements of any systems for utilities, heating, ventilating, air-conditioning and humidity control, telephone and other communications systems and any other such systems to serve the Premises or the Project.
- (c) Landlord shall exercise its rights pursuant to this Section 17.06 in such manner and at such times as Landlord, acting reasonably but in its sole discretion, shall determine. At any time that entry by Landlord is desired in case of emergency, and if no personnel of Tenant are

known by Landlord to be present on the Premises or if such personnel fail for any reason to provide Landlord immediate access at the time such entry is desired, Landlord may forcibly enter the Premises without liability for damage caused thereby.

17.07 Expropriation

If the Premises, the Project or any part thereof shall be expropriated (which for the purposes of this Article 17 shall include a sale by Landlord to any authority with the power of expropriate) by any competent authority then Landlord and Tenant shall co-operate with each other so that each party may receive such award to which it is entitled in law.

17.08 Landlord Termination Right

Intentionally deleted

ARTICLE 18 MISCELLANEOUS

18.01 Notices

All Notices, statements, demands, requests or other instruments (“**Notices**”) which may be or are required to be given under this Lease shall be in writing and shall be delivered in person or sent by prepaid registered Canadian mail addressed, if to the Tenant, at the Address for Service of Notice on Tenant, and if to the Landlord at the Address for Service of Notice on Landlord, all as provided in Section 1.01 hereof.

All such Notices shall be conclusively deemed to have been given and received upon the day the same is personally delivered or, if mailed as aforesaid, four (4) business days (excluding Saturdays, Sundays, holidays and days upon which regular postal service is interrupted or unavailable for any reason) after the same is mailed as aforesaid. Any party may at any time by notice in writing to the other change the Address for Service of Notice on it. If two or more persons are named as Tenant, any Notice given hereunder shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.

18.02 Complete Agreement

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

18.03 Time of the Essence

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

18.04 Applicable Law

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

18.05 Severability

If any provision of this Lease is illegal, unenforceable or invalid, it shall be considered separate and severable and all the remainder of this Lease shall remain in full force and effect as though such provision had not been included in this Lease but such provision shall nonetheless continue to be enforceable to the extent permitted by law.

18.06 Section Numbers and Headings

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

18.07 Interpretation

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

18.08 Successors

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

18.09 Limitation

The parties to this Lease acknowledge and agree that any recourse against the Landlord hereunder shall be limited to its interest in the Project which is the subject matter of this Lease.

18.10 Confidentiality

The Tenant covenants not to disclose to any person the financial or any other terms of this Lease, except for disclosure to the Tenant’s professional advisors in their capacity as such, and except as otherwise required by law. Failure to comply with this prohibition shall constitute an event of default under this Lease.

18.11 Counterparts

This Lease may be executed in several counterparts, each of which, once executed, shall be deemed to be an original and such counterpart together with the other counterparts shall constitute one and the same instrument. The parties hereto consent to the use of electronic signatures and agree that this Lease and all agreements and documents required or desirable to give effect to this Lease may be executed either in original or by electronic means, and may be transmitted by PDF, and the parties adopt any such electronic execution or signatures received by PDF as original signatures of the parties

IN WITNESS WHEREOF the parties have executed this Lease.

Executed by the Landlord on:
this ___ day of _____

LANDLORD:
**THE CORPORATION OF THE TOWNSHIP OF
CAVAN MONAGHAN**

Per: _____
Name:
Title:

c/s

Per: _____
Name:
Title:
I/We have authority to bind the Corporation

Executed by the Tenant on:
this 19 day of February,
2025

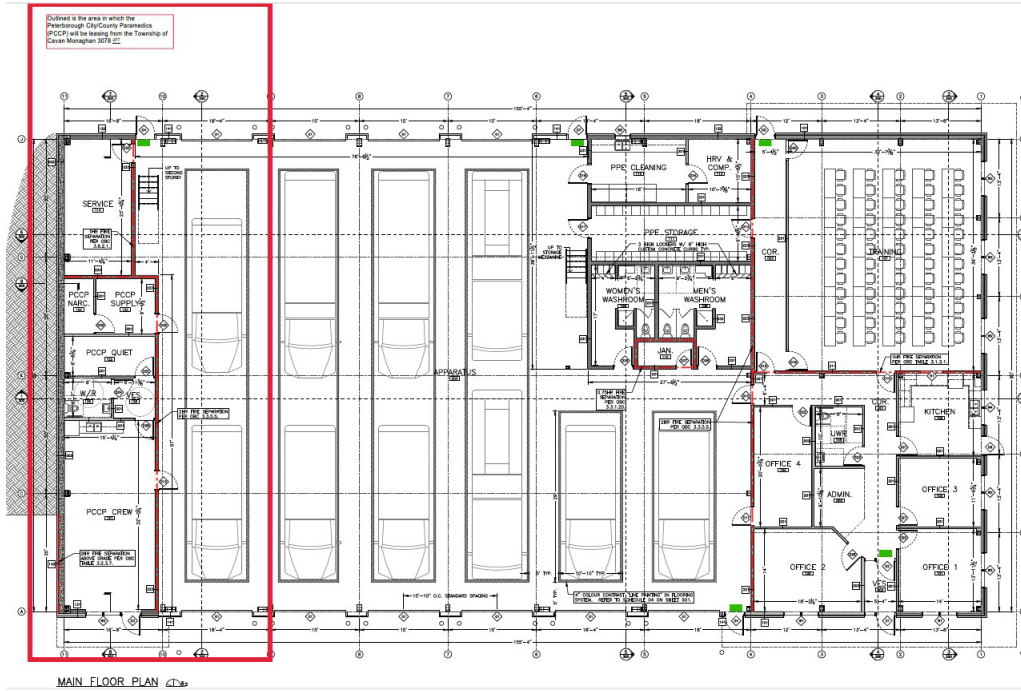
TENANT:
**THE CORPORATION OF THE COUNTY OF
PETERBOROUGH**

Per: Bonnie Clark
Name: Bonnie Clark
Title: Warden

c/s

Per: Kari Stevenson
Name: Kari Stevenson
Title: Clerk
I/We have authority to bind the Corporation

**SCHEDULE A
OUTLINE PLAN OF PREMISES**



PROJECT LOCATION

GENERAL NOTES

1. THE CONTRACTOR SHALL ENSURE THAT ALL WORK IS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LOCAL AUTHORITY AND ALL WORK IS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LOCAL AUTHORITY.
2. THE CONTRACTOR SHALL ENSURE THAT ALL WORK IS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LOCAL AUTHORITY AND ALL WORK IS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LOCAL AUTHORITY.
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NEW FIRE STATION No. 1
HIGHLANDS BOULEVARD
MILLBROOK, ON

MAIN FLOOR PLAN

**SCHEDULE B
LANDLORD'S AND TENANT'S WORK**

<https://1drv.ms/u/s!AienT2OkINCyIBMnIFfgFY7qRpSJ?e=CmYpBK>

**SCHEDULE C
SPECIAL PROVISIONS**

1. Right of First Refusal

Provided the Tenant is (i) The Corporation of the County of Peterborough; (ii) the Tenant is in occupancy of the entire Premises and has not sublet all or part of the Premises or assigned the Lease; and (iii) the Tenant is not in material default of the Lease beyond any applicable cure period, the Landlord hereby grants the Tenant a right of first refusal ("**ROFR**") to lease during the Term or any renewals or extensions thereof, any available space on the Lands (the "**ROFR Space**") that is the subject of a bona fide offer to lease from an arm's length third party acceptable to the Landlord (the "**ROFR Offer**"), on the terms and conditions of the ROFR Offer. The Landlord shall provide a copy of the ROFR Offer to the Tenant and the Tenant shall have thirty (30) days from the date of Landlord's delivery of the ROFR Offer to exercise the ROFR to match the terms outlined in the ROFR Offer. This right may be exercised, within such time, by the Tenant delivering notice in writing to the Landlord of its acceptance of the terms of the ROFR Offer, whereupon a binding agreement to lease such ROFR Space shall exist between the Landlord and the Tenant, and the Tenant shall thereafter execute the Landlord's standard form of lease amending agreement to incorporate the terms and conditions contained in the ROFR Offer. Should the Landlord not receive written notice from the Tenant within the thirty (30) days that the Tenant is exercising its ROFR, the Tenant shall be deemed to have waived its right and the Landlord shall be free thereafter to lease the ROFR Space to the third party on the terms of the ROFR Offer.

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Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Kimberley Pope, Finance Department
Report Number:	Finance 2025-03
Subject:	Capital Project Financing Options

Recommendations:

1. That Council approve internal borrowing of \$5,052,854 from the Asset Replacement Reserve (ARR) for the Parks & Public Works Depot, Public Works Operations Center, and Fire Station, for the growth related Development Charge loan at Bank of Canada (BoC) lending rate of 3.25%, over a 15 year term; and,
2. That Council approve internal borrowing of \$5,775,021 from the Asset Replacement Reserve (ARR) for the Parks & Public Works Depot, Public Works Operations Center, and Fire Station, for the non-growth related Township Capital loan at Consumer Price Index (CPI) of 1.9%, over a 15 year term.

Overview:

At the Regular Council Meeting on October 7, 2024, Council directed staff to explore alternative financial options for capital projects.

R-2024-264

Moved by: Edgerton

Seconded by: Nachoff

That Council does not approve By-law No. 2024-52 and 2024-53, being the by-laws to authorize borrowing upon amortizing debentures for two Capital Projects; Parks & Public Works Depot and the Public Works Operation Center; and That Council direct Staff to report back with alternative financial options.

Since that time, staff have evaluated various financing options for Council to consider in relation to funding the three capital projects. These options include loans from Infrastructure Ontario, utilizing reserve funds without repayment, exploring external loan options, and financing these projects with internal loans.

All three of these capital projects have two separate amounts for Council to consider, the Development Charge portion and the Township Capital portion. The first loan is for the growth related capital costs of all three projects consolidated into one Development Charge loan of \$5,052,854.

The second loan is for the non-growth related capital costs of all three projects consolidated into one Township Capital loan of \$5,775,021.

The municipality currently has no internal or external debt funded by the municipal tax levy.

Background

Annual Repayment Limit (ARL)

The 2024 Township of Cavan Monaghan Annual Repayment Limit (ARL) is \$3,388,507. The Ministry of Municipal Affairs and Housing (MMAH) establishes an Annual Repayment Limit (ARL), which represents the maximum amount a municipality can allocate for payments related to its external debt and financial obligations (O.Reg. 403/02 Municipal Act, 2001).

Cavan Monaghan 2024 Annual Repayment Limit (ARL) Debt Capacity, Debentures and Future Capital Projects

Debt Capacity based on Schedule 81 Net Revenues (FIR)

Total Own Revenue	\$15,578,438
Annual Repayment Limit (25%)	\$3,894,610 ARL
Annual Repayment Limit (25%) less Net Debt charges	\$3,388,508 ARL

Cavan Monaghan Debentures (\$8,242,769 combined)	Township		Development
			Charges
By-law No. 2017-81 (\$2,407,995) 30 yrs, 3.33%	WWW	\$ 126,682	exp. 12/2047
By-law No. 2017-82 (\$987,515) 30 yrs, 3.33%	WWW	\$ 53,000	exp. 12/2047
By-law No. 2017-83 (\$4,847,259) 20 yrs, 3.15%	WWW (DC's)		\$ 326,421 exp. 12/2037
Annual WWW Debenture payments	\$	179,682	\$ 326,421
			\$ 506,102

* 13% of CM ARL committed debentures (by-law)*

External Loans

Currently, the only external debt held by the Township of Cavan Monaghan are the \$8.2 million Infrastructure Ontario (IO) loans, which were obtained in December 2017 to finance the construction of the new Water and Wastewater Treatment Plant in the village of Millbrook.

The remaining balance on this IO loan at 2024 year end is \$6.3 million with 23 years remaining. The annual repayment of \$506,102 will continue for the next 13 years (until 2037) and represents 13% of the current available ARL. The annual repayment will then be reduced to \$179,124 for the final remaining 10 years (until 2047).

These current IO loan repayments are funded by the Water and Wastewater User Fees and Development Charges and are not funded through the municipal tax levy.

Internal Loans

The Township is currently managing one internal loan for the cost overage for the construction of the CMCC. The original loan amount was \$2.4m, and the current remaining balance remaining is \$991,220. This remaining principle continues to be paid down by the quarterly revenues the municipality receives from the OLG gaming operations at Kawartha Downs.

The initial expectation was that this entire balance would be fully paid off by 2023. However the closure and reduced revenues during the pandemic have extended the payment schedule. If the annual OLG revenues remain at their current level this loan is on track to be fully paid off by the end of 2027.

As the loan is being managed internally, the total annual payments derived from OLG revenues are not included in the calculation of the Township's Annual Repayment Limit (ARL).

Interest Rate and Term

Council has complete discretion regarding the interest rate and term for internal financing. For clarity, the financing options presented in the report are based on a 15-year term.

The Township does not have any other sources of internal or external debt.

Financing Options

As directed, staff have consulted with the Aird & Berlis LLP and Watson & Associates to explore what options are available to municipalities for funding capital projects. These options include; Infrastructure Ontario loans, drawing funds from reserves without repayment, external loan financing, and internal loan financing. See Schedule B – Background Information.

Staff do not recommend entering into loans from Infrastructure Ontario (IO) because these loans have a fixed interest rate that remains unchanged throughout the entire term. While this can be beneficial if interest rates rise, it can lead to much higher interest costs if rates decrease. Additionally, these loans are meant to last for their full term, which means there are substantial financial penalties for early repayment. The IO loan calculations and schedules were included on Finance Report 2024-11.

Staff do not recommend funding all capital projects through reserves without repayments. This option would significantly restrict the Township's ability to finance future capital projects, and reduce our commitment to asset management and fiscal responsibility.

Staff do not recommend pursuing other external loan financing options. While a municipality can enter into bank loan agreements directly with Canadian financial institutions for long-term borrowing, the current interest rates are unfavorable and exceed the fixed rates offered through Infrastructure Ontario (IO). See Schedule A – Financial Analysis of Loan Options. See Schedule C - 15 Year Repayment Forecast.

Staff Recommendations of Internal Loan Financing Options

The three (3) Capital Projects have a total consolidated capital cost of \$13,161,972 of which \$5,052,854 is to be funded through Development Charges and \$5,775,021 is to be funded through municipal property taxes with the remaining \$2,334,098 previously prepaid from dedicated reserves and prior year Capital budget approvals.

Funds for growth-related capital and interest payments should be recovered through Development Charges, ensuring a fair distribution of capital costs between existing and future residents

Capital Project Funding				
Proposed				
	Parks & PW Millbrook Depot	PW Operations Centre	Fire Station No.1	Subtotal
Capital Project Funding:				
Growth/Development Charges (DC)	\$ 488,378	\$ 1,360,000	\$ 3,204,476	\$ 5,052,854
Township Contribution	\$ 383,726	\$ 1,124,624	\$ 4,266,671	\$ 5,775,021
Reserve: Asset Replacement		\$ 22,682	\$ 7,357	\$ 30,039
Reserve: OLG Revenues		\$ 511,608		\$ 511,608
Reserve: Fire Capital Infrastructure			\$ 1,604,575	\$ 1,604,575
Other	\$ 7,158	\$ 70,717	\$ 110,000	\$ 187,875
Total Capital Project	\$ 879,262	\$ 3,089,631	\$ 9,193,079	\$13,161,972

Recommendation No. 1 – Development Charge Loan (\$5,052,854)

Staff are recommending to internally finance the growth related Development Charge loan through the Asset Replacement Reserve at the Bank of Canada (BoC) lending rate of 3.25%, over a 15 year term.

+ \$ 488,378	Parks & PW Millbrook Depot
+ \$1,360,000	Public Works Operations Center
+ <u>\$3,204,476</u>	Fire Station No. 1
= <u>\$5,052,854</u>	

This is estimated to generate \$1,338,014 of DC eligible interest over the term as recoverable. This recommendation also provides flexibility to review the internal financing at each Development Charges Study (once every 5 years) for financial sustainability and cash flow purposes.

The Bank of Canada (BoC) lending rate is 3.25% and is utilized in the calculations of this report. The prime lending rate +2.2% above the BoC rate, is the interest rate a financial institution uses as a base to determine interest rates for loan products.

The 2025 budget included a year of Development Charge loan repayments estimated at \$375,704. The calculated repayments will equal \$426,100 per year over the 15 year term and does not affect the municipal tax rate.

Recommendation No. 2 – Township Capital Loan (\$5,775,021)

Staff are recommending to internally finance the non-growth related Township Capital loan through the Asset Replacement Reserve at Consumer Price Index (CPI) of 1.9%, over a 15 year term.

+ \$ 383,726	Parks & PW Millbrook Depot
+ \$1,124,624	Public Works Operations Center
<u>+ \$4,266,671</u>	Fire Station No. 1
<u>= \$5,775,021</u>	

This is estimated to generate an interest cost of \$866,517 over the 15 year term.

The Consumer Price Index (CPI) rose 1.9% year over year for the 12 months to January; on the February 2025 notice from Statistics Canada and is utilized in the calculations of this report.

The 2025 budget included a year of Township Capital loan repayments for all three (3) Capital Projects estimated at \$348,073. The calculated repayments will equal \$442,769 per year over the 15 year term. The revenues from the base ambulance lease were previously approved to lower the Fire Station Capital project and decrease the annual loan payments. Therefore, the total consolidated Township Capital loan payments for all three capital projects amount to \$385,826, which represents 3.29% of the annual municipal tax levy.

Community Capital Budget Fund (CCBF)

During the 2025 budget discussions it was noted that there is a remaining balance of \$369,550 in the Community Capital Budget Fund (CCBF) reserve. Among the three capital projects under consideration, only Fire Station No. 1 qualifies as an eligible category for funding from the CCBF.

Staff are recommending that Council consider these funds to be applied and reduce the Township Capital loan amount to be financed. If the CCBF funds were to be applied to the Fire Station No. 1, the Township Capital loan could be reduced from \$5,775,021 to \$5,405,471. This would reduce the total Township Capital loan payments for all three capital projects from \$385,857 to \$357,493 and represent 3.05% of the annual municipal tax levy.

If Council were to choose to not utilize the CCBF funds towards the fire station, this would require an increase of \$28,333 from the tax levy. A summary is provided below for clarification.

	2025 Budget		Loan Calculations (1.9%, 15 yrs)			
	Estimates	Tax Impact	w/o CCBF	Tax Impact	with CCBF	Tax Impact
	All three (3) Capital Projects (\$5,775,021)	\$378,073	3.23%	\$442,769	3.78%	\$414,436
Less: Ambulance lease	-\$47,700	-0.41%	-\$56,943	-0.49%	-\$56,943	-0.49%
	\$330,373	2.82%	\$385,826	3.29%	\$357,493	3.05%

Financial Impact:

Staff are recommending the option to internal financing for the Parks & Public Works Depot, the Public Works Operations Center, and the Fire Station through the Asset Replacement Reserve (ARR). This internal borrowing of \$5,052,854 (Development Charge loan, 3.25% BoC) and \$5,775,021 (Township Capital loan, 1.9%CPI) is recommended to

be repaid with interest over a 15 year term. See Schedule C - 15 Year Internal Repayment Forecast and Schedule D - Debt Schedule, ARL and Potential Capital Loans.

The internal borrowing schedules are based on anticipated Development Charge revenues, as well as forecasted growth and assessment data. If any cash flow concerns arise in the future, the Director of Finance will report back to the Council with recommendations for their consideration and approval.

Attachments:

1. Schedule A - Financial Summary of Loan Options
2. Schedule B - Background Information
3. Schedule C - 15 Year Repayment Forecast
4. Schedule D - Debt Schedule, ARL and Potential Capital Loans

Respectfully Submitted by,

Reviewed by,

Kimberley Pope
Director of Finance/Treasurer

Yvette Hurley
Chief Administrative Officer

Financial Summary of Loan Options

<u>Internal Development Charge Loan (recommended)</u>	<u>Principal Loan</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Annual Payments</u>	<u>ARL</u>	<u>Total Interest</u>	<u>Tax Impact</u>
Public Works Op Center, Millbrook Depot & Fire Station No. 1	\$5,052,854	3.25% BoC	15 yrs	\$426,058	n/a	\$1,338,015	n/a
<u>Internal Township Capital Loan (recommended)</u>							
Public Works Op Center, Millbrook Depot & Fire Station No. 1	\$5,775,021	1.90% CPI	15 yrs	\$442,769	n/a	\$866,517	3.78%
Less: Ambulance lease	-	- -	15 yrs	-\$56,943	n/a	-	-0.49%
				\$385,826			3.29%
Reduced by CCBF Funds	\$5,405,471	1.90% CPI	15 yrs	-\$28,333	n/a	\$811,068	-0.24%
				\$357,493			3.05%
<u>Existing External Loans</u>							
Water Wastewater & DC's	\$8,242,769	3.15-3.33% IO 2017	20-30 yrs	\$506,102	13%	\$3,670,512	n/a
<u>Other External Loans (not recommended)</u>							
Infrastructure Ontario (all three Capital Projects)	\$10,827,875	4.17% IO 2024	15 yrs	\$972,217	29%	\$3,755,373	4.43%
Canadian Financial Institution (all three Capital Projects)	\$10,827,875	4.38% BoC+Prime	15 yrs	\$986,040	29%	\$3,962,725	4.49%



Background Summary & Options

There are several options for funding a project: raising taxes in the current year, reducing spending on other capital projects to free up budget space, using money from reserves, or borrowing funds and repaying the debt through tax revenue over time. The Council may consider debt financing for new or one-time projects, as well as for significant reconstruction needs of large, expensive assets. Borrowing allows municipalities to spread the cost of a project over its useful life and ensures that the expenses are borne not only by today's taxpayers but also by future users.

Staff consulted with the legal and consulting firms Watson & Associates and Aird & Berlis LLP to review options and resources for borrowing available to municipalities.

Municipalities can enter into bank loan agreements directly with Canadian Financial Institutions for long-term borrowing which may contain fixed or variable interest rates.

Ministry of Municipal Affairs (MMAH) & Annual Repayment Limit (ARL)

The Municipal Act, 2001 allows municipalities to incur long-term debt for financing capital expenditures, as outlined in sections 401 and 408. The Ministry of Municipal Affairs and Housing (MMAH) establishes an Annual Repayment Limit (ARL), which represents the maximum amount a municipality can allocate for payments related to its debt and financial obligations. The calculation of the ARL is specified in Ontario Regulation 403/02 (Debt and Financial Obligation Limits) under the Municipal Act, 2001. It's important to note that municipal debt is not a tool for generating revenue; rather, it serves as a crucial method for financing capital projects. Municipalities do not use borrowing to cover day-to-day operational costs.

