

THIS LEASE is dated the 28th day of April 2017 (the “Lease”).

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT (ONTARIO)

B E T W E E N:

**THE SIR SANDFORD FLEMING COLLEGE OF
APPLIED ARTS & TECHNOLOGY
a body Corporate existing under the laws of the
Province of Ontario**

(the “Landlord” or the “College”)

OF THE FIRST PART

- and -

FROST STUDENT ASSOCIATION

(the “Tenant” or the “FSA”)

OF THE SECOND PART

WHEREAS the College is a corporation duly subsisting under Regulation 771, R.R.O. 1990 S.22 pursuant to subsection 5 (3) of the Ministry of Colleges and Universities Act, R.S.O. 1990 c. M.19 and is designated as a Schedule III Operational Agency pursuant to Directive 6-2 issued under subsection 3 (3) of the Management Board of Cabinet Act, R.S.O. 1990 c. M.I;

AND WHEREAS FSA is a not-for-profit corporation, representing the students of the College enrolled at the Frost Campus of the College, and is responsible for promoting the interests of the College’s students at Frost, and providing value-added services and programming activities in a fiscally responsible manner;

AND WHEREAS the College and FSA wish to establish the best possible operational relationship in the interest of the College, the FSA and the entire College community;

AND WHEREAS the student complex, known as the “Auk’s Lodge” is an addition to the Building which was constructed at the expense of FSA, is owned by FSA, and is for the exclusive use and benefit of FSA, as further described herein;

AND WHEREAS Auk’s Lodge is dedicated to providing students of the College with various services and amenities and has for many years been regarded as an important facility for the College and its community;

AND WHEREAS FSA receives its annual funding solely from ancillary fees added to annual tuition payments paid by students enrolled at the College each Rental Year (the “FSA Funds”);

AND WHEREAS FSA Funds will be used by the FSA to pay the Facility Fee and all other fees and expenses set out herein.

NOW THEREFORE in consideration of the mutual covenants contained herein, other good and valuable consideration, and the sum of two dollars (\$2.00) now paid by each party to the other (the receipt and sufficiency of which are hereby acknowledged) the parties hereby agree as follows:

ARTICLE 1 LEASED PREMISES AND TERM

Section 1.1 Leased Premises

The Landlord leases to the Tenant, and the Tenant leases from the Landlord, those certain premises having a gross floor area of 8,173 square feet (in addition to the patio area adjacent thereto) located in and attached to the Building together with the Improvements made thereon by the Tenant (the “**Leased Premises**” or the “**Student Centre**” or “**Auk’s Lodge**”) as outlined in red on Schedule “A” hereto.

The Landlord and the Tenant agree that the Improvements shall, during the Term, be deemed, as between the Landlord and the Tenant, to be the separate property of the Tenant and not of the Landlord, but shall be subject to and governed by all of the provisions of this Lease. Provided however, the Landlord and Tenant agree that the Improvements shall be fixtures to and upon the Frost Campus and are intended to be and shall be upon the expiry or earlier termination of the Term of this Lease, the absolute property of the Landlord, free from all encumbrances of any kind whatsoever and without compensation to the Tenant. Provided always that the Landlord’s absolute right of property in the Improvements which will arise upon the expiry or earlier termination of the Term of this Lease, shall take priority over any other interest in the Improvements which may now or hereafter be created by the Tenant and that all dealings by the Tenant with the Improvements which in any way affect title thereto, shall be made expressly subject to the rights of the Landlord and the Tenant shall not assign, encumber, or otherwise deal with the Improvements separately from any permitted dealing with the leasehold interest under this Lease to the intent that no person shall hold or enjoy any interest in this Lease who does not at the same time hold a like interest in the Improvements.

Section 1.2 Grant and Term

The Tenant shall, subject to the terms of this Lease, have and hold the Leased Premises during the term, which is the period of Ninety-Nine (99) years and 126 days, commencing on the date of this Lease (the “**Commencement Date**”) and ending on August 31, 2116 (the “**Term**”).

Section 1.3 Definitions

In this Lease, unless otherwise stated, the definitions in Schedule “C” attached hereto shall apply.

Section 1.4 Schedules

Schedules "A", "B", "C", and "D" attached hereto form part of this Lease.

**ARTICLE 2
RENT**

Section 2.1 Covenant to Pay

The Tenant will pay Rent.

Section 2.2 Basic Rent

The Basic Rent payable during the Term by the Tenant for the Leased Premises shall be the sum of Ten Dollars (\$10.00), payable in advance on the Commencement Date.

Section 2.3 Facility Fee

In addition to the Tenant's initial payment of Basic Rent as set out in Section 2.2, in each year of the Term, the Tenant will pay to the Landlord as part of Rent, a contribution to the Landlord's costs and expenses of maintaining, operating, repairing, replacing, restoring, supervising and administering the Leased Premises, the Building and the Common Areas and Facilities, such costs and expenses to include, without limitation:

- (a) the total cost of operating, maintaining, lighting, cleaning (including snow and ice removal and clearance), supervising, policing, landscaping and repairing the Building and all Common Areas and Facilities, including, without limitation, all monies paid to persons, firms or corporations employed by the Landlord to perform same;
- (b) all expenses incurred or paid by the Landlord in connection with the maintenance, repair, restoration, operation, management, supervision and administration of the Building, including without limitation, the heating, ventilating and air-conditioning system and equipment, and the Common Areas and Facilities;
- (c) the total cost of all structural repairs set out in Section 7.1;
- (d) the cost of utilities used in connection with the Leased Premises as set out in Article 4; and

(collectively, the "Facility Fee").

From and after the Commencement Date, the Facility Fee shall be \$7.59 plus HST per gross square foot of the Leased Premises (\$62,033.00 per annum) and shall be increased thereafter once annually, on the first day of each Rental Year (September 1) throughout the Term, by a percentage equal to the percentage increase in the Consumer Price Index (all items) for the Province during the preceding calendar year. The Facility Fee is based upon certain benchmarks for operating costs published by the Government of Canada and the Province of Ontario public sectors sources (e.g. Ontario Public School System, Canadian Foundation for

Innovation, Ontario Colleges Facilities Management Association). In the Rental Year commencing September 1, 2019 of the Term, the Landlord and the Tenant will meet to determine if the Facility Fee should be adjusted for the ensuing five (5) year period commencing September 1, 2020, based upon the benchmarks referred to herein. Thereafter, this process will continue every five (5) years during the Term of the Lease. If the parties cannot agree on a renewal of the Facility Fee at any time during the Term (each acting reasonably), the matter will be determined in accordance with the dispute resolution process set out in Section 14.13 hereof. For greater certainty, the Facility Fee shall be the Tenant's sole contribution to the costs of maintaining, operating, repairing, replacing, restoring, supervising and administering the Leased Premises, the Building and the Common Areas and Facilities, save as otherwise specifically provided for in this Lease, and save for additional services requested by the Tenant at a cost agreed to by the Landlord and Tenant, each acting reasonably. The Facility Fee will be adjusted to take into account any increase in the Consumer Price Index during the preceding calendar Year. The Landlord shall calculate the monthly amount payable for each upcoming Rental Year and shall provide the Tenant with a statement setting out the payments for such period by July 31st of each year of the Term (the "Statement"). From and after the Commencement Date, the first Statement shall be delivered to the Tenant on July 31, 2018. The Facility Fee rate at the Commencement of the lease shall be \$7.59 per square foot, which includes calendar 2015 CPI increase.

Notwithstanding the foregoing, the Facility Fee payable by the Tenant to the Landlord has been and shall be discounted as follows:

- (i) for the period beginning September 1, 2016 and ending August 31, 2017 the Facility Fee shall be discounted by an amount equal to \$2,319.42 per month;
- (ii) for the period beginning September 1, 2017 and ending August 31, 2018 the Facility Fee shall be discounted by an annual amount equal to \$11,133 (\$927.75 per month); and
- (iii) for the period beginning September 1, 2018 and ending August 31, 2019 the Facility Fee shall be discounted by an annual amount equal to \$5,567 (\$463.92 per month).

Section 2.4 Payment of Facility Fee

The Facility Fee shall be payable in equal monthly payments, in advance, on the first day of each month throughout the Term. The Facility Fee is not inclusive of Harmonized Sales Tax for Ontario payable pursuant to the *Excise Tax Act* (Canada) as amended from time to time ("HST"). The Tenant shall pay the applicable HST on the same date as the monthly instalments of the Facility Fee are due.

Section 2.5 Landlord's Acknowledgement

Notwithstanding anything contained herein, the Landlord acknowledges that the FSA Funds are primarily derived from student enrollment in the College during each Rental Year, which is subject to fluctuation throughout the Term. The Landlord hereby acknowledges and confirms that if the FSA has difficulty in paying the Facility Fee in a given Rental Year as a

result of a decline in student enrollment, the parties will work reasonably and collaboratively to review all aspects of FSA's financial situation, including net assets, income and expenses (including expenses other than the Facility Fee), the reasonableness of increasing student ancillary fees, and reserves that FSA may have from prior years. If it is reasonable having taken into consideration all such factors, the Landlord will work reasonably and collaboratively with FSA to determine a reduced scope of services for the Leased Premises and a corresponding reduced Facility Fee in such Rental Year, if possible, recognizing that the Leased Premises must be maintained at a level appropriate for a College in the Province.

Section 2.6 Rent Past Due

If the Tenant fails to pay any Rent when due, the unpaid amounts will bear interest from the due date to the date of payment at an annual rate of three (3) percentage points above the minimum lending rate charged to prime commercial borrowers current at that time charged by the Landlord's chartered bank, calculated and compounded monthly. In addition to the foregoing and in addition to any other rights the Landlord may have hereunder, the Tenant shall reimburse the Landlord for any bank or other charges it incurs should any rental cheque be returned for insufficient funds.

ARTICLE 3 TAXES

Section 3.1 Taxes Payable by the Tenant

(a) The Tenant acknowledges that the Landlord is exempt from payment of Taxes. The Tenant shall be liable to Landlord, in accordance with Section 3.3, for all Taxes levied, rated, charged or assessed against the Building as a result of the Tenant's use and occupation of the Leased Premises. For greater certainty, the Tenant shall not be responsible for any Taxes payable in respect of any portion of the Leased Premises used in connection with a Third Party Food Service Agreement (as defined in Section 5.5) entered into by the Landlord. Any amounts payable by the Tenant hereunder are in addition to and not included in the Facility Fee.

Section 3.2 Business Taxes and Other Taxes of the Tenant

(a) The Tenant will pay to the lawful taxing authorities, or to the Landlord, as the Landlord directs, all business taxes, personal property taxes, licence fees or other similar rates and assessments levied or assessed against or in relation to the Tenant's business, assets and improvements in the Leased Premises.