Development Charges Act (DCA, S.O. 1997, c. 27)

The Development Charges Act permits municipalities to include interest on borrowed funds used for capital costs related to acquiring, leasing, constructing, or improving buildings and structures. As a result, a municipality can internally debenture from the Asset Replacement Reserve, allowing it to fund interest costs through development charges.

The DCA also allows for municipalities to enter into the following agreements:

- Section. 27 – Early Payment Agreements – An option to provide cashflow for infrastructure projects if there is interest from the development community
- Section 38 – Credit Agreements – An option to allow developers to construct the projects and the Township would reimburse at a later date or provide DC credits

- Section.44 – Front-ending Agreements – An option to allows the developers to cashflow works that the Township undertakes. Developers are then paid back with DCs recovered from others.

Infrastructure Ontario (IO)

The Infrastructure Ontario (IO) is a government agency established specifically to aid with the development, renewal, enhancement and replacement of Ontario public assets. Infrastructure Ontario's Loan Program through IO allows easy access to financing for municipalities with affordable interest rates, flexible terms and no commissions. Infrastructure Ontario's cost of capital is very low and, as such, it is able to offer advantageous interest rates versus other sources of financing

Benefits of Debentures through Infrastructure Ontario (IO)

- Amortizing debentures: Borrowers pay equal amounts of principal and interest every six months
- Serial debentures: Borrowers pay equal amounts of principal every six months, and interest is calculated on the declining principal balance
- Fixed interest rate: The interest rate is fixed for the entire term of the debenture
- Flexible repayment terms: Municipalities can choose longer repayment terms of up to 30 years however the repayment period must not exceed the expected life of the capital asset or the license term
- Deferred interest payments: Municipalities can defer interest payments during the construction phase of a project.

The OILC rate offer included an interest rate of 4.28% amortizing over a 20 year term for debentures of the Corporation of the Township of Cavan Monaghan in October 2024, as presented on Finance Report 2024-11.

15 Year Repayment Forecast

Development Charge Loan		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
\$5,052,854		\$5,052,854	\$4,787,078	\$4,512,535	\$4,228,934	\$3,935,979	\$3,633,359	\$3,320,756	\$2,997,840	\$2,664,273	\$2,319,701	\$1,963,762	\$1,596,082	\$1,216,272	\$823,933	\$418,651
\$426,058 Annual Payments	P	-\$265,776	-\$274,543	-\$283,600	-\$292,956	-\$302,620	-\$312,603	-\$322,915	-\$333,568	-\$344,572	-\$355,939	-\$367,680	-\$379,810	-\$392,339	-\$405,282	-\$418,651
15 Year Term	Bal @ YE	\$4,787,078	\$4,512,535	\$4,228,934	\$3,935,979	\$3,633,359	\$3,320,756	\$2,997,840	\$2,664,273	\$2,319,701	\$1,963,762	\$1,596,082	\$1,216,272	\$823,933	\$418,651	\$0
3.25% Total Interest	I	-\$160,282	-\$151,514	-\$142,458	-\$133,102	-\$123,438	-\$113,455	-\$103,143	-\$92,490	-\$81,486	-\$70,119	-\$58,377	-\$46,248	-\$33,719	-\$20,776	-\$7,407

Township Capital Loan		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
\$5,775,021		\$5,775,021	\$5,439,062	\$5,096,663	\$4,747,702	\$4,392,053	\$4,029,587	\$3,660,174	\$3,283,680	\$2,899,971	\$2,508,907	\$2,110,349	\$1,704,151	\$1,290,168	\$868,250	\$438,246
\$442,769 Annual Payments	P	-\$335,959	-\$342,399	-\$348,961	-\$355,649	-\$362,466	-\$369,413	-\$376,493	-\$383,709	-\$391,064	-\$398,559	-\$406,198	-\$413,983	-\$421,918	-\$430,004	-\$438,246
15 Year Term	Bal @ YE	\$5,439,062	\$5,096,663	\$4,747,702	\$4,392,053	\$4,029,587	\$3,660,174	\$3,283,680	\$2,899,971	\$2,508,907	\$2,110,349	\$1,704,151	\$1,290,168	\$868,250	\$438,246	\$0
1.90% Total Interest	I	-\$106,810	-\$100,371	-\$93,808	-\$87,120	-\$80,303	-\$73,356	-\$66,276	-\$59,060	-\$51,706	-\$44,210	-\$36,571	-\$28,786	-\$20,852	-\$12,765	-\$4,523

Township Capital Loan (with CCBF RSV tsf, option)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
\$5,405,471		\$5,405,471	\$5,091,010	\$4,770,522	\$4,443,891	\$4,111,000	\$3,771,729	\$3,425,955	\$3,073,554	\$2,714,399	\$2,348,360	\$1,975,305	\$1,595,100	\$1,207,608	\$812,690	\$410,202
\$414,436 Annual Payments	P	-\$314,461	-\$320,488	-\$326,631	-\$332,891	-\$339,271	-\$345,774	-\$352,401	-\$359,155	-\$366,039	-\$373,055	-\$380,205	-\$387,492	-\$394,919	-\$402,488	-\$410,202
15 Year Term	Bal @ YE	\$5,091,010	\$4,770,522	\$4,443,891	\$4,111,000	\$3,771,729	\$3,425,955	\$3,073,554	\$2,714,399	\$2,348,360	\$1,975,305	\$1,595,100	\$1,207,608	\$812,690	\$410,202	\$0
1.90% Total Interest	I	-\$99,975	-\$93,948	-\$87,805	-\$81,545	-\$75,165	-\$68,662	-\$62,035	-\$55,281	-\$48,397	-\$41,381	-\$34,231	-\$26,944	-\$19,517	-\$11,948	-\$4,234

Infrastructure Ontario Loans (WWW & DC's)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
\$8,242,769		\$6,359,871	\$6,054,833	\$5,739,889	\$5,414,718	\$5,078,987	\$4,732,353	\$4,374,462	\$4,004,947	\$3,623,432	\$3,229,526	\$2,822,826	\$2,402,917	\$1,969,369	\$1,521,740	\$1,391,311
\$506,102 Annual Payments	P	-\$299,959	-\$309,693	-\$319,743	-\$330,119	-\$340,832	-\$351,893	-\$363,314	-\$375,105	-\$387,279	-\$399,848	-\$412,826	-\$426,225	-\$447,630	-\$462,428	-\$478,839
20-30 Year Term	Bal @ YE	\$6,059,912	\$5,745,140	\$5,420,147	\$5,084,599	\$4,738,155	\$4,380,460	\$4,011,148	\$3,629,842	\$3,236,153	\$2,829,677	\$2,410,000	\$1,976,692	\$1,521,740	\$1,391,311	\$1,256,473
3.15-3.33% Total Interest	I	-\$206,143	-\$196,409	-\$186,359	-\$175,983	-\$165,270	-\$154,209	-\$142,789	-\$130,997	-\$118,823	-\$106,254	-\$93,276	-\$79,877	-\$68,473	-\$58,674	-\$49,264

Infrastructure Ontario (not recommended)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
\$10,827,875		\$10,827,875	\$10,297,113	\$9,743,790	\$9,166,947	\$8,565,585	\$7,938,662	\$7,285,090	\$6,603,737	\$5,893,423	\$5,152,915	\$4,380,931	\$3,576,134	\$2,737,127	\$1,862,457	\$950,608
\$972,217 Annual Payments	P	-\$530,762	-\$553,323	-\$576,843	-\$601,362	-\$626,924	-\$653,572	-\$681,353	-\$710,315	-\$740,507	-\$771,984	-\$804,798	-\$839,007	-\$874,670	-\$911,849	-\$950,608
15 Year Term	Bal @ YE	\$10,297,113	\$9,743,790	\$9,166,947	\$8,565,585	\$7,938,662	\$7,285,090	\$6,603,737	\$5,893,423	\$5,152,915	\$4,380,931	\$3,576,134	\$2,737,127	\$1,862,457	\$950,608	\$0
4.17% Total Interest	I	-\$441,454	-\$418,894	-\$395,374	-\$370,855	-\$345,293	-\$318,645	-\$290,864	-\$261,902	-\$231,709	-\$200,233	-\$167,419	-\$133,210	-\$97,547	-\$60,368	-\$21,608

Canadian Financial Institution (not recommended)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
\$10,827,875		\$10,827,875	\$10,305,696	\$9,760,181	\$9,190,286	\$8,594,923	\$7,972,953	\$7,323,188	\$6,644,384	\$5,935,244	\$5,194,413	\$4,420,474	\$3,611,948	\$2,767,289	\$1,884,881	\$963,039
\$986,040 Annual Payments	P	-\$522,179	-\$545,515	-\$569,894	-\$595,363	-\$621,970	-\$649,766	-\$678,804	-\$709,140	-\$740,831	-\$773,939	-\$808,526	-\$844,659	-\$882,407	-\$921,842	-\$963,039
15 Year Term	Bal @ YE	\$10,305,696	\$9,760,181	\$9,190,286	\$8,594,923	\$7,972,953	\$7,323,188	\$6,644,384	\$5,935,244	\$5,194,413	\$4,420,474	\$3,611,948	\$2,767,289	\$1,884,881	\$963,039	\$0
4.38% Total Interest	I	-\$463,861	-\$440,525	-\$416,146	-\$390,677	-\$364,070	-\$336,274	-\$307,236	-\$276,900	-\$245,209	-\$212,101	-\$177,514	-\$141,381	-\$103,633	-\$64,198	-\$23,001

**Cavan Monaghan 2024 Annual Repayment Limit (ARL)
Debt Capacity, Debentures and Future Capital Projects**

Debt Capacity based on Schedule 81 Net Revenues (FIR)

Total Own Revenue	\$15,578,438
Annual Repayment Limit (25%)	\$3,894,610 ARL
Annual Repayment Limit (25%) less Net Debt charges	\$3,388,508 ARL

<u>Cavan Monaghan Debentures (\$8,242,769 combined)</u>	Township		Development
		Charges	
By-law No. 2017-81 (\$2,407,995) 30 yrs, 3.33%	WWW \$	126,682	exp. 12/2047
By-law No. 2017-82 (\$987,515) 30 yrs, 3.33%	WWW \$	53,000	exp. 12/2047
By-law No. 2017-83 (\$4,847,259) 20 yrs, 3.15%	WWW (DC's)	\$ 326,421	exp. 12/2037
Annual WWW Debenture payments	\$	179,682	\$ 326,421
			\$ 506,102 *

* 13% of CM ARL committed debentures (by-law)*

<u>Internal Loans (through ARR)</u>			
Township Capital Loan (\$5,775,201) 15 yrs, 1.9% CPI	\$ 5,775,021	\$ 442,769	exp. 12/2039
Development Charge Loan (\$5,052,854) 15 yrs, 3.25% Bo\$	5,052,854	\$ 426,058	exp. 12/2039
Annual Internal Debenture repayments (TBD)	\$	442,769	\$ 442,769
Total Annual Repayments	\$	622,451	\$ 769,190
			\$ 1,391,641

Debentures / Loans:

- Principal Debenture (WWW)
- Principal Debenture (WWW DC's)
- Township Capital Loan (non-growth)
- Development Charge Loan (growth)

Debentures							
Existing			Proposed				TOTAL
Water & Wastewater Expansion	Community Center	Subtotal	T-PW-21-05 Parks & PW Millbrook	T-PW-22-03 PW Operations	T-FD-22-01 Fire Station No.1	Subtotal	
\$ 3,395,510		\$ 3,395,510					\$ 3,395,510
\$ 4,847,259		\$ 4,847,259					\$ 4,847,259
			\$ 383,726	\$ 1,124,624	\$ 4,266,671	\$ 5,775,021	\$ 5,775,021
			\$ 488,378	\$ 1,360,000	\$ 3,204,476	\$ 5,052,854	\$ 5,052,854
Debentures \$ 8,242,769	\$ -	\$ 8,242,769	\$ 872,104	\$ 2,484,624	\$ 7,471,147	\$ 10,827,875	\$ 19,070,644

Capital Project Funding:

- Growth / Development Charges (DC)
- Township Contribution
- Grant Funding
- Reserve: Water & Wastewater
- Reserve: Asset Replacement
- Reserve: Phase In Levy
- Reserve: OLG Revenues
- Reserve: Fire Capital Infrastructure
- Sponsorship & Fundraising
- Other

Capital Project Funding							
Existing			Proposed				TOTAL
Water & Wastewater Expansion	Community Center	Subtotal	Parks & PW Millbrook Depot	PW Operations Centre	Fire Station No.1	Subtotal	
\$ 4,847,259	\$ 3,887,100	\$ 8,734,359	\$ 488,378	\$ 1,360,000	\$ 3,204,476	\$ 5,052,854	\$ 13,787,213
\$ 3,395,510		\$ 3,395,510	\$ 383,726	\$ 1,124,624	\$ 4,266,671	\$ 5,775,021	\$ 9,170,531
\$ 14,510,508	\$ 511,608	\$15,022,116					\$ 15,022,116
\$ 1,480,258		\$ 1,480,258				\$ -	\$ 1,480,258
	\$ 4,692,900	\$ 4,692,900		\$ 22,682	\$ 7,357	\$ 30,039	\$ 4,722,939
	\$ 2,180,000	\$ 2,180,000				\$ -	\$ 2,180,000
	\$ 1,888,392	\$ 1,888,392		\$ 511,608		\$ 511,608	\$ 2,400,000
	\$ 3,240,000	\$ 3,240,000			\$ 1,604,575	\$ 1,604,575	\$ 4,844,575
	\$ 1,000,000	\$ 1,000,000				\$ -	\$ 1,000,000
		\$ -	\$ 7,158	\$ 70,717	\$ 110,000	\$ 187,875	\$ 187,875
Total Capital Project \$ 24,233,535	\$17,400,000	\$41,633,535	\$ 879,262	\$ 3,089,631	\$ 9,193,079	\$ 13,161,972	\$ 54,795,507



Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Kimberley Pope, Finance Department
Report Number:	Finance 2025-04
Subject:	2024 Statement of Council Remuneration and Expenses Report

Recommendation:

That Council receives the 2024 Statement of Council Remuneration and Expense Report.

Overview:

Under Section 283 (1) of the Municipal Act 2001, a municipality may pay any part of the remuneration and expenses of the members of any local board of the municipality and of the officers and employees of the local board. 2001, c. 25, s. 283 (1).

Under Section 284 (1) of the Municipal Act 2001, the treasurer of a municipality shall in each year provide to the council of the municipality an itemized statement on remuneration and expenses paid in the previous year to;

- (a) each member of council in respect of his or her services as a member of the council or any other body, including a local board, to which the member has been appointed by council or on which the member holds office by virtue of being a member of council; and
- (b) each member of council in respect of his or her services as an officer or employee of the municipality or other body described in clause (a); and
- (c) each person, other than a member of council, appointed by the municipality to serve as a member of any body, including a local board, in respect of his or her services as a member of the body. 2001, c. 25, s. 284 (1).

Financial Impact:

None.

Attachments:

- 2024 Statement of Council Remuneration and Expenses
- 2024 Ganaraska Statement of Remuneration
- 2024 Otonabee Statement of Remuneration
- 2024 Kawartha Statement of Remuneration

Respectfully Submitted by,

Reviewed by,

Kimberley Pope
Director of Finance/Treasurer

Yvette Hurley
Chief Administrative Officer

Township of Cavan Monaghan
Statement of Remuneration and Expenses
Year ending December 31, 2024
Section 284(1) of the Municipal Act, SO, 2001 as Amended
By-law 2022-30

	Wages & Benefits	Seminars, Conferences & Expenses	Mileage & General Expenses	Total
Mayor Matthew Graham	\$56,849.38	\$2,359.76	\$819.12	\$60,028.26
Deputy Mayor Ryan Huntley	\$42,002.09	\$2,861.57	\$821.92	\$45,685.58
Councillor Nelson Edgerton (Ward 1)	\$24,369.60	\$681.79	\$258.28	\$25,309.67
Councillor Gerry Byrne (Ward 2)	\$29,222.89	\$2,349.87	\$749.66	\$32,322.42
Councillor Lance Nachoff (Ward 3)	\$32,833.37	\$2,820.27	\$1,130.77	\$36,784.41
Total Remuneration	\$185,277.33	\$11,073.26	\$3,779.75	\$200,130.34

Ganaraska, Kawartha & Otonabee Region Conservation Authority
Board & Authorities Remuneration and Expense Summary
Year ending December 31, 2024
Section 284 (1) of the Municipal Act, SO, 2001 As Amended

	Honorarium	Per Diem	Mileage	Total
Councillor Nachoff (GCAR)	\$0.00	\$450.00	\$0.00	\$450.00
Councillor Huntley (ORCA)	\$0.00	\$520.00	\$0.00	\$520.00
Councillor Byrne (KRCA)	\$0.00	\$750.00	\$450.00	\$1,200.00



**Ganaraska Region Conservation Authority
Township of Cavan Monaghan Representatives Remuneration
January 1 - December 31, 2024**

Total number of meetings eligible to attend 8

	Meetings Attended	Per Diems	Mileage
Lance Nachoff	6	\$450.00	\$0.00

Note: There was no January, July, August, or December meeting.



Otonabee
CONSERVATION

January 21, 2025

Township of Cavan Monaghan
Yvette Hurley, CAO
988 County Rd 10, RR #3
Millbrook, ON L0A 1G0

Dear Ms. Hurley:

As per Section 284(3) of the Municipal Act, 2001, please find below a statement of remuneration and expenses paid to Ryan Huntley, your municipality's appointment to the Otonabee Region Conservation Authority during 2024.

Please note that the number of per diems paid is not necessarily equal to the number of meetings attended due to the manner in which per diems are paid. Authority Directors receive remuneration for attending meetings on a per day basis. For example, Directors attending Audit Committee, Executive Committee or Source Protection Authority meetings followed by the regular Conservation Authority Board meeting receive remuneration equal to one per diem plus related expenses.

Total number of meetings eligible to attend	11
Total number of meetings attended	9

8 Per Diems paid at \$65.00	\$ 520.00
Mileage (in person meetings only)	
Total Remuneration	\$520.00

If you require a more detailed record of the meetings attended by your municipal representative, please contact the undersigned.

Yours very truly

Jennifer Eggleton
Manager, Corporate Services

cc: Ryan Huntley

The Otonabee Region Conservation Authority
250 Milroy Drive, Peterborough, ON K9H 7M9
Phone: 705-745-5791, Fax: 705-745-7488,
Email: otonabeeca@otonabee.com, Website: www.otonabee.com

Member of Conservation Ontario

**Council of Cavan, Monaghan
Appointees - 2024**

Organization: Kawartha Region Conservation Authority

Cavan Appointees	Remuneration or Per Diem	Mileage	Other Expenses	Total
Byrne, Gerry	\$ 750.00	\$ 450.00	\$ -	\$ 1,200.00
Total	\$ 750.00	\$ 450.00	\$ -	\$ 1,200.00

I confirm the above information to be valid and complete.

Name Alex Krynicki
 Position Accountant & Business Analyst
 Telephone 705 - 328 - 2271 ext 228
 Email akrynicki@kawarthaconservation.com



Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Wayne Hancock, Director of Public Works
Report Number:	Public Works 2025-03
Subject:	Acquisition & Dedication of Parts 1 & 2, 45R-17724 as Part of Public Road Allowance for Fallis Line

Recommendations:

1. That Council approve the acquisition of Part 1 & 2, 45R-17724 as part of the public road allowance for Fallis Line at the total price of \$5000.00; and
2. That Council dedicate this portion of Fallis Line which is Part 1 & 2, 45R-17724 as public road allowance after purchase is finalized; and
3. That the Mayor and Clerk be authorized to execute By-law No. 2025-15 being a By-law to dedicate Parts 1 & 2 on Plan 45R-17724 as part of the public road allowance for Fallis Line after purchase is finalized.

Overview:

Staff have met with the Property Owners of 886 Fallis Line to discuss the purchase of a 3.0 meter (m.) road widening along the frontage of their existing residence. During the original design, all aboveground and underground utilities and public infrastructure such as sidewalks were being designed to be built around this private property and 3.0 m. block.

Staff prefer to align infrastructure and place utilities underground as opposed to build around the private 3.0 m. block as the proper alignment will allow for many benefits including aesthetics and ease of future maintenance. Staff reached out to the property owners to propose the purchase of the 3.0 m. block to this end.

Recently, the Property Owners agreed with staff it would be best to have construction straight through the 3.0 m. area. As such, they have agreed to sell the 3.0 m. widening which provides for the full road allowance along Fallis Line. The 3.0 m. road widening property is indicated on Parts 1 & 2 of Plan 45R-17724. (Attachment No. 1).

The Fallis Line Lot Grading Plan View (Attachment No. 2) shows Fallis Line within this section showing the infrastructure, such as sidewalks, properly aligned. This maintains the utilities, such as gas, hydro, and cable, in their proper location with above ground infrastructure.

This report is recommending that Part 1 & 2 of Plan 45R-17724 be acquired & dedicated as public highway under By-law No. 2025-15.

Financial Impact:

Staff had arranged for a real estate valuation to establish a reasonable amount for the property to the amount of \$ 5,000.00. The Township will also be paying legal survey costs and legal fees, which include the property owner's legal costs, to complete the transfer which is estimated to be an additional \$7,000.00. These costs, totaling an estimated \$12,000.00 plus any net municipal H.S.T. on applicable items, will be paid from Development Charges (DC Background Study March 2, 2022 - Table 5-4, Project # 7) as it relates to widening of this roadway.

Attachments:

- Attachment No. 1 - Registered Plan 45R-17724
- Attachment No. 2 - Fallis Line Lot Grading Plan View
- Attachment No. 3 - By-law 2025-15 Being a by-law to dedicate as part of public road allowance a portion of Fallis Line described as Part of Lot 12 in Concession 6, Geographic Township of Cavan being Parts 1 and 2, Plan 45R-17724

Respectfully Submitted by,

Reviewed by,

Wayne Hancock,
Director of Public Works

Yvette Hurley
Chief Administrative Officer

SCHEDULE				
PART	LOT	CONCESSION	PIN	AREA
1	PART OF			96.0 sq. m.
2	LOT 12	6	PART OF 28008-0312	18.2 sq. m.

PART 2 IS SUBJECT TO AN EASEMENT AS IN INST. No. CVNC3591

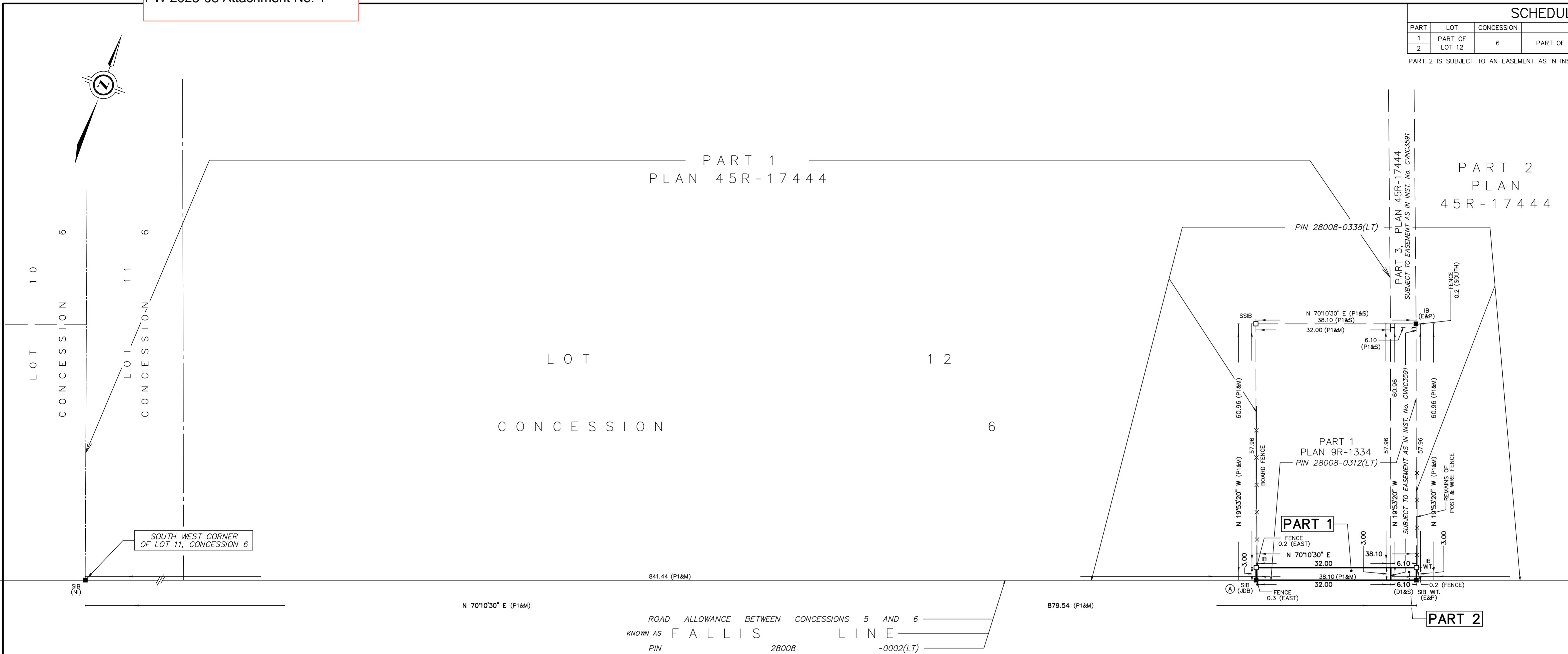
PLAN 45R-17724

Received and deposited

September 6th, 2024

Lisa Halliday

Representative for the
Land Registrar for the
Land Titles Division of
Peterborough (No.45)



PLAN OF SURVEY OF
PART OF LOT 12
CONCESSION 6
GEOGRAPHIC TOWNSHIP OF CAVAN
NOW IN THE
TOWNSHIP OF CAVAN MONAGHAN
COUNTY OF PETERBOROUGH
J.D. BARNES LIMITED
METRIC DISTANCES AND/OR COORDINATES SHOWN ON THIS PLAN ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048.
SCALE 1 : 500
THE INTENDED PLOT SIZE OF THIS PLAN IS 915mm IN WIDTH BY 457mm IN HEIGHT WHEN PLOTTED AT A SCALE OF 1:500

NOTES
BEARINGS ARE UTM GRID, DERIVED FROM OBSERVED REFERENCE POINTS A AND B, BY REAL TIME NETWORK (RTN) OBSERVATIONS, UTM ZONE 17, NAD83 (CSRS) (2010.0).
DISTANCES ARE GROUND AND CAN BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 1.000069.
INTEGRATION DATA
OBSERVED REFERENCE POINTS (ORPs): UTM ZONE 17, NAD83 (CSRS) (2010.0).
COORDINATES TO URBAN ACCURACY PER SECTION 14 (2) OF O.REG 216/10.

POINT ID	NORTHING	EASTING
ORP (A)	4 892 992.92	703 379.36
ORP (B)	4 892 895.71	703 178.87

COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.
THE RESULTANT TIE BETWEEN ORP (A) AND ORP (B) IS 222.80 N 64°08'00" E

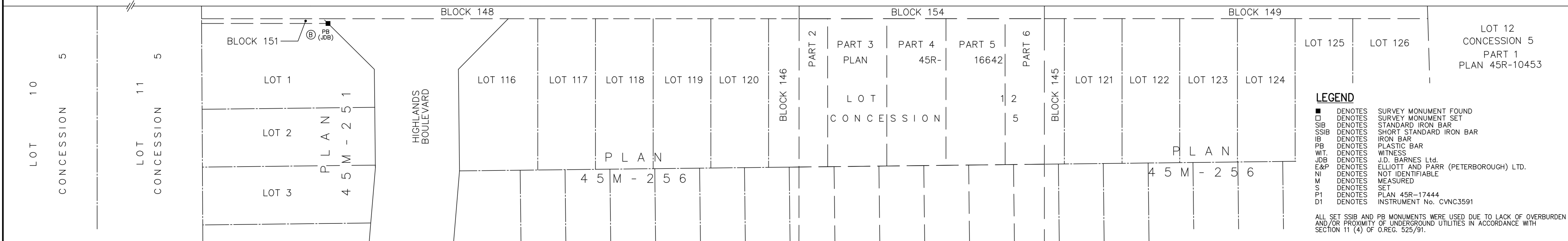
SURVEYOR'S CERTIFICATE
I CERTIFY THAT:
1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT, THE SURVEYORS ACT AND THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.
2. THE SURVEY WAS COMPLETED ON AUGUST 20, 2024.

AUGUST 21, 2024
DATE
SHAWN M. O'CONNOR
ONTARIO LAND SURVEYOR

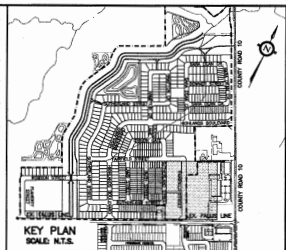
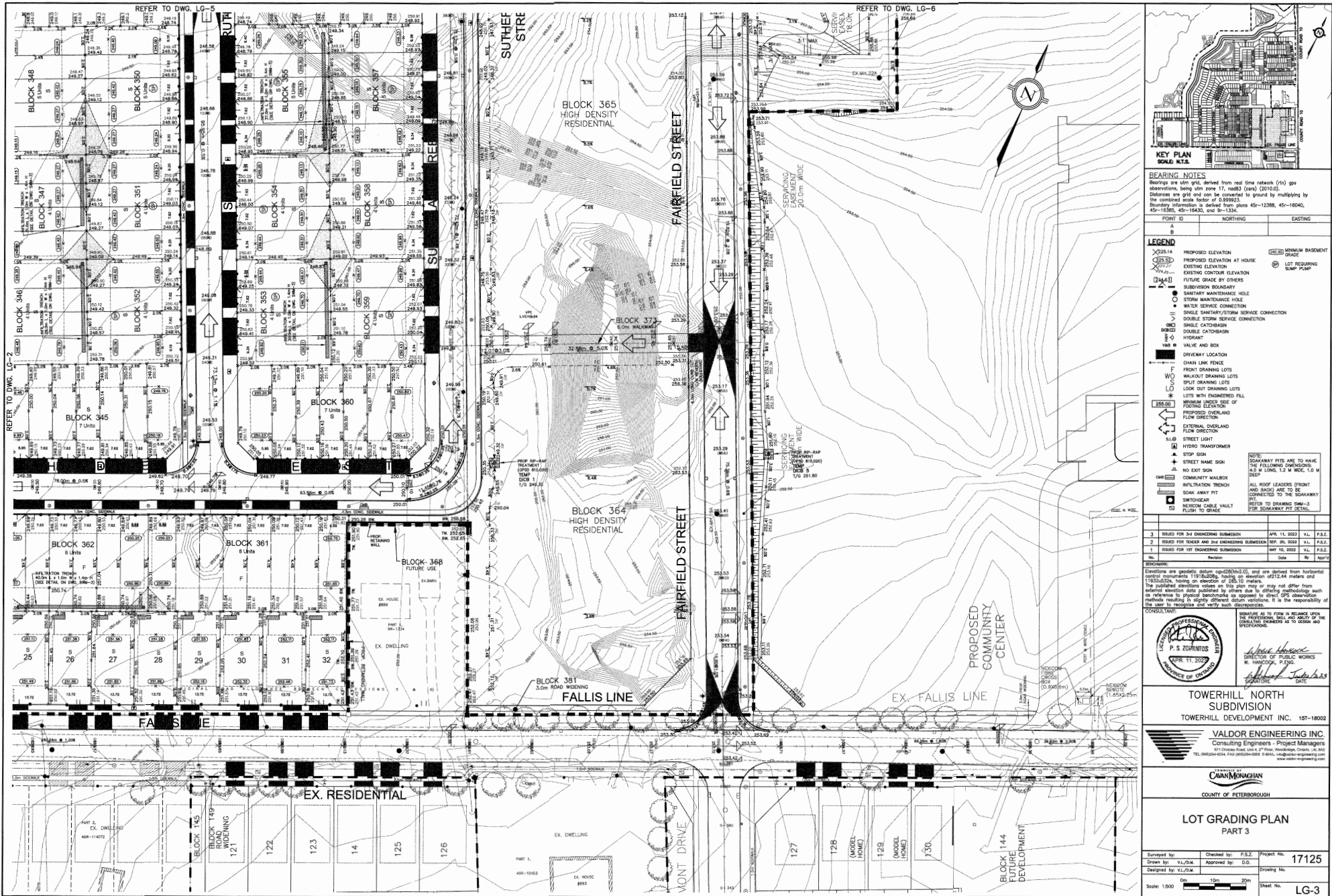
THIS PLAN OF SURVEY RELATES TO AOLS PLAN SUBMISSION FORM NUMBER V-70818

Elliott and Parr
(PETERBOROUGH) SURVEYING MAPPING GIS
A Division of
J. D. Barnes Limited
211 SHERBROOKE ST PETERBOROUGH, ON K9J 2N2
T: (705) 745-8444 F: (705) 745-5314 www.jdbarnes.com

DRAWN BY: JK	CHECKED BY: SMO	REFERENCE NO.: 24-19-174-00
FILE: E&P CAN 6-12	DATED: 08/21/2024	



- LEGEND**
- DENOTES SURVEY MONUMENT FOUND
 - DENOTES SURVEY MONUMENT SET
 - SIB DENOTES STANDARD IRON SET
 - SSIB DENOTES SHORT STANDARD IRON BAR
 - IB DENOTES IRON BAR
 - PB DENOTES PLASTIC BAR
 - WT DENOTES WITNESS
 - JDB DENOTES J.D. BARNES Ltd.
 - E&P DENOTES ELLIOTT AND PARR (PETERBOROUGH) LTD.
 - NI DENOTES NOT IDENTIFIABLE
 - M DENOTES MEASURED
 - S DENOTES SET
 - P1 DENOTES PLAN 45R-17444
 - D1 DENOTES INSTRUMENT No. CVNC3591
- ALL SET SSIB AND PB MONUMENTS WERE USED DUE TO LACK OF OVERBURDEN AND/OR PROXIMITY OF UNDERGROUND UTILITIES IN ACCORDANCE WITH SECTION 11 (4) OF O.REG. 325/91.



BEARING NOTES
 Bearings are true gcs, derived from red line network (m) gcs observations, being srm zone 17, nads83 (srm) (2010.0). Distances are grid and can be converted to ground by multiplying by the combined scale factor of 0.999923. Boundary information is derived from plans 45-12388, 45-15040, 45-16385, 45-18430, and 9-1334.

POINT ID	NORTHING	EASTING
B		

- LEGEND**
- PROPOSED ELEVATION
 - EXISTING ELEVATION AT HOUSE
 - EXISTING CONTOUR ELEVATION
 - FUTURE GRADE BY OTHERS
 - SUBDIVISION BOUNDARY
 - SANITARY MAINTENANCE HOLE
 - STORM MAINTENANCE HOLE
 - WATER SERVICE CONNECTION
 - SINGLE SANITARY/STORM SERVICE CONNECTION
 - DOUBLE STORM SERVICE CONNECTION
 - SINGLE SANITARY/STORM SERVICE CONNECTION
 - DOUBLE CATCHBASIN
 - HYDRANT
 - VALVE AND BOX
 - DRIVEWAY LOCATION
 - CHAIN LINK FENCE
 - FRONT DRANNING LOTS
 - REAR LOT DRANNING LOTS
 - SPLIT DRANNING LOTS
 - LOOK OUT DRANNING LOTS
 - LOTS WITH ENGINEERED FILL
 - MINIMUM UNDER SIDE OF FOOTING ELEVATION
 - PROPOSED OVERLAND FLOW DIRECTION
 - EXTERNAL OVERLAND FLOW DIRECTION
 - STREET LIGHT
 - HYDRO TRANSFORMER
 - STOP SIGN
 - STREET NAME SIGN
 - NO EXIT SIGN
 - COMMUNITY WALKWAY
 - UTILIZATION TRENCH
 - SOAK AWAY PIT
 - INDOOR CABLE VAULT
 - FLUSH TO GRADE
 - MINIMUM BASEMENT GRADE
 - LOT REQUIRING SEWER PUMP

NO.	REVISION	DATE	BY	APP'D.
3	ISSUED FOR 3d ENGINEERING SUBMISSION	APR. 11, 2023	V.L. P.A.Z.	
2	ISSUED FOR TENDER AND 2nd ENGINEERING SUBMISSION	SEP. 25, 2022	V.L. P.A.Z.	
1	ISSUED FOR 1st ENGINEERING SUBMISSION	MAY 16, 2022	V.L. P.A.Z.	

Elevations are geoid, unless specified, and are derived from benchmark control monuments 119-64298, having an elevation of 212.44 meters and 119-63234, having an elevation of 215.0 meters. The published elevations values on this plan may or may not differ from related elevation data published by others due to differing methodology such as reference to physical benchmarks as opposed to direct GPS observation methods resulting in slightly different datum variations. It is the responsibility of the user to recognize and verify such discrepancies.

PROFESSIONAL ENGINEER
 P. S. ZOFORNTOS
 DIRECTOR OF PUBLIC WORKS
 W. HANCOCK, P.E., INC.
 11/11/2023
 Signature: *P. S. Zoforntos*

TOWERHILL NORTH SUBDIVISION
 TOWERHILL DEVELOPMENT INC. 15T-18002

VALDOR ENGINEERING INC.
 Consulting Engineers - Project Managers
 817 Chatham Road, Unit 7, Peterborough, Ontario, Canada
 TEL: 905-924-0242 FAX: (905) 924-0243 EMAIL: valdoreng@valdoreng.com

CANNONMORGAN
 COUNTY OF PETERBOROUGH

LOT GRADING PLAN PART 3

Surveyed by:	Checked by: P.S.Z.	Project No:	17125
Drawn by: V.L.P.A.Z.	Approved by: D.G.	Drawing No:	
Designed by: V.L.P.A.Z.		Sheet No:	LG-3

Scale: 1:500
 0m 10m 20m

The Township of Cavan Monaghan

By-law No. 2025-15

Being a by-law to dedicate as part of public road allowance a portion of Fallis Line described as Part of Lot 12 in Concession 6, Geographic Township of Cavan being Parts 1 and 2, Plan 45R-17724; Township of Cavan Monaghan

Whereas pursuant to Section 31(2), Municipal Act, 2001, S.O. 2001, c.25, a municipality may by by-law establish a highway;

And Whereas that portion of Fallis Line is described as Part of Lot 12 in Concession 6, Geographic Township of Cavan being Parts 1 & 2, Plan 45R-17724; Township of Cavan Monaghan;

And Whereas the Township of Cavan Monaghan controls the road allowance of Fallis Line on Plan 45R-17724;

And Whereas a municipality may by by-law assume for public use a road allowance, highway, street or land shown on a registered plan of survey.

Now Therefore the Council of the Township of Cavan Monaghan hereby enacts as follows:

1. That the Mayor and Clerk are hereby authorized to execute such documents to effect a transfer of Parts 1 and 2 on Plan 45R-17724 to the Township of Cavan Monaghan.
2. That the Township of Cavan Monaghan hereby incorporates Parts 1 & 2 on Plan 45R-17724 into the public highway system of the Township as part of Fallis Line.
3. This By-law shall come into force and effect on the date of passing thereof.

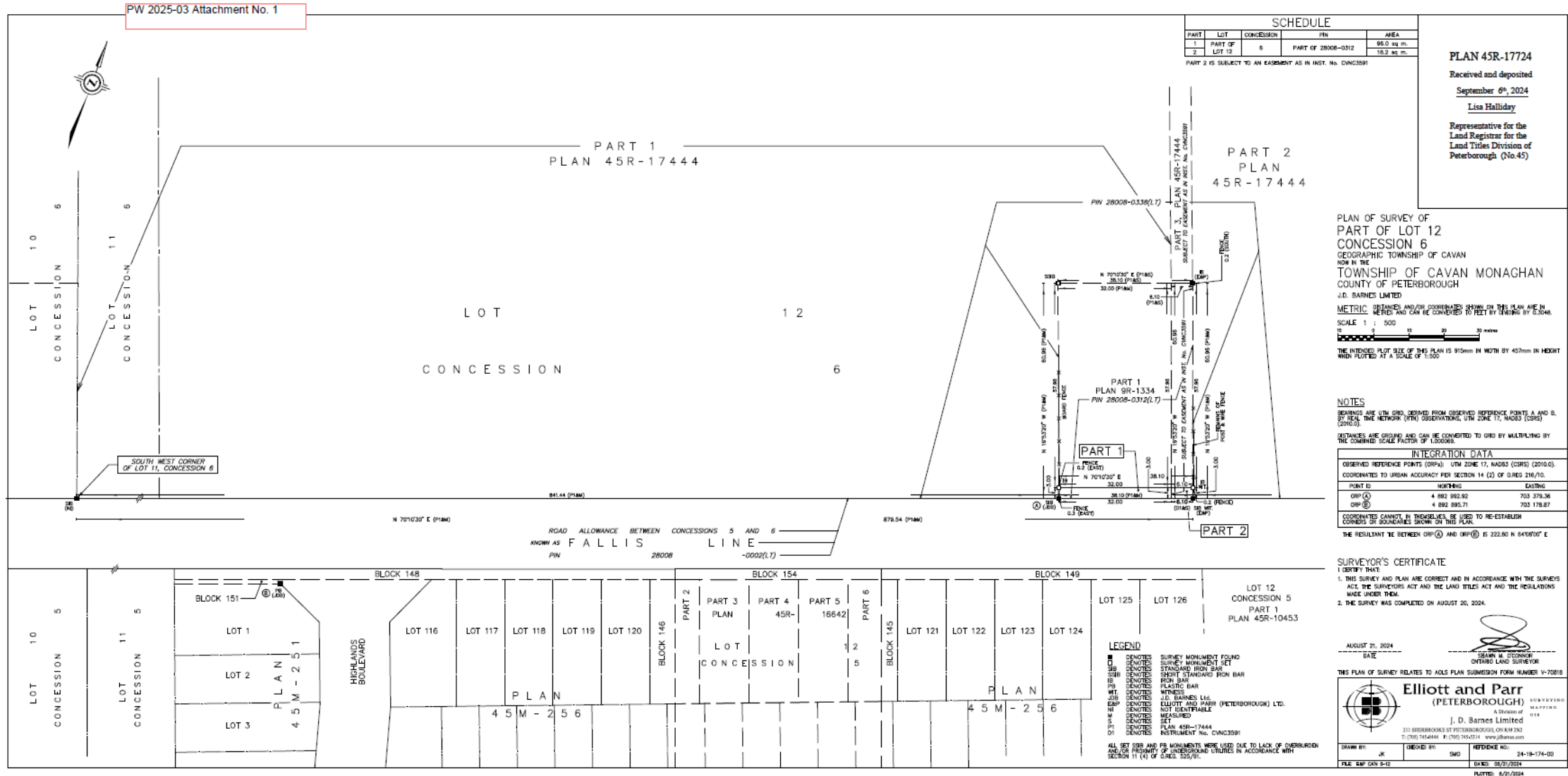
Read a first, second and third time and passed this 3rd day of March, 2025.

Matthew Graham
Mayor

Cindy Page
Clerk

Schedule "A"

Lands to be dedicated: Lot 12, Concession 6, Geographic Township of Cavan being Parts 1 & 2, Plan 45R-17724.





Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Brigid Ayotte, Economic Development & Communications Officer
Report Number:	Department PEB 2025-06
Subject:	2024 Community Improvement Plan Recipients - 2nd Intake

Recommendations:

1. That Council accept the proposed 2024 Community Improvement Plan (CIP) Grant Recipient St. Paul's Cemetery & Chapel – 2nd Intake as presented and \$3,000.00 be allocated from the Community Improvement Plan Incentives Capital Budget; and
2. That applications be received on a first come, first serve basis to the limit of the available funding for this year.

Overview:

In the 2024 Capital Budget, Council approved the Community Improvement Plan (CIP) Program with the unspent funds from the program years 2019-2022 and 2023 CIP programs. The total funding envelope available for the 2024 CIP Grant program was \$59,718.00.

In June 2024, Council awarded \$34,400 of the funding envelope to six (6) successful projects. Council directed Staff to do a second (2nd) intake for the CIP with the remaining funds.

Applications for the 2nd intake opened August 22, 2024 and closed October 17th, 2024. Two (2) applications were received. The CIP Implementation Committee reviewed the applications. One did not meet the objectives of the funding stream. Staff are meeting with the applicant to review the application and are encouraging them to re-apply.

The chart below represents the Committee's recommendation for funding approval.

CIP Program	Property Address	Total Project Investment Costs	Amount Requested	Total Eligible	Total Recommended	Project Description
Façade & Signage Improvement Grant	1304 Zion Line St. Paul's Cemetery	\$6,000.00	\$3,000.00	\$3,000.00	\$3,000.00	The installation of an educational signage/display

Program	& Chapel					panel at the cemetery and chapel.
	Total	\$6000.00	\$3,000.00	\$3,000.00	\$3,000.00	

Section 7.2.3 of the CIP details the administration of financial incentives. It states the applications may be received on a first come, first served basis (to the limit of available funding for that year) or that the CIP Implementation Committee can establish an annual/bi-annual deadline.

Historically, the CIP program has been administered with annual/bi-annual deadlines. The Implementation Committee is recommending the switch to a first come, first served basis as it will create greater accessibility to the program, encourage faster project initiation, and allow Staff to better utilize the program as an economic development tool.