(b) The Tenant will reimburse the Landlord for each Rental Year and at the times and in the manner specified by the Landlord, the full amount of any Taxes (such as HST) in the nature of a business transfer tax, value-added tax, sales tax or any other tax levied, rated, charged or assessed in respect of the Rent payable by the Tenant under this Lease or in respect of the rental of space by the Tenant under this Lease. It is agreed and understood that the Tenant shall reimburse the Landlord for such Taxes at the full tax rate applicable from time to time in respect of the Rent or the rental of space, without reference to any tax credits or exemptions available to the Landlord.

Section 3.3 Payment of Taxes

(a) The amounts payable by the Tenant under Sections 3.1 may be estimated (and estimates may be revised) by the Landlord, acting reasonably, and the Tenant agrees to pay the Landlord such amounts, as estimated, in monthly instalments in advance, together with the Facility Fee.

ARTICLE 4 UTILITIES

Section 4.1 Charges for Utilities

Subject to the Tenant's payment of the Facility Fee, the Landlord will pay all utility charges in respect of the Leased Premises (irrespective of how such utilities are charged against the Leased Premises).

ARTICLE 5 USE OF LEASED PREMISES

Section 5.1 Use of the Leased Premises

The Student Centre shall be primarily dedicated to serving the recreational, social and organizational interests of the student body of the College. Although established for the benefit of the members of FSA, other members of the College and local communities and their guests shall also be able to use the Student Centre in accordance with policies from time to time enacted by FSA provided that such use does not conflict with the terms and conditions of this Lease. The Tenant will not use or permit any part of the Leased Premises to be used for any purpose other than a student centre, except such ancillary uses as may be common from time to time in similar facilities on college campuses in the Province, subject to the restrictions contained herein. In addition, the Tenant will not use or permit any part of the Leased Premises to be used for any purpose inconsistent with or not permitted by this Lease, any Third Party Food Service Agreement or any Exclusivity Agreements, as such terms are defined in Section 5.5. Further, the Tenant shall not use or permit any part of the Leased Premises to be used for any purpose which is in competition with or inconsistent with the educational activities of the College, including, without limitation, the offering of training or other courses.

Section 5.2 Nuisance

(a) The Tenant shall not cause, suffer or permit any waste or damage to the Leased 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 Leased 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 Leased Premises 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 Frost Campus, including without limitation any objectionable odours emanating from the Leased Premises, and Tenant shall immediately take steps to remedy, remove or desist from any activity, equipment or goods on the Leased Premises to which Landlord objects on a reasonable basis. Tenant shall take every reasonable precaution to protect the Leased Premises and the Building from risk of damage by

fire, water or the elements or any other cause. The Landlord acknowledges that a portion of the Leased Premises is currently used as a licensed facility known as the "Auk's Lodge Pub" and the reasonable use and operation of that portion of the Leased Premises for such purpose, having regard to its location and proximity to classrooms, offices and other academic facilities, shall not be deemed to be a nuisance.

(b) The 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 Area and Facilities or use or permit to be used any Common Areas and 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 Areas and Facilities and outside areas adjacent to the Leased Premises for any material period of time. The Tenant (or those for whom it may in law be responsible) shall not permit anyone else (that it is responsible for at law) 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 consent, which may be arbitrarily withheld in Landlord's sole discretion, acting reasonably.

Section 5.3 Observance of Law

The Tenant will, at its expense, and subject to Section 7.3:

- (a) comply with all provisions of law and other requirements of all governmental bodies which pertain to or affect the Leased Premises or require or govern the making of any repairs, alterations or other changes of or to the Leased Premises or the Tenant's use of it;
- (b) obtain all necessary permits, licences and approvals relating to the use of the Leased Premises and the conduct of business therein; and
- (c) comply with the directives and the purposes of the College, as set forth in the *Ministry of Training, Colleges and Universities Act* (Ontario) and subsequent Regulations and be in compliance with the bylaws of FSA and the bylaws and policies of the College.

Section 5.4 Hazardous Substances

- (a) The Tenant shall not cause or permit any Contaminants to be used, stored, generated or disposed of in, on, or about the Leased Premises except in compliance with all applicable federal, provincial or municipal statutes, laws, by-laws or regulations.
- (b) The Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgements, penalties, costs, expenses or liabilities (including, without limitation, any and all sums paid for settlement of claims, legal fees, consultant and expert fees) arising during or after the Term resulting from the Tenant's breach of the provisions of paragraph 5.4(a), or in connection with the use, storage, generation or disposal of Contaminants by the Tenant in, on or about the Leased Premises.

Section 5.5 General Operation of Student Centre

(a) The FSA shall be solely responsible for the management, operation, finances and supervision of the Student Centre, except for the provision of food services where the parties have agreed that food services will be provided pursuant to an agreement between a third party food service provider and the College. Subject to sub-Sections 5.5 (f) and (g), FSA agrees to comply with any and all agreements entered into between the College and a third party food service provider where: (i) such agreement predates this Lease; or (ii) where FSA has entered such agreement as a party; or (iii) where FSA has consented in writing to the execution of such agreement by the College; or (iv) where the provisions of food services does not occur within any portion of the Leased Premises (a “**Third Party Food Service Agreement**”).