Financial Impact:

As shown in Table 1 below, the total funding envelop for the 2024 CIP Incentive Program was \$59,718.00. To date, \$13,175.00 has been issued for completed projects. A total of \$46,543.00 was rolled over into the 2025 budget. \$35,800 of which is pre-committed to outstanding projects leaving \$10,743 in available funding. Should Council approve the above noted application for funding the remaining balance would be \$7,743.00.

The 2025 budget included the Council directed \$25,000 annual contribution. The total funding envelope for the 2025 CIP program is \$25,000 plus any remaining 2024 balance. Should Council approve the above application the total amount available for 2025 would be \$32,743.

Table 1

2024 Total Funding Envelope	\$ 59,718.00	
Less Total Funds Issued in 2024		\$ 13,175.00
Total Funds rolled over to 2025	\$ 46,543.00	
Less pre-committed funds (projects outstanding)		\$ 35,800.00
Funds available for Intake 2	\$ 10,743.00	
Less Intake 2 Funds Awarded		\$ 3,000.00
Remaining CIP Funds	\$ 7,743.00	
2025 Budgeted CIP Allocation	\$ 25,000.00	
Total 2025 Funding Envelope	\$ 32,743.00	

Respectfully Submitted by,

Reviewed by,

Brigid Ayotte
Economic Development & Communications Officer

Kimberley Pope
Director of Finance/Treasurer

Yvette Hurley
Chief Administrative Officer



Regular Council Meeting

To:	Mayor and Council
Date:	March 3, 2025
From:	Cindy Page, Clerk
Report Number:	Corporate Services 2025-04
Subject:	174th Millbrook Fair – Community Festival Designation

Recommendations:

1. That the Township of Cavan Monaghan designate the 174th Millbrook Fair as a Community Festival and municipally significant event; and
2. That the Millbrook Agricultural Society is responsible for policing costs during the hours of operation of the Beer Barn and Trakside Lounge; and
3. That the Community Festival Designation be conditional upon the minimum police presence on the Fairgrounds being as follows:
 - Two (2) Officers on June 12 from 5:00 p.m. to 12:00 a.m.
 - Four (4) Officers on June 13 from 5:00 p.m. to 1:00 a.m.
 - Four (4) Officers on June 14 from 12:00 p.m. to 1:00 a.m.

Overview:

The Township of Cavan Monaghan is in receipt of a request from the Millbrook Agricultural Society for designation as a Community Festival and municipal significant event under the requirements of a Special Occasion Permit from the Alcohol and Gaming Commission of Ontario (AGCO).

The Millbrook Agricultural Society will be holding their 174th Annual Millbrook Fair at 13 Frederick Street in Millbrook June 12 through June 15, 2025 and anticipate close to 6000 people to pass through the gates during the Fair. The Millbrook Agricultural Society will be applying to the ACGO for a Special Occasion Permit to operate a Beer Barn and Trakside Lounge at the annual fair.

The purpose of this report is to designate the 174th Millbrook Fair to be held June 12 through June 15, 2025 as a Community Festival and municipally significant event. The approval is conditional upon the Millbrook Agricultural Society having police presence and being responsible for the policing costs during the hours of operation of the Beer Barn and Trakside Lounge.

The Millbrook Agricultural Society has provided the following letters of support from the Peterborough Police Service, Peterborough Public Health and from Cavan Monaghan’s Fire Department and Building Department.

Financial Impact:

There is no financial impact at this time.

Attachments:

1. Letter of request from the Millbrook Agricultural Society
2. Letter from Peterborough Police Service
3. Letter from Cavan Monaghan Fire Department
4. Letter from Peterborough Public Health
5. Letter from Cavan Monaghan Building Department

Respectfully submitted by,

Reviewed by,

Cindy Page
Clerk

Yvette Hurley
Chief Administrative Officer



Millbrook Agricultural Society

13 Frederick Street Millbrook, ON L0A 1G0

January 20, 2025

Stuart Betts, Chief of Police
500 Water Street
P.O. Box 2050
Peterborough, ON K9J 7Y4
paidduties@peterborough.ca

Katrina Chia B.Sc, B.A.Sc, C.P.H.I (C)
Public Health Inspector
Environmental Health
Peterborough Public Health
kchia@peterboroughpublichealth.ca

Kyle Phillips, CBCO
Chief Building Official/By-Law Enforcement
Township of Cavan Monaghan
kphillips@cavanmonaghan.net

Bill Balfour
Fire Chief
Township of Cavan Monaghan
bbalfour@cavanmonaghan.net

Cavan Monghan Township Council
c/o Cindy Page
Clerk
Township of Cavan Monaghan
cpage@cavanmonaghan.net

The Millbrook Agricultural Society is seeking permission to hold the 174th Annual Millbrook Fair at 13 Frederick Street in Millbrook June 12th, 2025 through June 15th, 2025.

The Millbrook Agricultural Society anticipates close to 6000 people to pass through the gates during the Fair.

The Millbrook Agricultural Society will be applying to the Alcohol and Gaming Commission of Ontario for a Special Occasion Permit to operate a Beer Barn and Traxside Lounge at the annual fair.

The Millbrook Agricultural Society is seeking the following:

- Community Festival designation from the Township of Cavan Monaghan in order to satisfy one of the requirements for a Special Occasion Permit
- Support of the Peterborough Police Service to acquire a liquor license from the AGCO for the sale of alcohol during the 2025 Millbrook Fair, June 12th through June 15th
- Approval from the Cavan Monaghan Fire Department in obtaining a liquor license for the 2025 Millbrook Fair

President: Al Lang **1st Vice President:** Paul Shaughnessy **2nd Vice President:** Chris Brackenridge
Executive Directors: Travis Grove and Dakota Borutski **Treasurer:** Nancy Oortwyn **Secretary:** Sheila Rogoski



Millbrook Agricultural Society

13 Frederick Street Millbrook, ON L0A 1G0

- Endorsement of the Township of Cavan Monaghan Building Department regarding the Application for Special Occasion Permit to enable the sale of alcohol during the Millbrook Fair, June 12th through June 15th, 2025
- A letter of support from the Peterborough Public Health in obtaining a permit for the sale of alcohol at the 2024 Millbrook Fair

Proposed Hours for the sale of alcohol during the 2025 Fair:

- Thursday, June 12, 2025 5:00pm to Midnight (12:00am)
- Friday, June 13, 2025 5:00pm to 1:00 am
- Saturday, June 14, 2025 Noon to 1:00am

On behalf of the Millbrook Agricultural Society Board, your consideration of this request is appreciated.

Questions can be directed to me via email, Sheila.rogoski@gmail.com or telephone, 705-277-9507.

Thank you,

Sheila Rogoski
Secretary
Millbrook Agricultural Society

c Al Lang , President, Millbrook Agricultural Society
biglangerz@gmail.com
905-449-3823



Stuart Betts, Chief of Police
Jamie Hartnett, Deputy Chief of Police

500 Water Street, PO Box 2050
Peterborough, Ontario, K9J 7Y4
Main Phone 705 876-1122
Executive Fax 705 876-6005
Operations Fax 705 743-1540
Website – www.peterboroughpolice.com

25 February 2025

Sheila Rogoski
Secretary
Millbrook Agricultural Society
13 Frederick Street
Millbrook, ON
L0A 1G0

Dear Sheila:

Re: 174th Millbrook Fair

In response to your correspondence dated February 2, 2025, the Peterborough Police Service has been requested to assist with your Special Occasion Permit for the above noted event. The Millbrook Fair would be at 13 Frederick Street, Millbrook, Ontario, from Thursday, June 12th, 2025 until Sunday, June 15th, 2025.

I have reviewed information contained in our Records Management System and can report that there are no issues or concerns from previous events that were found from that search pertaining to the planned event or alcohol being served at the Fair. It is noted that you will have Paid Duty Officers in attendance.

The Peterborough Police Service supports your request to acquire a Special Occasion Permit from the AGCO for the sale of alcohol during the dates noted above.

Wishing you the greatest success and good luck with everything!

Sincerely,

Craig Ralph, Inspector
Peterborough Police
Service

January 23, 2025

Al Lang, President
Millbrook Agricultural Society
13 Frederick St. Millbrook,
ON L0A 1G0

Sent Via Email: biglangerz@gmail.com

Re: Request for Support of Community Festival Designation 2025

Dear Al Lang,

The Township of Cavan Monaghan Fire Department has received your letter requesting support for your 2025 Community Festival Event.

In regard to the notification received January 19, 2025, the Fire Department has no objections for the sale of alcohol at the Millbrook Fair event hosted on June 12th, through June 15th, 2025, at 13 Frederick St. Millbrook, ON L0A 1G0.

In addition, the Fire Department must conduct a Fire Safety Inspection of the premises before it can open to the public. Please provide the attached letter titled "Millbrook Fair Event Standards" to all event vendors. Compliance with these standards is mandatory and will be enforced.

In the past, the Fair Board has previously requested a Fire Truck (pumper) to attend the track events. Could you please advise if you require such for 2025 as well as the times for the event(s).

Should you have any questions, please feel free to reach out.

Yours truly,


Bill Balfour, Fire Chief

Cc:/ Cindy Page, Clerk, cpage@cavanmonaghan.net

Cc:/ Kyle Phillips, Chief Building Official, kphillips@cavanmonaghan.net

Cc:/ Sheila Rogoski, Secretary, Millbrook Agricultural Society sheila.rogoski@gmail.com

February 5, 2025

Sheila Rogoski, Secretary
13 Frederick St.
Millbrook, ON L0A 1G0

By email: sheila.rogoski@gmail.com

RE: Liquor License for Millbrook Fair to be held from June 12, 2025 to June 15, 2025

Peterborough Public Health has no objection for the Millbrook Agricultural Society to obtain a liquor license for the Millbrook Fair held from June 12, to 15, 2025, provided that the Millbrook Fair has the sanitary facilities, potable water supply and garbage removal as specified in their application.

In addition, Millbrook Fair must complete the 'Coordinator's Special Events Application' and the attending food vendors must complete the 'Food Vendor's Special Events Application'. The event coordinator must collect all special events applications and submit them together to the health unit before May 23, 2025.

If you have any questions, please do not hesitate to contact me at 705-868-5206 or psritharan@peterboroughpublichealth.ca.

Kind regards,
Pirasha Sritharan



Pirasha Sritharan, BSc, CPHI(C)
Public Health Inspector



Jackson Square, **185 King St.**, Peterborough, ON K9J 2R8
P: 705-743-1000, ext. 682 or 705-868-5206 | F: 705-743-1203

www.peterboroughpublichealth.ca

Jan 27, 2025

RE: Millbrook Agricultural Society

The Millbrook Agricultural Society is seeking permission to hold the 174th Annual Millbrook Fair at 13 Frederick Street in Millbrook June 12th, 2025 through June 15th, 2025.

Please be advised that the Township of Cavan Monaghan Building Department has no objections to the Application for Special Occasion Permit by the Agricultural Society to operate a Beer Barn and Trackside Lounge at the annual fair for the following times:

- Thursday, June 12, 2025 5:00pm to Midnight (12:00am)
- Friday, June 13, 2025 5:00pm to 1:00 am
- Saturday, June 14, 2025 Noon to 1:00am

If you require any further information, please contact me directly.

Thanks



Kyle Phillips, CBCO
Chief Building Official/By-Law Enforcement
Township of Cavan Monaghan
705-932-9319
kphillips@cavanmonaghan.net
www.cavanmonaghan.net

The Township of Cavan Monaghan

By-law No. 2025-13

Being a by-law to amend By-law No. 2018-58, as amended, otherwise known as “The Township of Cavan Monaghan Zoning By-law”

Whereas the Township of Cavan Monaghan received an application to amend Zoning By-law No. 2018-58, as amended;

And Whereas the Council of the Township of Cavan Monaghan reviewed the proposed rezoning and now deems it advisable to further amend By-law No. 2018-58, as amended.

Now Therefore the Council of the Township of Cavan Monaghan hereby enacts as follows:

1. Map C-1 of Schedule “A” to By-law No. 2018-58, as amended, is hereby amended by rezoning a portion of the lands in Part of Lot 5, Concession 10 (Cavan), being property assessment roll number 1509-030-040-200-00, from the Agricultural (A) Zone to the Agricultural Exception Nineteen (A-19) Zone as shown on Schedule “1” attached hereto and forming part of the By-law.
2. Section 7.4 of By-law No. 2018-58, as amended, is further amended by the addition of Section 7.4.30 that shall read as follows:

“7.4.30 A-19 Map C-1 on Schedule A (2025-13 347 Sharpe Line)

- a) A maximum of one accessory apartment is permitted on the property;
 - b) The maximum floor area of the accessory apartment shall not exceed 45 percent of the gross floor area of the principal dwelling on the property;
 - c) The accessory apartment shall be located a detached accessory building within the residential building cluster; and
 - d) For the purposes of this By-law, the residential cluster shall mean lands within 65 metres (213 feet) of the principal dwelling.”
3. All other relevant provisions of By-law No. 2018-58, as amended, shall apply.

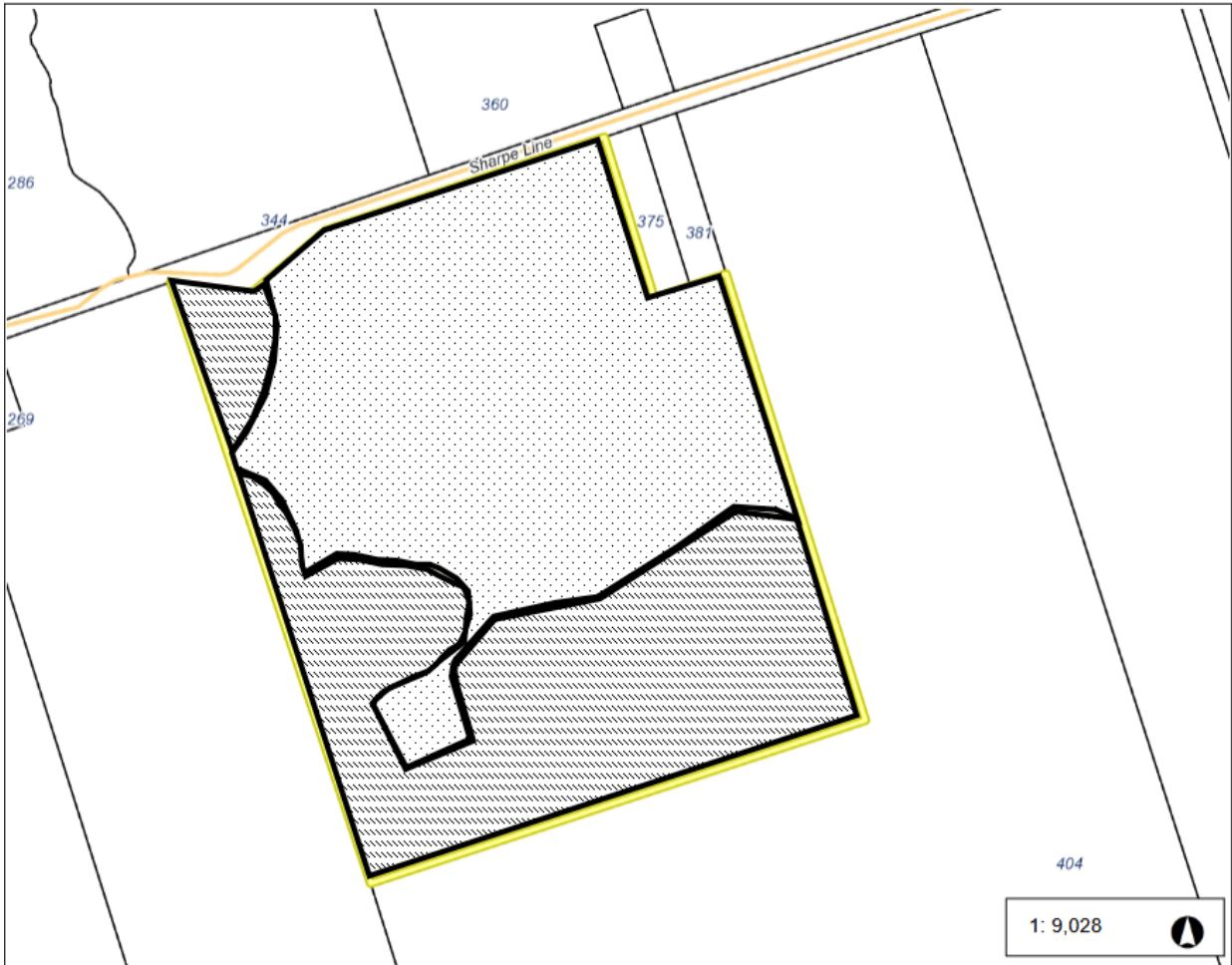
If no notice of objection is filed with the Clerk within the time provided, this By-law shall become effective on the date of passing. If a notice of objection is filed with the Clerk, this By-law shall become effective on the date of passing hereof subject to the disposition of any appeals.

Read a first, second and third time and passed this 3rd day of March 2025.

Matthew Graham
Mayor

Cindy Page
Clerk

Schedule "1" to By-law No. 2025-13



Area Affected by this By-law
 347 Sharpe Line,
 Part of Lot 5, Concession 10 (Cavan)
 Township of Cavan Monaghan

Certificate of Authentication
 This is Schedule "1" to By-law
 No. 2025-13 passed this 3rd
 day of March, 2025.



Rezone the 'Agricultural Zone' to the 'Agricultural Exception Nineteen (A-19) Zone'.



'Natural Linkage (NL) Zone' to remain.

Matthew Graham
 Mayor

Cindy Page
 Clerk

The Township of Cavan Monaghan

By-law No. 2025-14

Being a by-law to execute a revised lease agreement between the Township of Cavan Monaghan and the County of Peterborough

Whereas Section 11 of the Municipal Act, 2001, as amended, states that a lower-tier municipality may pass by-laws respecting matters within their spheres of jurisdiction;

And Whereas the Township of Cavan Monaghan deems it desirable to enter into and execute a revised Agreement with the County of Peterborough for the lease of space within the Fire Hall as described within the Agreement;

And Whereas the Township of Cavan Monaghan deems it necessary to repeal in its entirety By-law No. 2023-64, containing the original Agreement, and pass a by-law containing the revised Agreement;

Now Therefore, the Council of the Township of Cavan Monaghan hereby enacts as follows:

1. That the Mayor and Clerk are hereby authorized and directed to execute the agreement with the County of Peterborough.
2. That the agreement is attached as Schedule 'A' to this By-law.
3. That By-law No. 2023-64 be repealed in its entirety.

Read a first, second and third time and passed this 3rd day of March, 2025.

Matthew Graham
Mayor

Cindy Page
Clerk

Schedule 'A' – Lease Agreement

THE CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

(LANDLORD)

- and -

THE CORPORATION OF THE COUNTY OF PETERBOROUGH

(TENANT)

LEASE

Project: New Fire Station No. 1, Highlands Boulevard, Millbrook, Ontario

Premises: Approximately 3,078 square feet, outlined in red on Schedule "A"

LEASE

THIS LEASE dated as of the 14th day of April, 2023.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF CAVAN MONAGHAN

(hereinafter called “**Landlord**”)

OF THE FIRST PART;

- and -

THE CORPORATION OF THE COUNTY OF PETERBOROUGH

(hereinafter called “**Tenant**”)

OF THE SECOND PART;

ARTICLE 1 LEASE SUMMARY

1.01 Lease Summary

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

- (a) **Premises:** Two (2) ambulance bays, the offices and rooms as shown outlined in red on Schedule “A” attached hereto, having a Rentable Area of approximately 3,078 square feet;
- (b) **Term:** Twenty (20) years;
- (c) **Possession Date:** As set out in subsection 1(d);
- (d) **Fixturing Period:** Provided that: (i) the Tenant produces a certificate of insurance evidencing Tenant’s compliance with the insurance requirements set out in this Lease; (ii) the Tenant produces evidence that any utility account exclusive to the Premises (if any) has been registered in the Tenant’s name; (iii) the Landlord has approved the Tenant’s drawings and specifications; and (iv) the Tenant has provided evidence satisfactory to the Landlord that it has obtained all necessary permits and approvals for the Tenant’s Work, then the Tenant shall be granted access to the Premises for a period of sixty (60) days commencing on the date on which the Landlord’s Work is Substantially Completed (as defined herein) (the “**Fixturing Period**”), currently estimated to be April 1, 2024 (the “**Possession Date**”) for the purpose of constructing leasehold improvements and preparing the Premises for its intended use. During the Fixturing Period, the Tenant shall not be required to pay Basic Rent or Additional Rent (as hereinafter defined) to the Landlord, save and except for utilities consumed in the Premises and garbage removal costs, otherwise the Tenant shall abide by and adhere to all other terms and conditions of this Lease.

Notwithstanding anything to the contrary herein, the Possession Date may be advanced or deferred to the date on which the Landlord’s Work is substantially complete to the point where the Tenant may commence Tenant’s Work without undue interference by the Landlord (“**Substantially Complete**”) and which Possession Date, if advanced or deferred, is to be determined upon Landlord giving fifteen (15) calendar days’ prior written notice to the Tenant.

The Landlord shall make every reasonable effort to have the Landlord’s Work Substantially Complete on or before April 1, 2024 (the “**Target Possession Date**”), but if the Landlord’s Work is not completed on or before such Target Possession Date, this Lease shall not be void or voidable nor shall the Landlord be liable for any loss or damages whatever resulting therefrom and the Possession Date shall be deferred as set forth above.

If the Possession Date is delayed as a result of any of the Tenant’s own delays, failures, actions or omissions, including the Tenant’s failure to provide plans and specifications as required hereunder or as a result of the Tenant’s failure to obtain requisite permits/approvals or otherwise comply with the provisions of the Lease, then the Possession Date shall be such date upon which the Landlord would have turned over the Premises to the Tenant but for such delays or default or acts of the Tenant, and the Tenant shall not be entitled to any abatement or reduction of Rent or other payments or any other rights in respect thereof by reason of any delay in its occupancy.

The decision of the Landlord’s Architect as to (i) the date upon which the Landlord’s Work is Substantially Complete or the date upon which the Landlord’s Work would have been Substantially Complete but for any delay, default or act of the Tenant, (ii) Rentable Area of the Premises and of any other Useable Area or Rentable Area in the Project, and (iii) the availability of the Premises for possession by the Tenant, shall be final and binding upon the parties.

(e) **Commencement Date:** The day immediately following the expiry of the Fixturing Period;

(f) **Basic Rent:**

<u>Period</u>	<u>Annual Rate (per sq. ft. of Rentable Area)</u>	<u>Annual Amount (plus Sales Taxes)</u>	<u>Monthly Amount (plus Sales Taxes)</u>
Years 1 – 10	\$18.50	\$56,943.00	\$4,745.25
Years 11 – 20	\$20.00	\$61,560.00	\$5,130.00

(g) **Use of Premises:** The Tenant shall not use the Premises for any purpose other than for operating an ambulance facility and related offices, in accordance with applicable Laws and this Lease;

(h) **Address for Service of Notice on Tenant:**

The Corporation of County of Peterborough
 470 Water Street
 Peterborough, Ontario, K9H 3M3

Address for Service of Notice on Landlord:

Township of Cavan Monaghan
988 County Road 10
Millbrook, ON L0A 1G0
Attention: Ms. Yvette Hurley
Chief Administrative Officer
Deputy Clerk, Deputy Treasurer

ARTICLE 2 DEFINITIONS

2.01 Definitions

Unless specifically defined elsewhere in this Lease, where used in this Lease, the following words or phrases shall have the meanings set forth in the balance of this Article.

- (a) “Architect” means a professionally accredited architect, engineer, surveyor or other qualified person appointed by the Landlord from time to time.
- (b) “Building” means the entire building in which the Premises are located.
- (c) “Common Facilities” means all areas, facilities, systems, improvements, furniture, fixtures and equipment in or on the Project (excluding Leasable Areas not exclusively used or occupied by the Tenant or the Landlord) and the lands forming part of the Project.
- (d) “Fiscal Year” means the period used by Landlord for fiscal purposes in respect of the Project. Unless otherwise determined by Landlord by written notice to Tenant at any time or times, each Fiscal Year shall be a calendar year. In the event of a change in the Fiscal Year, or with respect to a partial Fiscal Year at the beginning or end of the Term, all appropriate adjustments resulting from a Fiscal Year being shorter or longer than twelve (12) months shall be made.
- (e) “Landlord’s Work” means the work to be performed by the Landlord, at its own cost, as more particularly set out in Schedule B attached hereto.
- (f) “Lands” means those lands consisting of the legal parcel or PIN on which the Building is located.
- (g) “Laws” means all statutes, regulations, by-laws, orders, rules, requirements and directions of all governmental authorities having jurisdiction.
- (h) “Lease” means this Lease including all of the schedules attached hereto.
- (i) “Leasable Areas” means all areas and spaces of the Project to the extent designated or intended from time to time by Landlord to be leased to tenants, whether leased or not, but excluding any parking areas and facilities, storage areas, and premises at or below grade used for sports, fitness or other recreational purposes.
- (j) “Operating Costs” means the aggregate of all expenses and costs of every kind for each fiscal period designated by Landlord, as determined in accordance with generally accepted

accounting principles and without duplication, incurred by or on behalf of Landlord with respect to the operation, maintenance, repair, replacement and management of the Project, and all insurance relating to the Project. Provided that if the Project is less than one hundred percent (100%) completed or occupied for any time, Operating Costs shall be adjusted to mean the amount obtained by adding to the actual Operating Costs during such time such additional costs and amounts as would have been incurred or otherwise included in Operating Costs if the Project had been one hundred percent (100%) completed, leased and occupied as determined by Landlord, acting reasonably. For clarification, Landlord shall be entitled to adjust upward only those amounts which may vary depending on occupancy.

- (1) Without in any way limiting the generality of the foregoing, Operating Costs shall include all costs in respect of the following:
 - (i) all remuneration, including wages and fringe benefits, of employees engaged in the operation, maintenance, repair, replacement and management of the Project;
 - (ii) fire sprinkler maintenance and security monitoring, if any, of the Project;
 - (iii) cleaning, parking striping, window cleaning and waste removal;
 - (iv) intentionally deleted;
 - (v) all utilities supplied to the Project including, without limitation, water, gas, electricity and sewer charges, excluding those charged directly to tenants of the Project;
 - (vi) landscaping and maintenance of all outside areas, including snow and ice clearing and removal and salting of driveways and parking areas and of sidewalks adjacent to the Project;
 - (vii) unless they are charged fully in the Lease Year in which they are incurred, all in accordance with commercially reasonable accounting practices applied in the real estate industry, depreciation or amortization (whether incurred before or during the Term), over the useful life (but not exceeding ten (10) years) of all improvements, furnishings, fixtures, equipment, machinery, systems, paving, and facilities constructed or installed in or used in connection with the Project which, by their nature, require periodic or substantial repair or replacement, or which are constructed, installed or used primarily to reduce the cost of other items included in Operating Costs, whether or not such other costs are in fact reduced, and interest on the undepreciated cost of all items in respect of which depreciation or amortization is included herein at two percent (2%) in excess of the prime rate of interest charged by Landlord's bank at Toronto as of the first day of each Fiscal Year;
 - (viii) all insurance which Landlord obtains and the cost of any deductible amounts payable by Landlord in respect of any insured risk or claim;
 - (ix) policing, supervision, security and traffic control;

- (x) maintenance, repairs (including major repairs) and replacements in respect of the Common Facilities including maintenance and repair of structural elements (but not repairs of inherent structural defects or weaknesses) of the buildings in the Project and maintenance, repairs and replacements of the roof membranes (and other non-structural elements of the roof) of such buildings
- (xi) all costs in the nature of Operating Costs in respect of areas, services and facilities outside the Project, such as sidewalks and boulevards, off-site utilities and other service connections, and in respect of areas, services and facilities shared by users of the Project and users of any other property, to the extent Landlord performs or contributes to the same as a result of its ownership of the Project;
- (xii) costs incurred in connection with the Premises and the Project (or either of them) that are intended as labour or energy saving devices or are intended to effect other savings in the maintenance or stability of services, to all or part of the Premises and the Project (or either of them) including, but not limited to, improvements necessary to achieve or maintain specific energy ratings, costs incurred to comply with Laws where the Laws did not apply at the time when permits for the construction of the Project were obtained, and reasonable allocations of the costs of acquiring technology, licenses, and systems and outsourced resources including data storage, call Project services and other services in the operation of the Landlord Properties;
- (xiii) intentionally deleted;
- (xiv) business taxes, if any, on Common Facilities;
- (xv) capital taxes, if any, payable by Landlord in respect of or resulting from Landlord's ownership or other interest in the Project or any part thereof; namely, any tax or taxes payable under any provincial or federal legislation based upon or computed by reference to the paid-up capital or place of business of Landlord as determined for the purposes of such tax or based upon or computed by reference to the taxable capital employed in Canada, or any similar tax levied, imposed or assessed in the future in lieu thereof or in addition thereto by any governmental authority, all of which shall be determined by Landlord's auditor or accountant, whose determination shall be final and binding;
- (xvi) capital costs incurred for any of the above up to TEN THOUSAND DOLLARS (\$10,000.00) for any one item;
- (xvii) Sales Taxes payable by Landlord on the purchase of goods and services included in Operating Costs (excluding any such Sales Taxes which are available to and claimed by Landlord as a credit or refund in determining Landlord's net tax liability on account of Sales Taxes, but only to the extent that such Sales Taxes are included in Operating Costs);

- (xviii) the fair rental value of space occupied by Landlord for management, supervisory or administrative purposes relating to the Project;
- (xix) third party accounting, legal, and other professional and consulting fees and disbursements incurred in connection with the operation of the Project, and the costs of administering, minimizing, contesting or appealing assessments of Realty Taxes (whether or not successful) through such third party;
- (xx) Reasonable administration fee not to exceed ten percent (10%) of Operating Costs.

The Landlord shall have the right to allocate Operating Costs, or some of them, to such portion(s) of the Project as determined by the Landlord, acting reasonably.

- (2) Operating Costs, however, shall be reduced by the following to the extent actually received by Landlord:
 - (i) proceeds of insurance and damages received by Landlord from third parties to the extent of costs otherwise included in Operating Costs;
 - (ii) contributions from parties other than tenants of the Project, if any, in respect of Operating Costs, such as contributions made by parties for sharing the use of Common Facilities, but not including rent or fees charged directly for the use of any Common Facilities such as parking fees and rent for storage areas; and
 - (iii) amounts in the nature of Excess Costs, as defined in subsection 0, to the extent received by Landlord from tenants of the Project.
- (3) Operating Costs, however, shall exclude the following:
 - (i) Realty Taxes;
 - (ii) expenses incurred by Landlord in respect of other tenants' leasehold improvements;
 - (iii) capital costs except to the extent included pursuant to Section 2.01(j)(1)(xvi) above;
 - (iv) repairs or replacements to the extent that the cost of the same is recovered by Landlord pursuant to original construction warranties;
 - (v) repairs or replacements to the structural components of the Project, as determined by Landlord's structural engineer, being the roof decks (but no other part of the roof such as the roof membranes) foundations, columns, beams and weight bearing slabs and walls;
 - (vi) net proceeds received by the Landlord from insurance policies taken out by the Landlord to the extent that the proceeds relate to Operating Costs; and

- (vii) costs of making any alterations, repairs or replacements in connection with any condition of environmental concern in respect of the Building and/or the Lands (excluding the Premises), provided same did not result from the Tenant's use and occupancy.
- (k) "Project" means the Lands and all buildings, structures, improvements, equipment and facilities of any kind erected or located thereon from time to time, as the Lands, buildings, structures, improvements, equipment and facilities may be expanded, reduced or otherwise altered by Landlord in its sole discretion from time to time.
- (l) "Proportionate Share" means a fraction which has as its numerator the Rentable Area of the Premises and which has as its denominator the aggregate ground floor Rentable Area of the Building, as amended from time to time.
- (m) "Realty Taxes" means all taxes, rates, duties, levies, fees, charges, local improvement rates, levies and assessments whatever ("Taxes"), whether municipal, provincial, federal or otherwise, which may be levied, assessed or charged against or in respect of the Project or any part thereof or any fixtures, equipment or improvements therein, or against Landlord in respect of any of the same or in respect of any rental or other compensation receivable by Landlord in respect of the same, and including all Taxes which may be incurred by or imposed upon Landlord or the Project in lieu of or in addition to the foregoing including, without limitation, any Taxes on or in respect of real property rents or receipts as such (as opposed to a tax on such rents as part of the income of Landlord), any Taxes based, in whole or in part, on the value of the Project. Taxes shall, in every instance, be calculated on the basis of the Project being fully assessed and taxed at prevailing commercial rates for occupied space during the period for which Taxes are being calculated.
- (n) "Rentable Area" of the Premises shall be the Useable Area of such premises plus a portion, determined, attributed or allocated by Landlord, of the area of Common Facilities from time to time in the Project such as, without limitation, janitor facilities, sprinkler, transformer and garbage rooms, mechanical and electrical rooms and common hallways/entrances. The Rentable Area of storage areas, parking, trucking and public transportation areas and facilities, equipment and utilities areas and facilities and Common Facilities shall be zero. Every Rentable Area shall be as determined by the Architect or by a surveyor or other qualified person appointed by Landlord from time to time and on Tenant's request Landlord shall within a reasonable time thereafter provide Tenant with a certificate of such person as to the Rentable Area of the Premises, which certificate shall be conclusive and binding upon the parties hereto.
- (o) "Sales Taxes" means all business transfer, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by any federal, provincial or municipal government upon Landlord or Tenant, or in respect of this Lease, or the payments made by Tenant hereunder or the goods and services provided by Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to Tenant hereunder.
- (p) "Tenant's Work" means the work to be performed by the Tenant, at its own cost, as more particularly set out in Schedule B attached hereto.
- (q) "Useable Area" of the Premises or any Leasable Areas means the area measured from the exterior face of all exterior walls and windows, from the exterior face of all interior walls

and windows dividing any Leasable Areas from Common Facilities, and from the Project line of all interior walls and windows separating any Leasable Areas from other Leasable Areas, all without deduction for any space occupied by structures, columns, beams, conduits, ducts or projections of any kind, and all without deduction for the recessing of any entrance way or storefront from the lease line to the point where the appropriate measurement is to be made.

ARTICLE 3 INTENT OF LEASE

3.01 Net Lease

It is the intent of the parties hereto that, except as expressly herein set out, this Lease be absolutely net to Landlord and Landlord not be responsible for any expenses or obligations of any kind whatsoever in respect of the Premises or the Project.

ARTICLE 4 LEASE OF PREMISES

4.01 Premises

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those premises (“**Premises**”) being part of the Project and shown outlined on the plan attached hereto as Schedule A. Tenant acknowledges that the singular purpose of the site plan attached as Schedule A is to identify the approximate location of the Premises; it being understood and agreed that the contents thereof are not intended as a representation of any kind as to the precise size or dimensions of the Premises or any other aspect of the Project. The depiction of other occupants in the Project on the site plan does not constitute a representation, warranty or covenant of any kind whatsoever by Landlord and should not be relied upon as an inducement to enter into this Lease. Tenant acknowledges that Landlord reserves the right to make, at any time or times whether before or during the Term, any adjustments, relocations, rearrangements or other modifications to the site plan and/or Project (including the Premises) required by governmental authorities or by Landlord. The Premises shall extend from the upper surface of the structural subfloor to the lower surface of the structural ceiling within the boundaries of the Rentable Area of the Premises, determined as provided in Article 2. The Premises shall exclude the exterior faces of all perimeter walls and doors of the Premises, notwithstanding the manner in which Rentable Area is measured.

Notwithstanding the foregoing, within thirty (30) days prior to the Commencement Date, the parties will agree to the final Rentable Area of the Premises (which, for the purposes of calculating any Rent payable by the Tenant, shall be no greater than five percent (5%) of the Rentable Area set out in Section 1.01(a)).

4.02 Term

The term of this Lease (the “**Term**”) shall be for the period described as the Term in Section 1.01 hereof, commencing on the Commencement Date.

4.03 Licence to Use Common Facilities

Subject to all other relevant provisions of this Lease, Landlord grants to Tenant the non-exclusive licence during the Term to use for their intended purposes, in common with others entitled thereto, such portions of the Common Facilities as are reasonably required for the use and occupancy of the Premises twenty-four (24) hours per day, seven (7) days per week.

4.04 Quiet Enjoyment

Subject to Tenant's complying with all of the terms of this Lease, Tenant may peaceably possess and enjoy the Premises for the Term without interruption by Landlord or any person claiming through Landlord.

4.05 Acceptance of Premises

Tenant accepts the Premises in the state and condition in which they are received from Landlord "as is, where is", save and except for satisfactory completion of Landlord's Work. Occupancy of the Premises by the Tenant shall be conclusive evidence against the Tenant that, at the time the Tenant assumed occupancy, the Premises were in good order and satisfactory condition and that the Tenant has accepted the Premises "as is".

ARTICLE 5 RENT

5.01 Tenant to Pay

Tenant shall pay in lawful money of Canada at such address as shall be designated from time to time by Landlord Basic Rent and Additional Rent (all of which is herein sometimes referred to collectively as "**Rent**") as herein provided without any deduction, set-off or abatement whatsoever, Tenant hereby agreeing to waive any set-off rights it may have under any statute or at law.

5.02 Basic Rent

Commencing on the Commencement Date Tenant shall pay to Landlord a fixed minimum annual rent ("**Basic Rent**") for each Lease Year of the Term in the annual amount(s) described as Basic Rent in Section 1.01, to be paid in equal monthly instalments, as described as Basic Rent in Section 1.01, in advance on the first day of each month during the Term. On the Commencement Date, if it is other than the first day of a calendar month, Tenant shall pay to Landlord for such partial month Basic Rent computed on a per diem basis. If an amount per square foot is specified in the description of Basic Rent in Section 1.01, then the Basic Rent is intended to be such amount per square foot of Rentable Area of the Premises per annum, and the Basic Rent shall be subject to adjustment based upon the Rentable Area of the Premises determined pursuant to this Lease. Within thirty (30) days after such adjustment, if any, being made Tenant shall pay to Landlord any deficiency in previous payments of Basic Rent and Additional Rent, and if Tenant is not in default under the terms of this Lease the amount of any overpayment by Tenant of Basic Rent and Additional Rent shall be paid to Tenant or credited to the account of Tenant.

5.03 Additional Rent

In addition to Basic Rent, Tenant shall pay to Landlord, or as Landlord shall direct, all other amounts as and when the same shall be due and payable pursuant to the provisions of this Lease or pursuant to any other obligation in respect of the Premises, all of which shall be deemed to accrue on a per diem basis; all of such amounts are herein sometimes referred to as "**Additional Rent**". Tenant shall promptly deliver to Landlord upon request evidence of due payment of all payments of Additional Rent required to be paid by Tenant hereunder.

5.04 Deemed Rent and Allocation

If Tenant defaults in payment of any Rent (whether to Landlord or otherwise) as and when the same is due and payable hereunder, Landlord shall have the same rights and remedies against Tenant upon such default as if such sum or sums were rent in arrears under this Lease. Landlord may allocate payments received

from Tenant among items of Rent then due and payable by Tenant. No acceptance by Landlord of payment by Tenant of any amount less than the full amount payable to Landlord, and no endorsement or direction on any cheque or other written instruction or statement respecting any payment by Tenant shall be deemed to constitute payment in full or an accord and satisfaction of any obligation of Tenant.

5.05 Monthly Payments of Additional Rent

Landlord may from time to time by written notice to Tenant estimate or re-estimate any amount(s) payable by Tenant to Landlord hereunder including without limitation, amounts in respect of Operating Costs, Realty Taxes and utilities, for the then current or next following Fiscal Year, provided that the fiscal period used by Landlord in respect of any particular item may correspond to a shorter period within any Fiscal Year where such item, for example Realty Taxes, is payable in full by Landlord over such shorter period. The amounts so estimated shall be payable by Tenant in advance in equal monthly instalments over the Fiscal Year or other fiscal period on the same days as the monthly payments of Basic Rent. Landlord may, from time to time, alter the fiscal period selected in each case. As soon as practical after the expiration of each Fiscal Year, Landlord shall furnish to Tenant a statement of the actual amounts payable by Tenant in respect of Operating Costs, Taxes, utilities and any other relevant provisions hereof for such Fiscal Year. If the amount determined to be payable by Tenant as aforesaid shall be greater or less than the payments on account thereof previously made by Tenant, then within thirty (30) days after delivery of such statement the appropriate adjustments will be made and Tenant shall pay any deficiency to Landlord and, if Tenant is not in default under the terms of this Lease, the amount of any overpayment shall be paid to Tenant or credited to the account of Tenant. The Tenant will not assign, transfer, or otherwise dispose of any right or claim in respect of any alleged or actual overpayment of Rent. Such statement of Landlord shall be final and binding and Tenant shall have no right to dispute the accuracy or propriety of any amounts or calculations included therein, except to the extent that Tenant shall have, within thirty (30) days after being given such statement, demonstrated to the satisfaction of Landlord any error in such statement.

Upon written request made by the Tenant within ninety (90) days after receipt of the Landlord's statement, the Landlord will respond to reasonable questions with respect to the Landlord's determination of the Tenant's Proportionate Share to which the statement relates and will provide reasonable additional supporting documentation as requested by the Tenant, acting reasonably, with respect to determination of the Tenant's Proportionate Share.

ARTICLE 6 TAXES

6.01 Taxes Payable by Tenant

The parties acknowledge that Tenant is exempt from the payment of Realty Taxes and to the extent that it continues to be exempt from the payment of Realty Taxes, it will not be required to pay to Landlord any Realty Taxes during the Term. To the extent that Tenant is not exempt from the payment of Realty Taxes, Tenant shall pay to Landlord as and when due all Realty Taxes and other taxes, if any, levied, confirmed, imposed, assessed or charged (herein referred to as "**charged**") against or in respect of the Premises and all fixtures, equipment, improvements and alterations in the Premises, and including any such Realty Taxes and other taxes charged against the Premises in respect of any Common Facilities. In addition, and subject to the limitations described above, Tenant shall pay the Proportionate Share of Realty Taxes, if any, separately charged against Common Facilities. To the extent of Realty Taxes received by Landlord from Tenant, Landlord shall pay same to the taxing authority. Notwithstanding anything to the contrary, the Landlord shall be entitled to the exclusive benefit of any vacant unit Realty Tax rebate which may be recovered on account of any unoccupied Leasable Areas within the Project, and the Tenant waives its rights to any direct or indirect benefit from such rebate.

6.02 Determination of Tenant's Taxes

Tenant's obligation to pay Realty Taxes charged against or in respect of the Premises shall be determined on the basis of a separate bill if available. If the relevant taxing authority does not issue a separate bill for the Premises then Tenant's obligation in respect thereof shall be computed by applying the relevant tax rate to a separate assessment of the Premises, if any. If there is neither a separate bill for Realty Taxes for the Premises nor a separate assessment of the Premises for any period of time, then for such period the Realty Taxes charged against or in respect of the Premises shall be determined by Landlord, acting reasonably. Provided that Tenant shall be solely responsible for any increase in Realty Taxes resulting from any act or election of Tenant or from any fixtures or improvements in the Premises, and Tenant shall not be responsible for any such increase resulting from any act or election of Landlord or any other occupant of the Project or any fixtures or improvements in other Leasable Areas. Any amounts payable by Tenant on account of Realty Taxes shall be adjusted on a per diem basis in respect of any period not falling wholly within the Term.

The parties acknowledge and agree that this Section 6.02 shall not apply to the extent that Tenant is exempt from the payment of Realty Taxes.

6.03 Business Taxes and Sales Taxes

- (a) Tenant shall pay to the relevant taxing authority as and when the same are due and payable all taxes charged in respect of any business conducted on, or any use or occupancy of, the Premises.
- (b) Tenant shall pay to Landlord when due all Sales Taxes imposed on Landlord or Tenant with respect to Rent payable by Tenant hereunder or in respect of the rental of space under this Lease.

6.04 Tax Bills and Assessment Notices

Tenant shall deliver to Landlord forthwith upon Tenant's receiving the same copies of all assessment notices, tax bills, receipts and other documents received by Tenant relating to Realty Taxes on the Premises or the Project.

6.05 Contest of Realty Taxes

- (a) Landlord may contest any Realty Taxes and appeal any assessments related to the Project and may withdraw any such contest or appeal or may agree with the relevant authorities on any settlement in respect thereof. Tenant will cooperate with Landlord in respect of any such contest and appeal and shall provide to Landlord such information and execute such documents as Landlord requests to give full effect to the foregoing. All costs of any such contest and appeal by Landlord shall be included in Operating Costs.
- (b) Tenant will not have the right to contest any Realty Taxes or appeal any assessments related to the Project.

ARTICLE 7 OPERATION OF PROJECT

7.01 Operation of Project by Landlord

Landlord shall repair, maintain and operate the Project as would a prudent owner having regard to its size, age, location and character.