(b) The FSA agrees to manage, operate and supervise the Student Centre in a financially responsible manner and in compliance with the terms and conditions contained in this Lease. Without limiting the generality of the foregoing, FSA shall have the right to:

- (i) determine the allocation and use of space within the Student Centre;
- (ii) employ and manage the staff of the Student Centre, including the authority to hire, classify, direct, promote, retire, transfer, lay off, recall, discharge, and discipline such staff and to determine the terms and conditions of their employment with FSA;
- (iii) establish an annual balanced operating budget of the Student Centre and present it to the College;
- (iv) supervise and control the activities of users of the Student Centre and commercial tenants, including the eviction of users and the enforcement of agreements with other third parties;
- (v) to establish, implement and oversee guidelines, practices and regulations governing the use of the Student Centre, provided that such guidelines, practices and regulations conform with the values, policies, guidelines, practices, regulations, contractual obligations and legal responsibilities of the College in existence from time to time; and
- (vi) seek waiver or modification of College policies, procedures and guidelines insofar as such policies, procedures and guidelines apply to the Student Centre, its management, operation and use. Any such waiver or modification shall be valid only if made in writing by the College. In recognition of its status as Landlord and its educational mandate, the College is permitted to deny such requests or approvals in its sole discretion, acting reasonably. The detailed grounds for denying the requested waiver or modification will be communicated to FSA in writing. Any dispute could be resolved through the dispute resolution process outlined in Section 14.13.

(c) In all of its advertising, publicity, signage, etc., FSA shall ensure that the Student Centre is always referred to as the Auk’s Lodge @ Fleming or such other names as may be agreed to by

FSA and the College. FSA is prohibited from changing or using another name unless the prior written consent of the College is obtained, such consent to not be unreasonably withheld, conditioned, or delayed.

(d) The FSA shall not commence any legal proceeding against any third party in connection with the Student Centre without first providing the College at least two (2) weeks written notice of the intent of FSA to commence such legal proceeding, unless due to a statutory limitation (or other reason that would materially prejudice FSA's interests) it is impractical to provide two (2) weeks' notice, in which case FSA shall provide as much notice as is reasonably possible under the circumstances, and having evidenced a reasonable willingness to consult with the College regarding the commencement of any such action and keep the College fully informed at all times as to the status of any such legal proceeding. Notwithstanding the foregoing, this paragraph shall not apply to any legal proceeding commenced by FSA against an employee of FSA.

(e) Subject to the terms of this Lease, any Third Party Food Service Agreement, any Exclusivity Agreements, and by any applicable federal, provincial and municipal law or regulation, FSA may conduct, directly or indirectly through the use of third party vendors, commercial activities in the Student Centre, provided that such activities are limited to the provision of reasonable amenities to users of the Student Centre. In accordance with the requirement that FSA operate the Student Centre on a not-for-profit basis, revenue from such commercial activities must not be used for the personal gain in any manner, directly or indirectly, of members, directors, officers or employees of the FSA or any persons or entities associated with such people. Prior to entering into any such commercial activity, FSA shall advise the Landlord of the nature of such activity and the Landlord shall advise FSA whether or not the proposed activity is limited in whole or in part by any Third Party Service Agreement or Exclusivity Agreement. Notwithstanding the foregoing, FSA shall not require the consent of the Landlord with respect to sales of goods to students for a defined period of time, such as "Poster Sale", "Community Vendor Days" and other offerings for students so long as such activities are not in violation of any Exclusivity Agreements.

(f) The College shall not enter into exclusive or preferential agreements ("**Exclusivity Agreements**") which may affect the ability of FSA to carry on commercial activities in the Student Centre, except for a Third Party Food Service Agreement or an agreement with any other third party service provider where the service is essential to the operation of the College and the inclusion of an exclusivity provision is required by such third party service provider and the inclusion of such provision is generally accepted practice for Colleges in the Province in respect of such service. The College agrees to consult with FSA prior to entering into any Exclusivity Agreements and shall make commercially reasonable efforts to limit the effect of any such agreements on the ability of FSA to carry on commercial activities in the Student Centre. FSA shall not enter into any third party agreement which may reasonably be considered to interfere with the operations of the College.

(g) Notwithstanding the foregoing or anything contained herein, the Landlord agrees that the maximum apportionment of the Leased Premises that will be the subject of any Third Party Food Services Agreement will not exceed a total area of five-hundred (500) square feet (the "**Food Services Premise**") (unless FSA consents to a larger space, which consent may be unreasonably withheld). If the commissions being paid by the third party food service provider to the FSA in a

given Rental Year are less than Facility Fee payable for the Food Services Premise, then the Facility Fee for the Food Services Premise shall be deemed to be equal to such commissions and the College and FSA shall re-adjust any prepaid Facility Fee in respect of the Food Services Premise accordingly.

ARTICLE 6 INSURANCE AND INDEMNITY

Section 6.1 Tenant's Insurance

(a) The Tenant will, at its expense, maintain in the names of the Tenant, the Landlord and the Mortgagee as their respective interests may appear, the following insurance:

- (i) Property insurance for all risks of direct physical loss or damage on the stock-in trade, furniture, fixtures and all property of every description and kind owned or leased by the Tenant to their full replacement value;
- (ii) Comprehensive General Liability Insurance, to cover all operations of the Tenant whether on the Leased Premises or elsewhere, to include personal or bodily injury or property damage liability, contractual liability, employers' liability, non-owned automobile liability, products and completed operations liability, broad form property damage and owners' and contractors' protective insurance coverage and tenant's legal liability. The policies will be written on a comprehensive basis with inclusive limits of not less than \$10,000,000 per occurrence or such higher limits as the Landlord, acting reasonably, requires from time to time. Such policies shall contain severability of interests and cross-liability clauses.