7.02 Tenant's Payment of Operating Costs

Commencing on the Commencement Date and thereafter at all times throughout the Term Tenant shall pay to Landlord the Proportionate Share of Operating Costs. Subject to Section 5.05, the amounts payable by Tenant pursuant to this Section 7.02 shall be paid to Landlord within ten (10) days after the submission to Tenant of a statement showing the amount payable by Tenant from time to time. All amounts payable under this Article 7 in respect of any period not falling entirely within the Term shall be adjusted on a per diem basis.

7.03 Adjustments to Operating Costs

If by reason of the particular use or occupancy of the Premises or any of the Common Facilities by Tenant, its employees, agents or persons having business with Tenant, additional costs in the nature of Operating Costs, such as utility charges, security costs, and costs of hoisting, supervision, waste removal and receiving, storing or handling materials and articles, and costs of heating, ventilating and air-conditioning, are incurred in excess of the costs which would otherwise have been incurred for such items (“**Excess Costs**”), then Landlord shall have the right to determine on a reasonable basis and require Tenant to pay such Excess Costs plus an administration fee of ten percent (10%) of such costs.

ARTICLE 8 USE OF PREMISES

8.01 Use of Premises

To the intent that this covenant shall run with the Premises for the benefit for the Project, excluding the Premises, Tenant covenants that it shall not use and shall not permit the Premises to be used for any purpose other than as described as Use of Premises in Section 1.01 hereof. Tenant acknowledges that Landlord is making no representation or warranty as to the Tenant's ability to use the Premises for its intended use and the Tenant shall, prior to executing this Lease, perform such searches and satisfy itself that its use is permitted under all applicable Laws and that Tenant will be able to obtain any applicable licenses or permits.

8.02 Tenant's Fixtures

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

8.03 Signs

Tenant shall not place or affix any sign, decal, logo or design of any nature either on or about the exterior walls of the Premises, without first obtaining Landlord's written consent in each instance as to the specifications, design, location and method of installation.

The Tenant shall have the right to install a sign on the exterior of the Building, subject to the approval of municipal authorities and subject to the Landlord's prior approval, which shall not be unreasonably withheld or delayed. The type, size, design and colours of the Tenant's signage shall be at the Tenant's discretion, but subject to municipal by-laws and the prior approval of the Landlord, which approval shall not be unreasonably withheld.

8.04 Waste Removal

Tenant shall not allow any refuse, garbage or any loose, objectionable material (hereinafter collectively referred to as "Refuse") to accumulate in or about the Premises or the Project and will at all times keep the Premises in a clean and neat condition. Tenant shall comply with Landlord's regulations respecting the storage and removal of waste and shall be responsible for all costs of removal of waste from the Premises (other than costs of routine waste removal included in Operating Costs) including but not limited to maintaining in good standing a waste removal contract to service the Premises. Until removed from the Project all waste from the Premises shall be kept in appropriate containers within the Premises. Notwithstanding anything to the contrary contained in this Lease, the Tenant shall be responsible for paying the Landlord, as Additional Rent, the costs incurred by the Landlord for such Refuse pick-up and removal on behalf of the Tenant, plus an administration fee of ten percent (10%) of the aggregate of such costs. For greater certainty, such costs shall not be considered part of the Operating Costs, but shall be a separate, additional charge payable by the Tenant.

8.05 Pest Control

Tenant shall be responsible for pest extermination in respect of the Premises and shall engage, for such purpose, such contractors at such intervals as Landlord may require. Tenant shall not bring or permit to be brought onto the Premises or the Project any animals or birds of any kind.

8.06 Waste and Nuisance

- (a) Tenant shall not cause, suffer or permit any waste or damage to the Premises or leasehold improvements, fixtures or equipment therein nor permit any overloading of the floors thereof and shall not use or permit to be used any part of the Premises for any dangerous, noxious or offensive activity or goods and shall not do or bring anything or permit anything to be done or brought on or about the Premises or the Project which results in undue noise or vibration or which Landlord may reasonably deem to be hazardous or a nuisance or annoyance to any other tenants or any other persons permitted to be on the Project, including without limitation any objectionable odours emanating from the Premises. Tenant shall immediately take steps to remedy, remove or desist from any activity, equipment, goods or condition on or emanating from the Premises to which Landlord objects on a reasonable basis. Tenant shall take every reasonable precaution to protect the Premises and the Project from risk of damage by fire, water or the elements or any other cause.
- (b) Tenant shall not itself, and shall not permit any of its employees, servants, agents, contractors or persons having business with Tenant, to obstruct any Common Facilities or use or permit to be used any Common Facilities for other than their intended purposes. Without limiting the foregoing, Tenant shall not permit any equipment, goods or material whatsoever to be placed or stored anywhere in or on the Common Facilities, including without limitation on the loading docks and other outside areas adjacent to the Premises. Tenant shall not, and shall not permit anyone else to, place anything on the roof of the Building or go on to the roof of the Building for any purpose whatsoever, without

Landlord's prior written approval, which may be arbitrarily withheld in Landlord's sole discretion.

- (c) Tenant shall be solely responsible for any contaminant, pollutant or toxic substance at any time affecting the Premises resulting from any act or omission of Tenant or those for whom the Tenant is at law responsible during the Term, and any period prior to the Term during which the Premises were used or occupied by or under the control of Tenant, and shall be responsible for the clean-up and removal of any of the same and any damages caused by the occurrence, clean-up or removal of any of the same, and Tenant shall indemnify Landlord in respect thereof.

8.07 Compliance with Laws

Tenant shall be solely responsible for obtaining from all authorities having jurisdiction all necessary permits, licences and approvals as may be necessary to permit Tenant to occupy the Premises and conduct its business thereon, as required by all applicable Laws. Tenant shall bear all risks and liabilities in the event that the Tenant occupies the Premises and/or conducts business thereon without all necessary permits, licences and approvals having been obtained. At Tenant's own expense, Tenant shall observe and comply with all Laws pertaining to or affecting the Premises, including without limitation those respecting the condition and occupation of the Premises, the Tenant's use of the Premises or the conduct of any business in the Premises, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises, and comply with the regulations of any insurance underwriters in respect of the insurance maintained by the Landlord in respect of the Project, or required by the Tenant under this Lease, and carry out all modifications to the Premises and the Tenant's conduct of business in or use of the Premises which may be required by any such authorities. Notwithstanding the foregoing, the Tenant shall not be required to remedy any non-compliance that existed in the Premises prior to the Possession Date and the Landlord agrees that the Landlord shall be responsible for remedying any such non-compliance at its sole cost.

ARTICLE 9 SERVICES AND UTILITIES

9.01 Utilities

- (a) Subject to Landlord's ability to do so, Landlord shall supply or cause to be supplied to the Premises electricity and other utilities for the reasonable use of the Premises for their intended purposes. Tenant shall promptly pay for, as and when they fall due, to Landlord or as Landlord shall from time to time direct, all costs of supplying water, electricity, gas, and any other utilities which are available and supplied to or in respect of the Premises, and all costs for all fittings, connections and meters and all work performed in connection with any services or utilities provided to the Premises. Tenant shall promptly execute and deliver any agreements required by Landlord or by utilities suppliers in respect of the supply of any utilities to the Premises. Tenant's use of any such utilities shall not exceed the available capacity of the existing systems from time to time.
- (b) Should there be no individual meters for the measurement of the consumption of any utilities supplied to the Premises then Landlord, acting reasonably, may allocate the cost of such utilities among the various users thereof. If required by Landlord, Tenant shall install at its expense a separate meter or meters to measure the consumption of any or all utilities in the Premises. The cost of any utilities which are not charged to tenants of the Building individually shall be included in Operating Costs. The Tenant shall reimburse the Landlord, within twenty (20) days of receipt of Landlord's invoice, for the cost of any

such utilities paid by the Landlord on the Tenant's behalf plus an administration fee of ten percent (10%) of the total cost of such utilities.

9.02 Heating and Air-conditioning

Tenant shall heat and, where applicable, air-condition the Premises in a reasonable manner using heating and air-conditioning equipment (“HVAC”) installed in the Building by Landlord. The parties acknowledge that there is not HVAC exclusively servicing the Premises and the Landlord shall complete any necessary repairs, maintenance and replacements, and the cost thereof shall be included in Operating Costs to the extent permitted under this Lease.

9.03 Non-Liability of Landlord

Landlord shall not be liable for any damages, direct or indirect, resulting from or contributed to by any interruption or cessation in supply of any utilities or heating, ventilating, air-conditioning and humidity control. Without limiting the generality of the foregoing, Landlord shall not be liable for and Tenant shall indemnify Landlord against any and all indirect or consequential damages or damages for personal discomfort or illness of Tenant or any persons permitted by it to be on the Premises, by reason of the suspension or non-operation of any utilities, heating, ventilating, air-conditioning or humidity control.

9.04 Landlord's Suspension of Utilities

In order to effect any maintenance, repairs, replacements or alterations to any of such utilities, heating, ventilating, air-conditioning or humidity control equipment or systems, or any other part of the Project, Landlord shall have the right to modify or temporarily discontinue or suspend the operation of any such equipment or systems as required from time to time.

ARTICLE 10 MAINTENANCE, REPAIRS AND ALTERATIONS

10.01 Maintenance and Repairs of Premises

At all times throughout the Term Tenant, at its sole expense, shall perform such maintenance (including painting and repair or replacement of any interior finishings), repairs and replacements as required to keep the Premises, all contents thereof and all services and equipment located in or primarily serving the Premises, in first-class appearance and condition, and in accordance with all Laws and Landlord's reasonable requirements, subject only to the obligations of Landlord expressly provided in Section 10.07. For purposes of this Section 10.01, but without affecting the interpretation of any other provision of this Lease, Premises shall include all leasehold improvements to the Premises, the storefront, the exterior finishes of exterior walls and all storefront and bulkhead signage, the entranceway to the Premises, and all areas and facilities adjacent or proximate to and serving exclusively the Premises.

Tenant and those for whom it is in law responsible shall not: (i) enter upon the roof of the Building nor (ii) perform any work on or to the roof of the Building without first obtaining the prior written consent of the Landlord, which may include Landlord's insistence on accompanying the Tenant's personnel on to the roof of the said Building.

10.02 Approval of Repairs and Alterations

- (a) Tenant shall not make any repairs, replacements, changes, additions, improvements or alterations (hereinafter referred to as “Alterations”) to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld unless such

proposed Alterations might affect the demising walls, entrances or storefront of the Premises or the structure of the Building or the coverage of the Project for zoning purposes, or the parking requirements for the Project, or impair the value or usefulness of the Premises or the Project, in any of which cases Landlord's consent may be unreasonably withheld in Landlord's sole discretion.

- (b) With its request for consent Tenant shall submit to Landlord details of the proposed Alterations including plans and specifications prepared by qualified architects or engineers, and such Alterations shall be completed in accordance with the plans and specifications approved in writing by Landlord. Unless expressly authorized in writing by Landlord to the contrary, all Alterations which might cost in excess of TWENTY THOUSAND DOLLARS (\$20,000.00) to complete or which might affect the structure or mechanical, electrical, utility, sprinkler, communications or other similar systems of the Premises or the Building, shall be conducted under the supervision of a qualified architect or engineer approved by Landlord, such approval not to be unreasonably withheld.
- (c) All Alterations shall be planned and completed in compliance with all Laws and Tenant shall prior to commencing any Alterations, obtain at its expense all necessary permits and licences. Prior to the commencement of any such Alterations Tenant shall furnish to Landlord such evidence as reasonably required by Landlord of the projected cost of Alterations and Tenant's ability to pay for same, together with such indemnification against costs, liens and damages as Landlord shall reasonably require including, if required by Landlord, a performance, completion and labour and materials bond acceptable to Landlord guaranteeing completion of such Alterations.
- (d) All Alterations shall be performed at Tenant's cost, promptly and in a good and workmanlike manner and in compliance with Landlord's rules and regulations, by competent contractors or workmen who shall be first approved in writing by Landlord, which approval shall not be unreasonably withheld. If any Alterations affect the structure or any mechanical, electrical, utility, sprinkler, communications or other similar systems within the Premises or the Project, they shall, at Landlord's option, be performed at Tenant's expense by Landlord or by contractors designated by Landlord and under Landlord's supervision. For all Alterations performed by Landlord or at Landlord's expense or under Landlord's supervision, Tenant shall pay forthwith upon request all amounts paid or payable by Landlord to third parties and all reasonable charges of Landlord for its own personnel plus ten percent (10%) for Landlord's inspection, supervision and overhead. All Alterations, the making of which might disrupt other tenants or occupants of the Project or the public, shall be performed outside Business Hours.
- (e) If Tenant performs any such Alterations without compliance with all of the foregoing provisions of this Article 10, Landlord shall have the right to require Tenant to remove such Alterations forthwith.
- (f) Tenant shall pay to Landlord forthwith upon request all of Landlord's reasonable costs including, without limitation, fees of architects, engineers and designers, incurred in dealing with Tenant's request for Landlord's consent to any Alterations, whether or not such consent is granted, and in inspecting and supervising any such Alterations and Landlord shall have the right to require Tenant to pay Landlord a deposit on account of such costs as a precondition to Landlord's granting such consent.

- (g) Notwithstanding anything to the contrary, the Tenant shall be entitled to make minor interior alterations to the Premises, without the Landlord's consent, but upon prior written notice to the Landlord, provided that:
 - (i) such alterations do not in the aggregate cost in excess of Ten Thousand Dollars (\$10,000.00) in each instance or in any twelve (12) consecutive month period;
 - (ii) such alterations in no way affect: (i) the structure of the Premises or the Building; (ii) the plumbing system, heating, ventilating, electrical and air-conditioning systems, sprinkler systems or any other Landlord's systems of the Premises or Project; (iii) the Common Facilities; (iv) signage on any part of the outside of, or in a location that could be viewed from the outside of, the Premises; or (v) any part of the Project outside of the interior of the Premises; and
 - (iii) such alterations do not require a building permit or any other approvals of authorities having jurisdiction.

10.03 Repair According to Landlord's Notice

Landlord or any persons designated by it shall have the right to enter the Premises at any time to view the state of repair and condition thereof and Tenant shall promptly perform according to Landlord's written notice any maintenance (including painting and repair or replacement of any interior finishings), repairs or replacements in accordance with Tenant's obligations hereunder.

10.04 Notice by Tenant

Tenant shall give immediate written notice to Landlord of any accident, defect or damage in any part of the Premises or the Project which comes to the attention of Tenant or any of its employees or contractors notwithstanding the fact that Landlord may have no obligation in respect of the same.

10.05 Ownership of Leasehold Improvements

All leasehold improvements installed in or about the Premises shall forthwith upon the installation thereof become the property of Landlord but without Landlord's thereby accepting any responsibility in respect of the maintenance, repair or replacement thereof. The expression "leasehold improvements" where used in this Lease includes, without limitation, all fixtures, installations, alterations and additions from time to time made or installed in or about the Premises, and includes all of the following, whether or not they are trade fixtures or easily removable: doors, partitions and hardware; mechanical, electrical and utility installations; heating, ventilating, air-conditioning and humidity control equipment; lighting fixtures and built-in furniture.

10.06 Construction Liens

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

by paying the amount claimed into court, and the amounts so paid and all costs incurred by Landlord, including legal fees and disbursements, shall be paid by Tenant to Landlord forthwith upon demand.

10.07 Landlord's Maintenance and Repair

Subject to the provisions of Article 12 herein and subject to Tenant's obligations hereunder, Landlord covenants to maintain and repair the following as a prudent owner: (i) the structure of the Project and exterior walls of the Building (but for clarity, any costs incurred by the Landlord with respect to the general maintenance of the structural components, including without limitation, tuckpointing and caulking shall be included in Operating Costs); (ii) electrical, mechanical and drainage equipment and systems forming part of the Project but not located within the Premises and not serving exclusively the Premises; and (iii) damage to the Premises, excluding all leasehold improvements, against which and to the extent to which Landlord is required to be insured pursuant hereto or is otherwise insured and which is not Tenant's obligation to repair under this Lease and against which Tenant is not required to be insured and is not otherwise insured. Landlord's costs of compliance with this Section 10.07 shall be included in Operating Costs to the extent set out in this Lease. Provided that to the extent that such repair is necessitated directly or indirectly by any act or omission of Tenant or any servant, employee, agent, contractor, invitee or licensee of Tenant, Tenant shall be solely responsible for the cost of such repairs in accordance with Section 10.08 and shall indemnify Landlord in respect thereof.

10.08 Special Services

- (a) Tenant shall pay Landlord on demand all charges as determined and allocated by Landlord acting reasonably in respect of all special services provided to or for the benefit of Tenant beyond building standard services the costs of which are included in Operating Costs. Unless otherwise expressly agreed between Landlord and Tenant to the contrary in respect of any specific matter from time to time, all work performed and materials supplied by Landlord for Tenant or otherwise respecting the Premises pursuant to the provisions hereof or otherwise shall be paid for by Tenant to Landlord forthwith on demand at Landlord's cost for the same plus ten percent (10%) for inspection, supervision and overhead.
- (b) Landlord shall be the exclusive supplier in respect of the Premises, at Tenant's expense, for any services requiring drilling or otherwise penetrating floors, walls or ceilings, and for locksmithing and security arrangements. If Landlord, in its sole discretion, agrees in writing with Tenant that it shall not be the exclusive supplier of any of the aforesaid services, then only persons approved by Landlord acting reasonably may supply same to the Premises.

ARTICLE 11 END OF TERM

11.01 Vacating of Possession

Forthwith upon the expiry or earlier termination of the Term, Tenant shall deliver to Landlord vacant possession of the Premises in such condition in which Tenant is required to keep the Premises during the Term pursuant hereto and shall leave the Premises in neat and clean condition and shall deliver to Landlord all keys for the Premises and all keys or combinations to locks on doors or vaults in the Premises.

11.02 Removal of Trade Fixtures

Provided Tenant has paid all Rent and is not otherwise in default hereunder, or if otherwise authorized or requested by Landlord, at the expiry or earlier termination of the Term Tenant shall remove its trade fixtures

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

11.03 Removal of Leasehold Improvements

Notwithstanding that the leasehold improvements become the property of Landlord upon installation, at the expiry or earlier termination of the Term Tenant shall remove any or all of such leasehold improvements made or installed in or about the Premises by Tenant, or by Landlord as Tenant's contractor, without the Landlord's approval and in so doing shall repair all damage resulting therefrom.

11.04 Overholding by Tenant

If Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of Landlord but without any further written agreement, this Lease shall not be deemed thereby to have been renewed and Tenant shall be deemed to be occupying the Premises as a monthly tenant on the same terms as set forth in this Lease insofar as they are applicable to a monthly tenancy except the monthly Basic Rent shall be equal to 150% of the monthly Basic Rent payable during the last twelve months of the Term.

ARTICLE 12 DAMAGE AND DESTRUCTION

12.01 Insured Damage to Premises

- (a) If there is damage to or destruction of the Premises caused by an occurrence against which, and to not more than the extent that, Landlord either is required to insure pursuant to this Lease or is otherwise insured ("**Insured Damage**"), then the following provisions of this Section 12.01 shall apply.
- (b) If such damage or destruction is such as to render the whole or any part of the Premises unusable for the purpose of Tenant's use and occupancy thereof, Landlord shall deliver to Tenant within thirty (30) days following the occurrence of such damage or destruction its reasonable opinion as to whether or not the same is capable of being repaired, to the extent of Landlord's repair obligations hereunder, within one hundred and eighty (180) days following such occurrence.
- (c) If this Lease is not terminated as herein provided, Landlord, to the extent of insurance proceeds which it receives or would have received had it maintained such insurance as it is required to maintain hereunder, and to the extent that any mortgagee(s) entitled to be paid such insurance proceeds consents to the use of the same for repair of such damage or destruction, shall diligently proceed to perform repairs to the Premises to the extent of its obligations pursuant to Section 10.07 hereof; and Tenant, commencing as soon as practicable but without interfering with Landlord's repairs, shall diligently perform such repairs as are Tenant's responsibility pursuant hereto.
- (d) If, (i) in Landlord's reasonable opinion, the Premises are not capable of being repaired as aforesaid within one hundred and eighty (180) days following such occurrence, or (ii) Tenant was at the time of such damage in breach of this Lease and fails within fifteen (15) days after notice of such default to remedy same to the extent possible in view of such

damage, Landlord may, at its option, and in the case of (i) above, Tenant may, at its option, elect, by written notice to the other within thirty (30) days after delivery by Landlord of the opinion provided for in subsection 12.01(b) above, to terminate this Lease, whereupon Tenant shall immediately surrender possession of the Premises and Basic Rent and all other payments for which Tenant is liable pursuant hereto shall be apportioned to the effective date of such termination.

- (e) If the damage is such as to render the whole or any part of the Premises unusable in whole or in part for the purpose of Tenant's use and occupancy thereof for a period of ten (10) days or more, then the Basic Rent payable hereunder shall abate for the portion of such period in excess of ten (10) days, to the extent that Tenant's use and occupancy of the Premises is in fact diminished, which determination shall be made by the Architect, until the earlier of (i) the thirtieth (30th) day after the Premises are determined by Landlord to be ready for Tenant to commence its repairs to the Premises, and (ii) the date on which Tenant first commences the conduct of business in any part of the Premises which had been damaged.
- (f) The respective obligations of Landlord and Tenant with respect to repair of the Premises following any damage or destruction shall be performed with all reasonable speed and in accordance with all applicable obligations to repair contained herein. Tenant acknowledges that its obligations to repair the Premises after such damage or destruction shall be performed at its sole cost without any contribution by Landlord whether or not the damage or destruction was caused by Landlord's fault and whether or not Landlord had at any time made any contribution to the cost of any leasehold improvements in the Premises. In any event, within sixty (60) days after Landlord has completed its repairs to the Premises as aforesaid, Tenant shall complete its repairs to the Premises and shall recommence the conduct of business thereon.

12.02 Uninsured Damage and Last Two Years

If there is damage to or destruction of the Premises and if, in Landlord's reasonable opinion, of which notice is given to Tenant within fifteen (15) days after the later of the date of such damage or destruction and the date upon which Landlord is notified by Tenant of such damage or destruction, the Premises are not capable of being repaired to the extent of Landlord's repair obligations within thirty (30) days following the giving of such notice and if (i) such damage or destruction is not Insured Damage, or (ii) such damage or destruction occurs within the last two (2) Lease Years of the Term and either Tenant has no remaining rights to renew this Lease or, having the right to renew this Lease fails to do so within fifteen (15) days after receipt of the said notice, then Landlord, at its option to be exercised by written notice given to Tenant within thirty (30) days after the later of the date of such damage or destruction and the date upon which Landlord is notified by Tenant of such damage or destruction, may terminate this Lease whereupon Tenant shall immediately surrender possession of the Premises and Basic Rent and all other payments for which Tenant is liable hereunder shall be apportioned to the effective date of such termination. If this Lease is not terminated as aforesaid the parties shall repair as provided in subsection 12.01(c) hereof and there shall be no abatement of any Rent unless the damage or destruction is Insured Damage and then only to the extent expressly provided in subsection 12.01(e) above.

12.03 Damage to Project

If twenty-five percent (25%) or more of the Rentable Area of Leasable Areas of the Project is damaged or destroyed by any cause whatsoever, whether or not there is any damage to the Premises, Landlord may, at its option, by notice given to Tenant within sixty (60) days after such occurrence, terminate this Lease as

of a date specified in such notice, which date shall be not less than thirty (30) days and not more than one hundred and eighty (180) days after the giving of such notice. In the event of such termination, Tenant shall surrender vacant possession of the Premises by not later than the said date of termination, and Basic Rent and all other payments for which Tenant is liable hereunder shall be apportioned to the effective date of termination. If Landlord does not so elect to terminate this Lease, Landlord shall diligently proceed to repair and rebuild the Project to the extent of its obligations pursuant hereto to the extent of insurance proceeds which Landlord receives or would have received had it maintained such insurance as required hereunder, and to the extent that any mortgagee entitled to be paid such insurance proceeds consents to the use of same for such purpose.

12.04 Restoration of Premises or Project

If there is damage to or destruction of the Premises or the Project and if this Lease is not terminated pursuant hereto, Landlord, in performing its repairs as required hereby, shall not be obliged to repair or rebuild in accordance with the plans or specifications for the Premises or the Project as they existed prior to such damage or destruction; rather, Landlord may repair or rebuild in accordance with any plans and specifications chosen by Landlord in its sole discretion provided that Tenant's use of and access to the Premises and the general overall quality of the Project are not materially detrimentally affected by any difference in plans or specifications of the Premises or the Project.

12.05 Determination of Matters

For the purposes of this Article 12 all matters requiring determination such as, without limitation, the extent to which any area(s) of the Premises or the Project are damaged or are not capable of being used, or the time within which repairs may be made, unless expressly provided to the contrary, shall be determined by Landlord's Architect, such determination to be final and binding on the parties.

ARTICLE 13 INSURANCE AND INDEMNITY

13.01 Landlord's Insurance

Landlord shall obtain and maintain in full force and effect during the Term with respect to the Project insurance against such occurrences and in such amounts, on such terms and with such deductible(s) as would a prudent owner of such a Project. Such insurance may include, without limitation: (i) insurance on the Building and any improvements therein which Landlord desires to insure, against damage by fire and other risks covered by extended coverage fire insurance policies or, at Landlord's option, all risks insurance; (ii) boiler and machinery insurance; (iii) rental income insurance; (iv) public liability insurance; and (v) such other insurance and in such amounts and on such terms as Landlord, in its discretion, may reasonably determine. Notwithstanding that Tenant shall be contributing to the costs of such insurance pursuant to the terms of this Lease, Tenant shall not have any interest in or any right to recover any proceeds under any of Landlord's insurance policies.

13.02 Tenant's Effect On Other Insurance

- (a) Tenant shall not do or permit anywhere on the Premises or Project anything which might:
 - (i) result in any increase in the cost of any insurance policy of Landlord on the Project; (ii) result in an actual or threatened cancellation of or adverse change in any insurance policy of Landlord on the Project; or (iii) be prohibited by any insurance policy of Landlord on the Project.

- (b) If the cost of any insurance policies of Landlord on the Project is increased as a result of any improvements made by Tenant or anything done or permitted by Tenant anywhere on the Premises or Project, Tenant shall pay the full amount of such increase to Landlord forthwith upon demand. Tenant's responsibility for any increased cost of insurance as aforesaid shall be conclusively determined by a statement issued by the organization, company or insurer establishing the insurance rates for the relevant policy.
- (c) If there is an actual or threatened cancellation of or adverse change in any policy of insurance of Landlord on the Project by reason of anything done or permitted by Tenant anywhere on the Premises or Project, and if Tenant fails to remedy the situation giving rise to such actual or threatened cancellation or change within twenty-four (24) hours after notice from Landlord, then Landlord may, at its option, either (i) terminate this Lease forthwith by written notice; or, (ii) remedy the situation giving rise to such actual or threatened cancellation or change, all at the cost of Tenant to be paid to Landlord forthwith upon demand, and for such purpose Landlord shall have the right to enter upon the Premises without further notice.

13.03 Tenant's Insurance

- (a) Tenant shall, at its sole expense, maintain in full force and effect at all times throughout the Term and such other times, if any, as Tenant occupies the Premises or any portion thereof, such insurance as would be maintained by a prudent tenant of premises such as the Premises, which insurance shall include at least all of the following:
 - (i) Commercial general liability insurance on an occurrence basis with respect to Tenant's business activities and occupancy of or things on the Premises, and with respect to the use and occupancy of any other part of the Project by Tenant or any of its employees, servants, agents, invitees, licensees, subtenants, contractors or persons for whom Tenant is in law responsible, with coverage for any occurrence of not less than FIVE MILLION (\$5,000,000.00) DOLLARS;
 - (ii) All risks insurance covering the leasehold improvements, trade fixtures and contents on the Premises, for not less than the full replacement cost thereof and with a replacement cost endorsement;
 - (iii) Broad form comprehensive boiler and machinery insurance on all insurable objects located on or about the Premises or which are the property or responsibility of Tenant, for not less than the full replacement cost thereof and with a replacement cost endorsement;
 - (iv) Business interruption insurance in such amounts as necessary to fully compensate Tenant for direct or indirect loss of sales or earnings attributable to any of the perils required to be insured against under the policies referred to in subsections 13.03(a)(ii) and 13.03(a)(iii) and all circumstances usually insured against by cautious tenants including losses resulting from interference with access to the Premises or the Project as a result of such perils or for any other reason;
 - (v) Tenant's legal liability insurance for the full replacement cost of the Premises, and the loss of use thereof; and

- (vi) Any other insurance against such risks and in such amounts as Landlord or any mortgagee of Landlord may from time to time reasonably require upon not less than thirty (30) days' notice to Tenant.
- (b) Each of Tenant's insurance policies shall name Landlord as an additional named insured, and shall be taken out with insurers and shall be in such form and on such terms as are satisfactory to Landlord from time to time. Without limiting the generality of the foregoing, each of Tenant's insurance policies shall contain:
 - (i) the standard mortgage clause as may be required by any mortgagee of Landlord;
 - (ii) a waiver by the insurer of any rights of subrogation to which such insurer might otherwise be entitled against Landlord or any person for whom Landlord is in law responsible;
 - (iii) an undertaking by the insurer that no material change adverse to Tenant or Landlord or any mortgagee of Landlord will be made and the policy will not lapse or be terminated, except after not less than thirty (30) days' written notice to Tenant and Landlord and to any mortgagee of Landlord;
 - (iv) a provision stating that Tenant's insurance policy shall be primary and shall not call into contribution any other insurance available to Landlord;
 - (v) a joint loss endorsement, where applicable;
 - (vi) a severability of interests clause and a cross-liability clause; and
 - (vii) a waiver, in respect of the interests of Landlord and any mortgagee of Landlord, of any provision with respect to any breach of any warranties, representations, declarations or conditions contained in the said policy.
- (c) Tenant shall ensure that Landlord shall at all times be in possession of either certificates or certified copies of Tenant's insurance policies which are in good standing and in compliance with Tenant's obligations hereunder.
- (d) Tenant hereby releases Landlord and its servants, agents, employees, contractors and those for whom Landlord is in law responsible from all losses, damages and claims of any kind in respect of which Tenant is required to maintain insurance hereunder or is otherwise insured.

13.04 Landlord's Right to Place Tenant's Insurance

If Tenant fails to maintain in force, or pay any premiums for, any insurance required to be maintained by Tenant hereunder, or if Tenant fails from time to time to deliver to Landlord satisfactory proof of the good standing of any such insurance or the payment of premiums therefor, then Landlord, without prejudice to any of its other rights and remedies hereunder, shall have the right but not the obligation to effect such insurance on behalf of Tenant and the cost thereof and all other reasonable expenses incurred by Landlord in that regard shall be paid by Tenant to Landlord forthwith upon demand.

13.05 Landlord's Non-Liability

Tenant agrees that Landlord shall not be liable or responsible in any way for any injury or death to any person or for any loss or damage to any property, at any time on or about the Premises or any property owned by or being the responsibility of Tenant or any of its servants, agents, customers, contractors or persons for whom Tenant is in law responsible elsewhere on or about the Project, save and except where such loss or damage has resulted from or contributed to by the negligence of Landlord, its servants, agents, employees, contractors or persons for whom Landlord is in law responsible. Without limiting or affecting the generality of the foregoing, Landlord shall not be liable or responsible for any such injury, death, loss or damage to any persons or property caused or contributed to by any of the following: fire, explosion, steam, water, rain, snow, dampness, leakage, electricity or gas, save and except where such loss or damage has resulted from or contributed to by the negligence of Landlord, its servants, agents, employees, contractors or persons for whom Landlord is in law responsible. Without limiting or affecting the interpretation of the foregoing, and notwithstanding the foregoing, it is agreed that Landlord shall in no event be liable for any indirect or consequential damages suffered by Tenant.

13.06 Indemnity of Landlord

Tenant shall indemnify Landlord and all of its servants, agents, employees, contractors and persons for whom Landlord is in law responsible against any and all liabilities, claims, damages, losses and expenses, including all reasonable legal fees and disbursements, arising from: (i) any breach by Tenant of any of the provisions of this Lease; (ii) any act or omission of any person on the Premises or any use or occupancy of or any things in the Premises; (iii) any act or omission of Tenant or any of its servants, agents, employees, invitees, licensees, sub-tenants, concessionaires, contractors or persons for whom Tenant is in law responsible on the Premises or elsewhere on or about the Project; or (iv) any injury or death of persons, or any loss or damage to property of Tenant or any of its servants, agents, employees, invitees, licensees, subtenants, contractors or persons for whom Tenant is in law responsible, on the Premises or elsewhere on or about the Project.

13.07 Landlord's Employees and Agents

Every indemnity, exclusion or release of liability and waiver of subrogation contained in this Lease for the benefit of Landlord shall extend to and benefit all of Landlord's servants, agents, employees, others for whom Landlord is in law responsible, and contractors of Landlord. Solely for such purpose, and to the extent that Landlord expressly chooses to enforce the benefits of this Section for the foregoing persons, it is agreed that Landlord is the agent or trustee for such persons.

ARTICLE 14 ASSIGNMENT, SUBLETTING AND CHANGE OF CONTROL

14.01 Consent Required

- (a) Tenant shall not assign this Lease in whole or in part and shall not sublet or part with or share possession of all or any part of the Premises and shall not grant any licences or other rights to others to use any portion of the Premises (all of the foregoing being hereinafter referred to as a "**Transfer**"; a party making a Transfer is referred to as a "**Transferor**" and a party taking a Transfer is referred to as a "**Transferee**") without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld. The provisions of this Article 14 shall apply to any Transfer which might occur by inheritance or operation of law.

- (b) If Landlord withholds, delays or refuses to give consent to any Transfer, whether or not Landlord is entitled to do so, Landlord shall not be liable for any losses or damages in any way resulting therefrom and Tenant shall not be entitled to terminate this Lease or exercise any other remedy whatever in respect thereof except to seek the order of a court of competent jurisdiction compelling Landlord to grant any such consent which Landlord is obliged to grant pursuant to the terms of this Lease.

14.02 Obtaining Consent

All requests to Landlord for consent to any Transfer shall be made to Landlord in writing together with a copy of the agreement pursuant to which the proposed Transfer will be made, accompanied by such information in writing as a landlord might reasonably require respecting a proposed Transferee including, without limitation, name, business and home addresses and telephone numbers, business experience, credit information and rating, financial position and banking and personal references, description of business proposed to be conducted by the Transferee on the Premises and parking requirements for such business. Tenant shall promptly pay all costs incurred by Landlord in considering and processing the request for consent including legal costs and all costs of completing any documentation to implement any Transfer, which shall be prepared by Landlord or its solicitor if required by Landlord.

14.03 Terms of Consent

In the event of a Transfer Landlord shall have the following rights, in default of any of which no such Transfer shall occur or be effective:

- (i) to require Tenant and the Transferee, to enter into a written agreement to implement any amendments to this Lease to give effect to Landlord's exercise of any of its rights hereunder;
- (ii) to require the Transferee to enter into an agreement with Landlord in writing and under seal to be bound by all of Tenant's obligations under this Lease in respect of the portion of the Premises which is the subject of the Transfer;
- (iii) require, if the Transfer is a sublease or other transaction other than an assignment, that upon notice from Landlord to the Transferee all amounts payable by the Transferee each month shall be paid directly to Landlord who shall apply the same on account of Tenant's obligations under this Lease;
- (iv) receive all amounts to be paid to Tenant under the agreement in respect of such Transfer less only the direct costs of Tenant related to the Transfer such as legal costs and commissions, and less, in the case of a sublease, all amounts receivable by Tenant under the sublease equal to the amount payable by Tenant hereunder each month during the said term of the sublease in respect of the sublet portion of the Premises.

14.04 Effect of Transfer

- (a) No consent of Landlord to a Transfer shall be effective unless given in writing and executed by Landlord and no such consent shall be presumed by any act or omission of Landlord or by Landlord's failure to respond to any request for consent or by Landlord's accepting any payment of any amount payable hereunder from any party other than Tenant. No Transfer and no consent by Landlord to any Transfer shall constitute a waiver of the necessity to obtain Landlord's consent to any subsequent or other Transfer.

- (b) In the event of any Transfer or any consent by Landlord to any Transfer, Tenant shall not thereby be released from any of its obligations hereunder but shall remain bound by all such obligations pursuant to this Lease for the balance of the Term. If this Lease is renewed or extended by any Transferee pursuant to any option of Tenant, each Transferor shall be liable for all of the obligations of Tenant throughout the Term as renewed or extended.
- (c) Every Transferee shall be obliged to comply with all of the obligations of Tenant under this Lease, and any default of any Transferee shall also constitute a default of Tenant hereunder. If this Lease is ever disclaimed or terminated by a trustee in bankruptcy of a Transferee Tenant shall nevertheless remain responsible for fulfilment of all obligations of Tenant hereunder for what would have been the balance of the Term but for such disclaimer or termination, and shall upon Landlord's request enter into a new lease of the Premises for such balance of the Term and otherwise on the same terms and conditions as in this Lease.

14.05 No Advertising of Premises

Tenant shall not advertise this Lease or all or any part of the Premises or the business or fixtures or contents therein for sale without Landlord's prior written consent.

14.06 Mortgage of Lease

The restrictions on Transfer as aforesaid shall apply to any assigning, subletting, mortgaging, charging or otherwise transferring of the Premises or this Lease for the purpose of securing any obligation of Tenant.

14.07 Corporate or Partnership Tenant

If Tenant or any occupant of the Premises at any time is a corporation or a partnership, the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any securities, voting rights or interest which would result in any change in the effective control of the direction or the management and policies of the corporation or partnership or in any change in the beneficial ownership of such corporation or partnership shall be deemed for all purposes of this Article 14 to be a Transfer, unless such change occurs as a result of trading in securities on a recognized exchange in Canada or the United States. Upon request Tenant shall make the corporate or partnership books and records of Tenant and of any affiliate of Tenant available to Landlord and its representatives for inspection in order to ascertain whether or not there has at any time during the Term been a change in control of Tenant corporation or partnership as aforesaid.

14.08 Assignment by Landlord

If Landlord sells, leases, mortgages or otherwise disposes of the Project or any part thereof or assigns its interest in this Lease, to the extent that the purchaser or assignee agrees with Landlord to assume the covenants and obligations of Landlord hereunder, Landlord shall thereupon be released from all liability pursuant to the terms of this Lease.

14.09 Permitted Transfers

Notwithstanding anything to the contrary in this Lease, so long as the Tenant is The Corporation of the Town of Peterborough or a Permitted Transferee (as defined below) and is not then in default under the terms of this Lease beyond any applicable cure period, the Tenant may, without the consent of the Landlord, but upon not less than thirty (30) days' prior written notice to the

Landlord, sublet all or a portion of the Premises or assign this Lease to a provincial ministry, government agency, private operator, board, municipality or commission (a “Permitted Transfer” and such transferee being a “Permitted Transferee”), provided: (i) the Tenant shall be jointly and severally liable with the Permitted Transferee under this Lease and shall not be released from its covenants by reason of any such Transfer; (ii) the Tenant shall cause the Permitted Transferee to execute a reasonable form of assumption agreement or other agreement reasonably requested by the Landlord directly with the Landlord, prepared at the Tenant’s cost, under which the Permitted Transferee assumes the Tenant’s obligations under this Lease; (iii) all actual, out-of-pocket costs reasonably incurred by the Landlord in connection with the assignment or sublease to a Permitted Transferee shall be paid by the Tenant; and (iv) the business to be carried on in the Premises by the Permitted Transferee is not inconsistent with the use set out herein and otherwise complies with the terms of this Lease.

ARTICLE 15 STATUS AND SUBORDINATION OF LEASE

15.01 Status Statement

Tenant shall, within ten (10) days after written request from Landlord, execute and deliver to Landlord, or to any actual or proposed lender, purchaser or assignee of Landlord, a statement or certificate in such form as requested by Landlord stating (if such is the case, or stating the manner in which such may not be the case): (i) that this Lease is unmodified and in full force and effect; (ii) the date of commencement and expiry of the Term and the dates to which Basic Rent and any other Rent, including any prepaid rent, have been paid; (iii) whether or not there is any existing default by Landlord under this Lease and, if so, specifying such default; and (iv) that there are no defences, counterclaims or rights of set-off in respect of the obligations hereunder of Tenant.

15.02 Subordination

At the option of Landlord to be expressed in writing from time to time this Lease and the rights of Tenant hereunder are and shall be subject and subordinate to any and all mortgages, trust deeds and charges (any of which is herein called “**Mortgage**”) on the Project or any part thereof now or in the future, including all renewals, extensions, modifications and replacements of any Mortgages from time to time. Tenant shall at any time on notice from Landlord or holder of a Mortgage attorn to and become a tenant of the holder of any such Mortgage upon the same terms and conditions as set forth herein and shall execute promptly on request any certificates, agreements, instruments of postponement or attornment or other such instruments or agreements, including without limitation any short form or notice of this Lease for the purpose of registration on title to the Project, as requested from time to time to give full effect to this Article 15. Provided Tenant is not in default hereunder, Landlord shall use reasonable efforts to obtain from the holder of any Mortgage, in respect of which tenant has executed and delivered an instrument of postponement, subordination or attornment as required hereby, its agreement to permit Tenant to continue to occupy the Premises in accordance with the terms of this Lease.

15.03 Tenant’s Failure to Comply

If Tenant fails to execute any certificate, agreement, instrument, or other document as required by the foregoing provisions of this Article 15 within ten (10) days after request by Landlord, then Landlord shall have the right, without limiting any other rights of Landlord hereunder or at law, to terminate this Lease or to execute any such certificate, agreement, instrument or document on behalf of Tenant and in Tenant’s name, for which purpose Tenant hereby appoints Landlord as Tenant’s attorney.

15.04 Registration

Tenant shall not register on title to the Lands this Lease or any short form or notice hereof except in such form as has been approved by Landlord, acting reasonably, in writing, provided that Tenant shall pay Landlord's reasonable expenses, including legal fees, of such approval. The Tenant specifically acknowledges and agrees that Landlord may require that any short form or notice of this Lease be registered against only those lot(s) of the Project upon which the Premises is situated or, in the alternative, Tenant shall be required, at the request of Landlord, to promptly release and/or discharge any registration of this Lease, or any short form or notice thereof from those lot(s) which are the subject of a sale, conveyance, severance or other disposition by Landlord. If Tenant registers or causes or permits there to be registered against the title to the Project any short form or notice of this Lease or other document, Tenant shall forthwith provide to Landlord details of such registration and a duplicate registered copy of the registered document. Upon the natural expiry or earlier termination of the Term, Tenant shall, at its expense, expunge or discharge from the register of the title of the land on which the Project is located any interest of Tenant therein.

ARTICLE 16 DEFAULT AND REMEDIES

16.01 Default and Remedies

If any of the following shall occur:

- (i) Tenant fails, for any reason, to make any payment of Rent as and when the same is due to be paid hereunder and such default continues for five (5) days after written notice given from the Landlord or its solicitor to the Tenant;
- (ii) Tenant fails to perform any obligation of Tenant pursuant to this Lease other than the payment of any Rent, and such default continues for fifteen (15) days, or such shorter period as expressly provided herein, after notice thereof to Tenant;
- (iii) any of Landlord's insurance policies on the Project are actually or threatened to be cancelled or adversely changed as a result of any use of or articles on or about the Premises;
- (iv) Tenant shall purport to make a Transfer affecting the Premises, or the Premises shall be used by any person or for any purpose, other than in compliance with this Lease;
- (v) Tenant or any other occupant of the Premises makes an assignment for the benefit of creditors or becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal or arrangement with creditors, or Tenant makes any sale in bulk of any property on the Premises (other than in conjunction with a Transfer approved in writing by Landlord and made pursuant to all applicable legislation), or steps are taken for the winding up or other termination of Tenant's existence or liquidation of its assets;
- (vi) a trustee, receiver, receiver-manager, or similar person is appointed in respect of the assets or business of Tenant or any other occupant of the Premises;
- (vii) Tenant attempts to or does abandon the Premises or remove or dispose of any goods from the Premises, so that there would not be sufficient goods on the Premises subject to distress to satisfy all arrears of Rent and all Rent payable hereunder for a further period of at least six (6) months;

- (viii) this Lease or any other property of Tenant is at any time seized or taken in execution which remains unsatisfied for a period of five (5) days or more;
- (ix) termination or re-entry by Landlord is permitted under any provision of this Lease or at law;

then the then current and the next three (3) months' Rent shall be forthwith due and payable and, in addition to any other rights or remedies to which Landlord is entitled hereunder or at law, Landlord shall have the following rights and remedies, which are cumulative and not alternative, namely:

- (I) to terminate this Lease in respect of the whole or any part of the Premises by written notice to Tenant;
- (II) as agent of Tenant to relet the Premises and take possession of any furniture, fixtures, equipment or other property thereon and, upon giving notice to Tenant, to store the same at the expense and risk of Tenant or sell or otherwise dispose of the same at public or private sale without further notice, and to make alterations to the Premises to facilitate their reletting and to apply the net proceeds of the sale of any furniture, fixtures, equipment, or other property or from the reletting of the Premises, less all expenses incurred by Landlord in making the Premises ready for reletting and in reletting the Premises, on account of the Rent due and to become due under this Lease and Tenant shall be liable to Landlord for any deficiency and for all such expenses incurred by Landlord as aforesaid; nothing done by Landlord shall be construed as an election to terminate this Lease unless written notice of such termination is given by Landlord to Tenant;
- (III) to remedy any default of Tenant in performing any repairs, work or other obligations of Tenant hereunder, and in so doing to enter upon the Premises, without any liability to Tenant therefor and without constituting a re-entry of the Premises or termination of this Lease or breach of the Landlord's covenant of quiet enjoyment, and, in such case, Tenant shall pay to Landlord forthwith upon demand all reasonable costs of Landlord in remedying or attempting to remedy any such default plus fifteen percent (15%) of the amount of such costs for Landlord's administration; and
- (IV) to obtain damages from Tenant including, without limitation, if this Lease is terminated, all deficiencies between all amounts which would have been payable by Tenant for what would have been the balance of the Term, but for such termination, and all net amounts actually received by Landlord for such period.