(b) The Tenant's policies will:

- (i) be taken out with insurers which are mutually acceptable to the Landlord and the Tenant. Each such policy shall name the Landlord as an additional named insured as its interest may appear;
- (ii) be taken out with insurers reasonably acceptable to the Landlord and in a form reasonably satisfactory to the Landlord;
- (iii) be non-contributing with and apply only as primary and not as excess to any other insurance available to the Landlord;
- (iv) not be invalidated as respects the interests of the Landlord and the Mortgagee by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies; and
- (v) contain an undertaking by the insurers to notify the Landlord and the Mortgagee in writing not less than thirty (30) days prior to any material change, cancellation or termination.

The Tenant agrees that certificates of insurance in a form acceptable to the Landlord will be delivered to the Landlord within thirty (30) days after the placing of the required insurance.

(c) If there is damage or destruction to the leasehold improvements in the Leased Premises, the Tenant will use the insurance proceeds for the sole purpose of repairing or restoring them.

(d) If the Tenant fails to take out or keep in force or provide to the Landlord proof of such insurance, the Landlord shall have the right to place such property insurance and liability insurance on behalf of the Tenant and to pay the premiums therefore, and in such event the Tenant shall repay promptly to the Landlord the amount paid therefore.

Section 6.2 Increase in Insurance Premiums

If (a) the occupancy of the Leased Premises; (b) the conduct of business on the Leased Premises; or (c) any acts or omissions of the Tenant on or about the Leased Premises or the Frost Campus results in any increase in premiums for the insurance carried by the Landlord with respect to any part of the Leased Premises, the Tenant will pay the increase in premiums within five (5) days after invoices for additional premiums are rendered by the Landlord.

Section 6.3 Cancellation of Insurance

If any insurance policy in respect of the Leased Premises is cancelled or threatened by the insurer to be cancelled, or the coverage reduced by the insurer by reason of the use and occupation of the Leased Premises and if the Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within 48 hours after notice by the Landlord, the Landlord may, at its option, either (a) exercise its rights of re-entry including termination under Article 13, or (b) at the Tenant's expense, enter upon the Leased Premises and remedy the condition giving rise to the cancellation, threatened cancellation or reduction.

Section 6.4 Loss or Damage

The Landlord is not liable for any death or injury arising from or out of any occurrence in, upon, at, or relating to the Leased Premises or damage to property of the Tenant or of others wherever located, whether or not resulting from the Landlord's failure to supply any services or utilities required by this Lease where the failure is beyond the Landlord's reasonable control, unless resulting from the negligence of the Landlord or those for whom it may in law be responsible. The intent of this Section is that the Tenant (and all other Persons having business with the Tenant) is to look solely to its insurers to satisfy any claim which may arise on account of death, injury, loss or damage, irrespective of its cause.

Section 6.5 Landlord's Insurance

Landlord shall obtain and maintain in full force and effect during the Term insurance against such occurrences and in such amounts, on such terms and with such deductible(s) as would a prudent owner of such a Building. 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) public liability

insurance; and (iv) such other insurance and in such amounts and on such terms as Landlord, in its discretion, may reasonably determine. The Landlord's public liability insurance shall include the Tenant as an additional insured.

In addition to the Tenant's payment of Rent and the Facility Fee, the Tenant shall pay to the Landlord that portion of the cost of the Landlord's insurance attributable to the Leased Premises as determined by the Landlord, acting reasonably. The Tenant shall pay such amount within thirty (30) days of receipt of any invoice of the Landlord. Notwithstanding that Tenant shall be contributing to the costs of such insurance pursuant to the terms of this Lease, the Tenant is not relieved of any liability arising from or contributed to by its negligence or its wilful acts or omissions, no insurable interest is conferred upon the Tenant under the Landlord's insurance policies, and the Tenant has no right to receive proceeds from the Landlord's insurance policies (unless otherwise provided for herein).

Section 6.6 Release of Landlord and Tenant

Subject as hereafter set out immediately below, each of Landlord and Tenant hereby releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible. Such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party and proceeds which would have been received if the releasing party obtained all insurance required to be obtained by it under this Lease and for this purpose deductible amounts shall be deemed to be proceeds of insurance received. Notwithstanding anything to the contrary in this Section 6.6, Landlord and Tenant shall each be liable to any third person (being any person other than Landlord and Tenant) to the extent of their respective fault or negligence and each shall be entitled to full indemnity and contribution from the other to the extent of the other's fault or negligence.

Section 6.7 Indemnification of Landlord and Tenant

To the extent not released in Section 6.6 above, Tenant shall indemnify Landlord and also save it harmless from all losses, liabilities, damages, claims, demands and actions of any kind or nature which Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by Tenant of any covenant, term or provision of this Lease and against any and all losses, liabilities, damages, claims, demands, actions and expenses in connection with loss of life, personal injury or damage to property arising from any occurrence on the Leased Premises (save and except if caused by Landlord) or arising from the occupancy or use by Tenant of the Leased Premises or Building by Tenant, its agents, contractors, employees, servants, licensees, concessionaires or invitees or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, licensees or concessionaires whether on the Leased Premises or in the Building. In case the Landlord, without actual fault on its part, is made a party to any litigation commenced by or against Tenant, Tenant shall hold Landlord harmless and shall fully defend such action and shall pay all costs and legal fees incurred or paid by Landlord in respect of such litigation. To the extent not released in Section 6.6 above, Landlord shall indemnify Tenant and also save it harmless from all losses, liabilities, damages, claims, demands and actions of any kind or nature where Tenant

shall or may become liable for or suffer by reason of any breach, violation or non-performance by Landlord of any covenant, term or provision of this Lease or occasioned wholly or in part by any act or omission of Landlord, its agents, contractors, employees, servants, licensees, concessionaires or invitees whether in the Building or Leased Premises.