16.02 Interest

All amounts of Rent shall bear interest from their respective due dates until the dates of payment at the rate of five percent (5%) per annum in excess of the prime rate of interest charged by Landlord's bank from time to time.

16.03 Costs

Tenant shall pay to Landlord forthwith upon demand all costs incurred by Landlord, including, without limitation, legal expenses on a substantial indemnity basis and reasonable compensation for all time

expended by Landlord's own personnel, arising as a result of any default in Tenant's obligations under this Lease.

16.04 Distress and Tenant's Property

Tenant hereby waives and renounces the benefit of any present or future statute taking away or limiting Landlord's right of distress and agrees with Landlord that, notwithstanding any such statute, all goods and chattels from time to time on the Premises shall be subject to distress for Rent. All Tenant's personal property on the Premises shall at all times be the unencumbered property of Tenant.

16.05 Remedies to Subsist

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

16.06 Impossibility of Performance

If and to the extent that either Landlord or Tenant shall be delayed in the fulfilment of any obligation under this Lease, other than the payment by Tenant of any Rent, by reason of unavailability of material, equipment, utilities, services or by reason of any Laws, or by reason of any other similar cause beyond its control and not avoidable by the exercise of reasonable foresight (excluding the inability to pay for the performance of such obligation), then the party being delayed shall be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay and the other party shall not be entitled to any compensation for any loss or inconvenience occasioned thereby. The party delayed will, however, use its best efforts to fulfil the obligation in question as soon as is reasonably practicable by arranging an alternate method of providing the work, services or materials.

16.07 Waiver of Repudiation

Despite the Bankruptcy and Insolvency Act (Canada) or any other applicable Law, the Tenant hereby waives any right which it may have to repudiate this Lease, whether on the filing of a notice of intention or proposal or otherwise.

ARTICLE 17 CONTROL OF PROJECT

17.01 Landlord's Control

The Project and Common Facilities, is at all times subject to exclusive control and management of the Landlord and entities related to the Landlord. To this end, the Landlord shall, to the extent within its control, operate and maintain the Project in such a manner as the Landlord determines from time to time having

regard to its size, age, features, and location. The Landlord may, in its management and operation of the Project: (i) close all or any portion of the Common Facilities to such an extent as may be necessary to facilitate activities such as sporting events, exhibitions, festivals, street vending and the like, (ii) convert any Common Facilities to Rentable Areas or use any part of the Common Facilities for merchandising, display, decorations, entertainment and structures designed for retail selling or special features or promotional activities, (iii) designate and specify the kinds of containers to be used for the disposal of refuse, and the manner and times at which they are to be placed for collection, including any requirement to segregate recyclable and non-recyclable waste. Landlord shall also have the right to obstruct or close off or restrict entry to all or any part of the Project for purposes of performing any maintenance, repairs or replacements or for security purposes or to prevent the accrual of any rights to any person or the public or any dedication thereof, provided that in exercising any such right Landlord shall use reasonable best efforts to minimize interference with Tenant's access to and use of the Premises.

17.02 Depiction of the Project

The Tenant acknowledges that the depiction of the Project including the Premises as shown on Schedule A does not constitute a representation, warranty or covenant of any kind whatsoever as to Landlord's intentions with respect to the Project. Tenant further acknowledges that Landlord may develop the Project differently from that shown on Schedule A, all as determined by Landlord, acting reasonably, provided that, if the Landlord intends to change, alter, amend or deviate from the existing plan for the Project, as shown on Schedule A, and such changes materially impact the configuration, design, size or location of the Premises, the Landlord shall obtain the Tenant's prior approval prior to making such changes (which approval may not be unreasonably withheld or delayed).

17.03 Alterations of the Project

The Landlord may, to the extent within its control, change the layout or arrangement of the Project, including:

- (a) Constructing other buildings, structures, or improvements in the Project and make alterations, renovations, additions, deletions, or rearrangements of or to any of them, build incremental stories or an office or residential component on top of any building or facilities proximal to the Project;
- (b) Intentionally deleted.

In the exercise of Landlord's rights under subsection 17.03(a) and/or (b), the Landlord shall not be subject to any liability, nor is the Tenant entitled to any compensation or diminution or abatement of Rent, and no alteration or diminution will be deemed to be a constructive or actual eviction of the Tenant or a breach of any covenant for quiet enjoyment.

Tenant acknowledges that portions of the Project may be under construction during the Term, and that such construction activities may cause temporary noise and disturbance to existing tenants of the Project. Landlord will use reasonable efforts to minimize interference with Tenant's occupation of the Premises as a result of such construction activities, but Tenant acknowledges that in no event shall any noise or other disturbance caused by such construction constitute a breach of Tenant's right to quiet enjoyment of the Premises.

Despite anything to the contrary, Tenant acknowledges and agrees that Landlord may acquire from time to time adjoining lands, which lands, once acquired, may in whole or in part(s) form part of the Project which may be developed in whole or in part(s) as either part of the Leasable Area of the Project or part of the

Common Facilities of the Project, or any combination thereof as determined by the Landlord. The Tenant shall not oppose any application made by or on behalf of the Landlord with respect to any actions, steps, decisions, proceedings, permits, licences, zoning, rezoning, variances or other governmental approvals sought by or on behalf of the Landlord from time to time with respect to or in connection with any such lands or the Project, save and except where such application may materially adversely impact the Tenant's use of the Premises as contemplated by this Lease.

In the exercise of its rights under this Section 17.03, the Landlord shall use commercially reasonable efforts: (i) not to interfere with access to the Premises or the Project, except in the case of a real or apprehended emergency; (ii) to perform any work hereunder in such a manner so as to minimize disruption to the Tenant's business operations in the Premises; and (iii) to conduct all such work as expeditiously as reasonably possible having regard to all the circumstances and the nature of the Tenant's operations in the Premises.

17.04 Use of Common Facilities

Tenant shall not itself and shall not permit any of its employees, servants, agents, contractors or persons having business with Tenant, to obstruct any Common Facilities including driveways, laneways or access routes, or to park vehicles in any portion of the Common Facilities other than such areas as expressly authorized by Landlord, and Landlord shall have the right, at Tenant's expense payable on demand, to remove any such obstruction or improperly parked vehicles, without liability for any damage caused thereby.

17.05 Rules and Regulations

Landlord may from time to time make and amend reasonable rules and regulations for the management and operation of the Project and Tenant and all persons under its control shall comply with all of such rules and regulations of which notice is given to Tenant from time to time, all of which shall be deemed to be incorporated into and form part of this Lease. Landlord shall not make any rules or regulations which conflict with any express provision of this Lease unless and only to the extent required by any applicable Laws. Landlord shall act reasonably in enforcing such rules and regulations but shall not be liable for their non-enforcement.

17.06 Access to Premises

- (a) Without limiting any other rights Landlord may have pursuant hereto or at law, Landlord shall have the right to enter the Premises at any time for any of the following purposes: (i) to examine the Premises and to perform any maintenance, repairs or alterations to any part of the Premises or to any equipment and services serving the Premises or any other part of the Project; (ii) in cases of emergency; (iii) to read any utility or other meters; (iv) during the last twelve (12) months of the Term to show the Premises to prospective tenants and to permit prospective tenants to make inspections, measurements and plans; and (v) at any time during the Term to show the Premises to prospective purchasers or lenders.
- (b) Landlord shall have the right to run through the Premises conduits, wires, pipes, ducts and other elements of any systems for utilities, heating, ventilating, air-conditioning and humidity control, telephone and other communications systems and any other such systems to serve the Premises or the Project.
- (c) Landlord shall exercise its rights pursuant to this Section 17.06 in such manner and at such times as Landlord, acting reasonably but in its sole discretion, shall determine. At any time that entry by Landlord is desired in case of emergency, and if no personnel of Tenant are

known by Landlord to be present on the Premises or if such personnel fail for any reason to provide Landlord immediate access at the time such entry is desired, Landlord may forcibly enter the Premises without liability for damage caused thereby.

17.07 Expropriation

If the Premises, the Project or any part thereof shall be expropriated (which for the purposes of this Article 17 shall include a sale by Landlord to any authority with the power of expropriate) by any competent authority then Landlord and Tenant shall co-operate with each other so that each party may receive such award to which it is entitled in law.

17.08 Landlord Termination Right

Intentionally deleted

ARTICLE 18 MISCELLANEOUS

18.01 Notices

All Notices, statements, demands, requests or other instruments (“**Notices**”) which may be or are required to be given under this Lease shall be in writing and shall be delivered in person or sent by prepaid registered Canadian mail addressed, if to the Tenant, at the Address for Service of Notice on Tenant, and if to the Landlord at the Address for Service of Notice on Landlord, all as provided in Section 1.01 hereof.

All such Notices shall be conclusively deemed to have been given and received upon the day the same is personally delivered or, if mailed as aforesaid, four (4) business days (excluding Saturdays, Sundays, holidays and days upon which regular postal service is interrupted or unavailable for any reason) after the same is mailed as aforesaid. Any party may at any time by notice in writing to the other change the Address for Service of Notice on it. If two or more persons are named as Tenant, any Notice given hereunder shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.

18.02 Complete Agreement

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

18.03 Time of the Essence

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

18.04 Applicable Law

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

18.05 Severability

If any provision of this Lease is illegal, unenforceable or invalid, it shall be considered separate and severable and all the remainder of this Lease shall remain in full force and effect as though such provision had not been included in this Lease but such provision shall nonetheless continue to be enforceable to the extent permitted by law.

18.06 Section Numbers and Headings

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

18.07 Interpretation

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

18.08 Successors

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

18.09 Limitation

The parties to this Lease acknowledge and agree that any recourse against the Landlord hereunder shall be limited to its interest in the Project which is the subject matter of this Lease.

18.10 Confidentiality

The Tenant covenants not to disclose to any person the financial or any other terms of this Lease, except for disclosure to the Tenant’s professional advisors in their capacity as such, and except as otherwise required by law. Failure to comply with this prohibition shall constitute an event of default under this Lease.

18.11 Counterparts

This Lease may be executed in several counterparts, each of which, once executed, shall be deemed to be an original and such counterpart together with the other counterparts shall constitute one and the same instrument. The parties hereto consent to the use of electronic signatures and agree that this Lease and all agreements and documents required or desirable to give effect to this Lease may be executed either in original or by electronic means, and may be transmitted by PDF, and the parties adopt any such electronic execution or signatures received by PDF as original signatures of the parties

IN WITNESS WHEREOF the parties have executed this Lease.

Executed by the Landlord on:
this ___ day of _____

LANDLORD:
**THE CORPORATION OF THE TOWNSHIP OF
CAVAN MONAGHAN**

Per: _____
Name:
Title:

c/s

Per: _____
Name:
Title:
I/We have authority to bind the Corporation

Executed by the Tenant on:
this 19 day of February,
2025

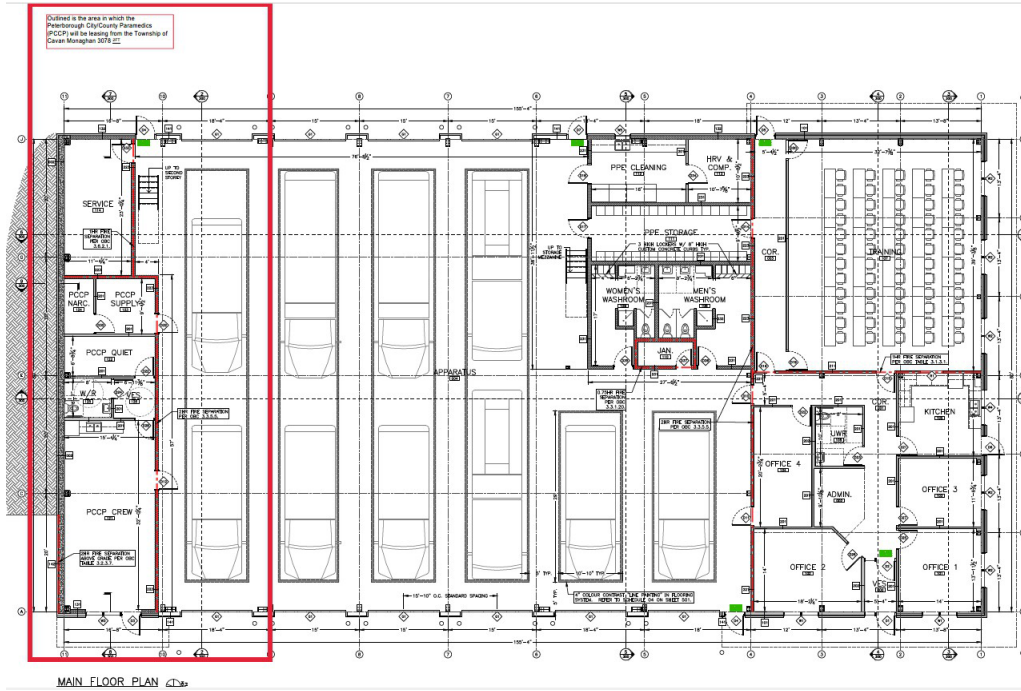
TENANT:
**THE CORPORATION OF THE COUNTY OF
PETERBOROUGH**

Per: Bonnie Clark
Name: Bonnie Clark
Title: Warden

c/s

Per: [Signature]
Name: Kari Stevenson
Title: Clerk
I/We have authority to bind the Corporation

**SCHEDULE A
OUTLINE PLAN OF PREMISES**



PROJECT LOCATION

GENERAL NOTES

1. THE CONTRACTOR SHALL ENSURE THAT ALL WORK IS IN ACCORDANCE WITH THE SPECIFICATIONS AND SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
2. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN AT ALL TIMES.
3. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN AT ALL TIMES.
4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN AT ALL TIMES.
5. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN AT ALL TIMES.

NEW FIRE STATION No. 1
 HIGHLANDS BOULEVARD
 MILLBROOK, ON

MAIN FLOOR PLAN

**SCHEDULE B
 LANDLORD'S AND TENANT'S WORK**

<https://1drv.ms/u/s!AienT2OkINCyIBMnIFfgFY7qRpSJ?e=CmYpBK>

**SCHEDULE C
SPECIAL PROVISIONS**

1. Right of First Refusal

Provided the Tenant is (i) The Corporation of the County of Peterborough; (ii) the Tenant is in occupancy of the entire Premises and has not sublet all or part of the Premises or assigned the Lease; and (iii) the Tenant is not in material default of the Lease beyond any applicable cure period, the Landlord hereby grants the Tenant a right of first refusal ("**ROFR**") to lease during the Term or any renewals or extensions thereof, any available space on the Lands (the "**ROFR Space**") that is the subject of a bona fide offer to lease from an arm's length third party acceptable to the Landlord (the "**ROFR Offer**"), on the terms and conditions of the ROFR Offer. The Landlord shall provide a copy of the ROFR Offer to the Tenant and the Tenant shall have thirty (30) days from the date of Landlord's delivery of the ROFR Offer to exercise the ROFR to match the terms outlined in the ROFR Offer. This right may be exercised, within such time, by the Tenant delivering notice in writing to the Landlord of its acceptance of the terms of the ROFR Offer, whereupon a binding agreement to lease such ROFR Space shall exist between the Landlord and the Tenant, and the Tenant shall thereafter execute the Landlord's standard form of lease amending agreement to incorporate the terms and conditions contained in the ROFR Offer. Should the Landlord not receive written notice from the Tenant within the thirty (30) days that the Tenant is exercising its ROFR, the Tenant shall be deemed to have waived its right and the Landlord shall be free thereafter to lease the ROFR Space to the third party on the terms of the ROFR Offer.

50133982.1
51788358.1
52344460.1
52742413.1

The Township of Cavan Monaghan

By-law No. 2025-15

Being a by-law to dedicate as part of public road allowance a portion of Fallis Line described as Part of Lot 12 in Concession 6, Geographic Township of Cavan being Parts 1 and 2, Plan 45R-17724; Township of Cavan Monaghan

Whereas pursuant to Section 31(2), Municipal Act, 2001, S.O. 2001, c.25, a municipality may by by-law establish a highway;

And Whereas that portion of Fallis Line is described as Part of Lot 12 in Concession 6, Geographic Township of Cavan being Parts 1 & 2, Plan 45R-17724; Township of Cavan Monaghan;

And Whereas the Township of Cavan Monaghan controls the road allowance of Fallis Line on Plan 45R-17724;

And Whereas a municipality may by by-law assume for public use a road allowance, highway, street or land shown on a registered plan of survey.

Now Therefore the Council of the Township of Cavan Monaghan hereby enacts as follows:

1. That the Mayor and Clerk are hereby authorized to execute such documents to effect a transfer of Parts 1 and 2 on Plan 45R-17724 to the Township of Cavan Monaghan.
2. That the Township of Cavan Monaghan hereby incorporates Parts 1 & 2 on Plan 45R-17724 into the public highway system of the Township as part of Fallis Line.
3. This By-law shall come into force and effect on the date of passing thereof.

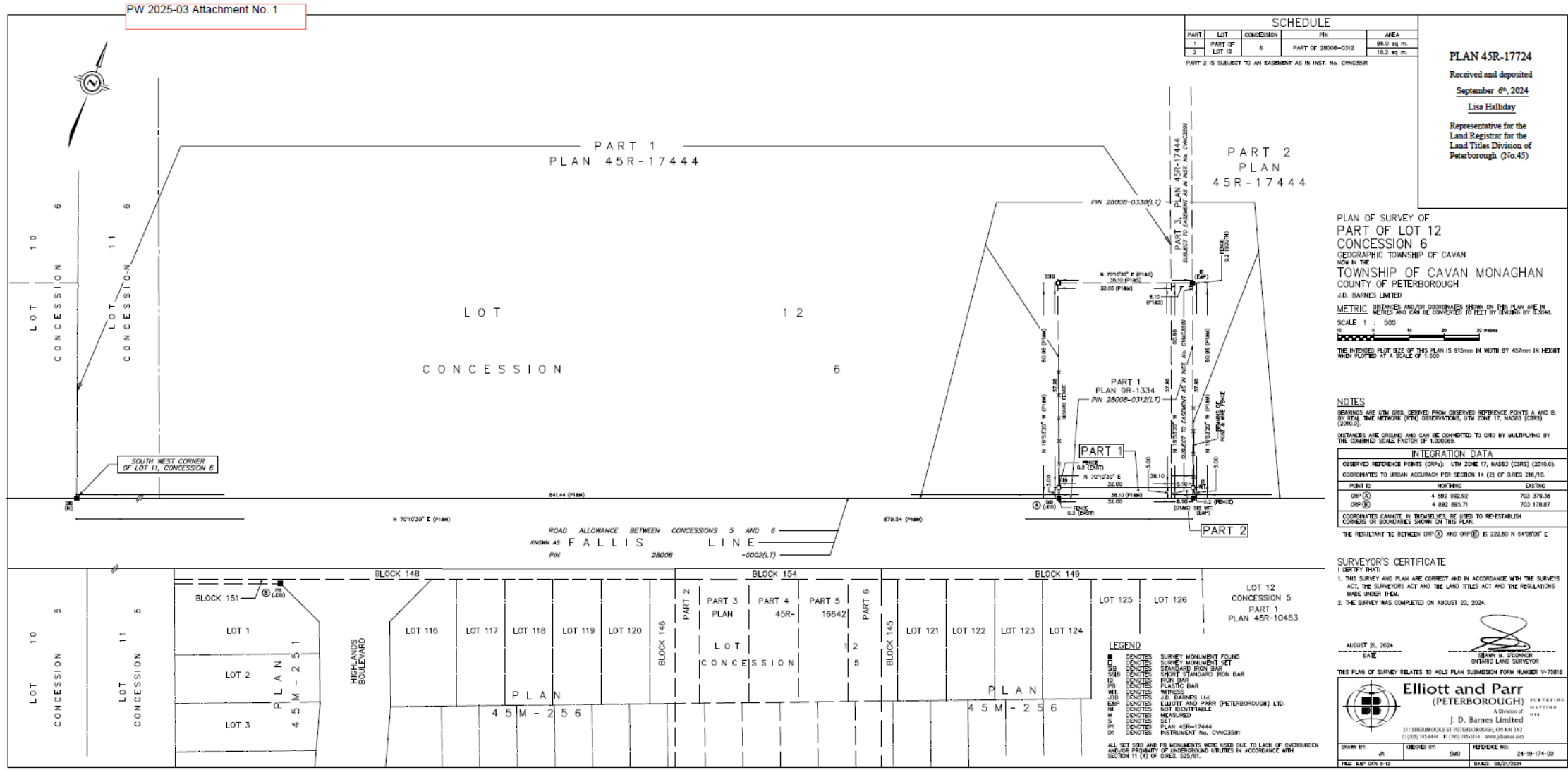
Read a first, second and third time and passed this 3rd day of March, 2025.

Matthew Graham
Mayor

Cindy Page
Clerk

Schedule "A"

Lands to be dedicated: Lot 12, Concession 6, Geographic Township of Cavan being Parts 1 & 2, Plan 45R-17724.



The Township of Cavan Monaghan

By-law No. 2025-16

Being a by-law to confirm the proceedings of the regular meeting of the Council of the Township of Cavan Monaghan held on the 3rd day of March 2025

Whereas the Municipal Act, 2001, S.O., 2001, c.25, S.5, S. 8 and S. 11 authorizes Council to pass by-laws;

Now Therefore the Council of the Township of Cavan Monaghan hereby enacts as follows:

1. That the actions of the Council at its meeting held on the 3rd day of March 2025 in respect to each recommendation and action by the Council, except where prior approval of the Ontario Land Tribunal or other statutory authority is required, are hereby adopted, ratified and confirmed.
2. That the Mayor and Clerk of the Township of Cavan Monaghan are hereby authorized and directed to do all things necessary to give effect to said actions or obtain approvals where required, to execute all documents as may be necessary, and the Clerk is hereby authorized and directed to affix the Corporate Seal to all such documents. Read a first, second and third time and passed this 3rd day of March 2025.

Matthew Graham
Mayor

Cindy Page
Clerk