ARTICLE 7 MAINTENANCE, REPAIRS, AND ALTERATIONS

Section 7.1 Maintenance, Repairs and Alterations by Landlord

The Landlord shall maintain and repair the structure of the Building (including the Leased Premises), including, without limitation, the foundations, exterior wall assemblies including weather walls, roof, bearing walls, structural columns and the Common Areas and Facilities. In addition, the Landlord will provide heating, ventilating and air-conditioning, hot and cold water, electricity and other utilities, as well as telecommunications and information technology services (including Wi-Fi), cleaning and janitorial services to a standard consistent with the levels of such services provided to other portions of the Building. For greater certainty, the Landlord covenants to operate the Building to a standard that at all times is consistent with the operating standards of a building used for the purposes of a public college in the Province.

Section 7.2 Maintenance and Repairs by Tenant

- (a) The Tenant is responsible for the repair and replacement of furniture, fixtures and equipment purchased by FSA for use in their operations.
- (b) The Tenant shall at all times keep the Leased Premises in a reasonably tidy condition.
- (c) Subject to Section 6.5, if the Building or any part thereof or any equipment or chattels therein or thereon, is damaged or destroyed or requires maintenance, repair, replacement or alteration as a result of the act, omission or negligence of the Tenant, its agents, employees, customers, invitees or others for whom it is in law responsible, the cost of the resulting maintenance, repairs, replacements or alterations, shall be paid by the Tenant to the Landlord.
- (d) The Tenant may use a third party to provide maintenance or repair services only for furniture, fixtures and equipment that is owned or leased by the Tenant, provided that such repair person provides proof of coverage under the WSIB and such repair person provides proof of liability insurance to FSA and Fleming College, prior to commencement of work, adding FSA and Fleming College as additional insured with limits which are consistent with the College requirements and as amended from time to time.

Section 7.3 Tenant's Alterations

The Tenant will not make any repairs, alterations, replacements or improvements (“**Alterations**”) to any part of the Leased Premises without first obtaining the Landlord’s written approval. The Tenant will submit (a) details of the proposed work including professionally prepared drawings and specifications; and (b) evidence satisfactory to the Landlord that the Tenant has obtained, at its expense, all necessary consents, permits, licences and inspections

from all governmental and regulatory authorities having jurisdiction. All Alterations will be performed:

- (i) at the Tenant's expense (unless otherwise agreed to by the parties);
- (ii) in a good and workmanlike manner by qualified trades and contractors who have provided the Landlord with evidence that they are registered with the WSIB (or other such organization required by law) and have an account in good standing and proof of owner and contractors protective liability insurance coverage, with the Landlord, to be named as additional insured, in amounts reasonably satisfactory to the Landlord, which shall remain in effect during the entire period in which the Alterations will be carried out;
- (iii) in accordance with the drawings and specifications approved by the Landlord, acting reasonably;
- (iv) subject to the reasonable regulations, controls and inspection of the Landlord; and
- (v) the Tenant may use a third party to provide maintenance or repair services only for furniture, fixtures and equipment that is owned or leased by the Tenant, provided that such repair person provides proof of coverage under the WSIB and such repair person provides proof of general liability insurance to FSA and Fleming College, prior to commencement of work, adding FSA and Fleming College as additional insured with limits which are consistent with the College requirements and as amended from time to time.

Any Alterations made by the Tenant without the prior consent of the Landlord or not made in accordance with the drawings and specifications approved by the Landlord will, if requested by the Landlord (acting reasonably), be promptly removed by the Tenant at the Tenant's expense.

Notwithstanding anything contained herein, the Tenant shall be permitted to make decorative Alterations to the Tenant's private office space within the Leased Premises (at its sole cost and expense), without the prior consent of the Landlord, but upon delivering prior notice of the Alterations to the Landlord.

Section 7.4 Removal and Restoration by the Tenant

(a) The Tenant will, at the expiration of the Term have the right but not the obligation, at its cost, to remove all or any of those leasehold improvements and fixtures and to make good any damage caused by such removal. For greater certainty, the Tenant shall remove its trade fixtures, equipment and furniture.

(b) If the Tenant does not remove its trade fixtures at the end of the Term, the trade fixtures will, at the Landlord's option, become the property of the Landlord and may be removed from the Leased Premises, at the Tenant's expense, and sold or disposed of by the Landlord in such manner as it deems advisable.

Section 7.5 Tenant to Discharge all Liens

If any construction or similar lien is made, filed or registered against title to the Leased Premises (or part of it) or against the Tenant's leasehold interest, as a result of any work, materials or services supplied or performed by or on behalf of the Tenant or otherwise in respect of the Leased Premises, the Tenant will immediately discharge it at the Tenant's expense. If the Tenant fails to discharge the lien, then in addition to any other right or remedy of the Landlord, the Landlord may elect to discharge the lien by paying the amount claimed to be due, and any additional amounts as may be required at law or otherwise, into Court or directly to the lien claimant and the amount paid by the Landlord and all costs and expenses including all solicitor's fees incurred as a result of the lien including without limitation procuring its discharge, plus a sum equal to fifteen percent (15%) representing the Landlord's overhead will be immediately paid by the Tenant to the Landlord.

Section 7.6 Signs and Advertising

The Tenant will not cause or permit any sign, awning, picture, advertisement, notice, lettering or decoration to be painted, affixed or displayed on any part of the exterior of the Leased Premises without the prior written approval of the Landlord, such approval not to be unreasonably delayed or withheld. Without limiting the foregoing, the Landlord shall permit at least one (1) exterior sign indicating the location of the Student Centre, provided that the size, design and location of such sign is approved by the Landlord. All such signs will be erected at the Tenant's expense and shall become part of the Common Areas and Facilities or, at the Landlord's discretion, shall be maintained by the Tenant at the Tenant's expense. Notwithstanding the foregoing, to the extent the Tenant requires the use of additional exterior signage, the Tenant shall obtain the Landlord's prior written approval, not to be unreasonably withheld.

ARTICLE 8 MANAGEMENT AND CONTROL OF BUILDING BY LANDLORD

Section 8.1 Management of Building

The Landlord has at all times exclusive control of the Building and its management and security, but not so as to deny the Tenant access to the Leased Premises (at any time during a Rental Year) or interfere with the Tenant's use of the Leased Premises, except in an emergency. Without limiting the generality of the foregoing, at any time and from time to time, the Landlord may:

- (a) make repairs, replacements, changes or additions to the structure, systems, security systems, facilities and equipment in the Building (including the Leased Premises) where necessary to serve the Leased Premises or other parts of the Building;
- (b) make changes or additions to any part of the Building not in or forming part of the Leased Premises including constructing additional improvements in or on lands adjoining the Building;

- (c) retain contractors and employ all personnel, including supervisory personnel and managers, that the Landlord considers necessary for the effective maintenance, repair, operation, management and control of the Building;
- (d) do and perform such other acts in and to the Building or any of its component parts as the Landlord considers reasonable for the proper and efficient maintenance, repair, operation, management, control and security of the Building; and
- (e) the Landlord shall have the right, during the Term or any extension or renewal thereof, on no less than 360 days' notice, to relocate the Leased Premises, at the Landlord's expense, to another location within the Frost Campus, suited to the purposes of the Tenant and any subtenants permitted hereunder, of equal size, configuration, convenience and improved in a manner similar to the Leased Premises, in a location consented to by the Tenant, such consent not to be unreasonably delayed or withheld, which new premises shall be owned by the Tenant in a similar manner as the Leased Premises, fully ready for operation as of the date of relocation and fitted with leasehold improvements equal to or better than those of the existing Leased Premises as determined by the Landlord and the Tenant, each acting reasonably. In addition to the cost of the leasehold improvements, the expenses to be absorbed by the Landlord shall include all moving costs and disconnection and reconnection of telephone and computer equipment and systems. Landlord agrees to use reasonable efforts to effect the relocation with minimum disruption to Tenant;

provided that in the course of the Landlord's exercise of its rights hereunder, the Landlord shall be deemed not to have re-entered the Leased Premises nor to have breached any obligation of this Lease. The Landlord shall perform all of its work as expeditiously as is reasonably possible so as to interfere as little as is reasonably possible with the Tenant's use of the Leased Premises.

Section 8.2 License

The Landlord hereby grants the Tenant a non-exclusive right to use of the Common Areas and Facilities for the purposes for which they are intended, in common with other occupants of buildings located from time to time on the Frost Campus. The Common Areas and Facilities and the Frost Campus are under the exclusive control of the Landlord. Without limitation, the Landlord may, from time to time in its operation and control of the Frost Campus, alter, expand, improve, diminish, maintain, operate, renovate, and supervise the Frost Campus, including the Common Areas and Facilities, and may change the area, location and arrangement thereof and do and perform such other acts and things with respect thereto as the Landlord determines to be advisable. The Landlord may also from time to time alter or expand or construct other buildings or improvements in or about the Frost Campus and build adjoining the same and make additions or subtractions. The Landlord reserves the right to change the size and dimensions of the buildings, the number and locations of buildings, the size, location and layout of Common Areas and Facilities.

The Landlord reserves the right to grant easements over the lands on which the Leased Premises are located in favour of the local municipality, the local public utilities commission or similar authority, a cable T.V. operator, the local hydro-electric commission, the entity providing gas or any other Person providing a service or utility for the benefit of the other buildings located

from time to time on the Frost Campus, and the Tenant will, if required, execute all instruments and make all such attendances as shall be required in connection therewith, provided however that such easements shall be located so as not to materially impair the utilization or the Tenant's use and enjoyment of the Leased Premises.

ARTICLE 9 DAMAGE AND DESTRUCTION

Section 9.1 Destruction of the Leased Premises

(a) If the Leased Premises are destroyed or damaged as a result of fire or other casualty, then if:

- (i) the Leased Premises are rendered wholly or partially untenable, this Lease will continue in effect and the Landlord will commence diligently to restore the Leased Premises to the extent only of the insurance proceeds actually received by the Landlord and Rent will abate entirely or proportionately, as the case may be, to the portion of the Leased Premises rendered untenable from the date of the destruction or damage until the Landlord has completed its restoration work; or
- (ii) the Leased Premises are not rendered untenable in whole or in part, this Lease will continue in effect, the Rent and other amounts payable by the Tenant will not abate and the Landlord will commence diligently to restore the Leased Premises to the extent required by this Section 9.1(a).

(b) Notwithstanding Section 9.1(a), if the Leased Premises are damaged or destroyed by any cause whatsoever, and if, in the opinion of the Landlord, reasonably arrived at, the Leased Premises cannot be rebuilt or made fit for the purposes of the Tenant within one hundred and twenty (120) days of the damage or destruction, the Landlord, instead of rebuilding or making the Leased Premises fit for the Tenant in accordance with Section 9.1(a) may, at its option, elect to terminate this Lease by giving the Tenant, within thirty (30) days after the damage or destruction, notice of termination, and thereupon Rent will be apportioned and paid to the date of damage or destruction. In the event the Landlord terminates this Lease in accordance with this Section 9.1(b), the Landlord shall pay the Tenant a share of the insurance proceeds received by the Landlord which represents an equitable share in light of all of the circumstances.

(c) Once the Landlord has substantially completed (at its own expense) its restoration work of the Leased Premises (including fitting the Leased Premises with leasehold improvements equal to or better than those existing in the Leased Premises at the time the Leased Premises were damaged or destroyed), the Tenant will re-open the Leased Premises for student use.

(d) If the Leased Premises are destroyed or damaged as a result of fire or other casualty, the Landlord agrees to work cooperatively with the Tenant to provide alternate space on the Frost Campus to accommodate the activities of the Tenant to the extent reasonably possible both on a temporary and a permanent basis. If relocation of the Leased Premises is on a permanent basis, such relocation shall be at the Landlord's expense and to another location within the Frost Campus, suited to the purposes of the Tenant and any subtenants permitted hereunder, of equal size, configuration, convenience and improved in a manner similar to the Leased Premises, in a

location consented to by the Tenant, such consent not to be unreasonably delayed or withheld, which new premises shall be owned by the Tenant in a similar manner as the Leased Premises, fully ready for operation as of the date of relocation and fitted with leasehold improvements equal to or better than those of the existing Leased Premises as determined by the Landlord and the Tenant, each acting reasonably. In addition to the cost of the leasehold improvements, the expenses to be absorbed by the Landlord shall include all moving costs and disconnection and reconnection of telephone and computer equipment and systems. Landlord agrees to use reasonable efforts to effect the relocation with minimum disruption to Tenant.

ARTICLE 10 TRANSFER AND SALE

Section 10.1 Transfer

(a) The Tenant will not: (i) assign this Lease; (ii) sublet, share or part with possession of all or any part of the Leased Premises; nor (iii) mortgage or encumber this Lease or the Leased Premises, (collectively a “**Transfer**”) by or in favour of any Person (the “**Transferee**”) without the prior written consent of the Landlord which consent will not be unreasonably withheld. However, notwithstanding any statutory provisions to the contrary, it will not be considered unreasonable for the Landlord to take into account whether in the Landlord’s opinion the financial background, business history and capability of the Transferee is satisfactory in deciding whether to grant or withhold its consent. In addition, the Landlord shall have the right to approve of the form of any sublease or assignment.

The consent by the Landlord to any Transfer will not constitute a waiver of the necessity for consent to any subsequent Transfer. This prohibition against a Transfer includes a change in the direct or indirect effective voting control of the Tenant from the Person(s) holding voting control at the date of this Lease and also includes an assignment by operation of law.

(b) If there is a Transfer, the Landlord may collect Rent from the Transferee, and apply the net amount collected to the Rent required to be paid pursuant to this Lease, but no acceptance by the Landlord of any payments by a Transferee will be a waiver of this covenant, or the acceptance of the Transferee as the Tenant, or a release of the Tenant from the further performance by the Tenant of its covenants or obligations. Any documents evidencing the Transfer will be prepared by the Landlord or its solicitors, and all legal costs will be paid by the Tenant to the Landlord or its solicitors. Notwithstanding a Transfer, the Tenant will be jointly and severally liable with the Transferee on this Lease and will not be released from performing any of its obligations.

(c) If the Tenant receives consent under Section 10.1(a), it will be subject to the conditions that the Transferee enter into a written agreement directly with the Landlord to be bound by all of the terms contained in this Lease.

**ARTICLE 11
ACCESS AND ALTERATIONS**

Section 11.1 Right of Entry

The Landlord and its agents have the right to enter the Leased Premises at all reasonable times and upon prior reasonable notice (except in the event of an emergency, when the Landlord can enter at any time) to show them to prospective purchasers or mortgagees, and to examine them and make repairs, alterations or changes to the Leased Premises as the Landlord considers necessary. The Rent will not abate while any repairs, alterations or changes are being made due to loss or interruption of the business of the Tenant or otherwise, and the Landlord will not be liable for any damage, injury or death caused to any Person, or to the property of the Tenant or of others located on the Leased Premises as a result of the entry. Notwithstanding the foregoing, the Landlord will at all times use commercially reasonable efforts to not interfere with the Tenant's use and enjoyment of the Leased Premises.

**ARTICLE 12
STATUS STATEMENT, ATTORNMENT and SUBORDINATION**

Section 12.1 Status Statement

Within ten (10) days after written request by the Landlord, the Tenant will deliver in a form supplied by the Landlord, a status statement or a certificate to any proposed purchaser, assignee, lessor or mortgagee, or to the Landlord, which will contain such acknowledgments and information as is customarily called for in status statements and estoppel certificates delivered in conjunction with non-residential tenancies.

Section 12.2 Subordination and Attornment

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

(b) The Tenant will, if possession is taken under, or any proceedings are brought for possession under or the foreclosure of, or in the event of the exercise of the power of sale under, any Encumbrance, attorn to the encumbrancer or the purchaser upon any such foreclosure, sale or other proceeding and recognize the Encumbrancer or the purchaser as the Landlord under this Lease.

ARTICLE 13 DEFAULT

Section 13.1 Right to Re-enter

If and whenever the Tenant commits a material breach ("**Material Breach**") (as set out in Section 13.2) that is not cured or remedied within the period provided for in Section 13.3, then the Landlord, in addition to any other rights or remedies available to it, has the immediate right of re-entry upon the Leased Premises and it may repossess the Leased Premises and enjoy them as of its former estate and may expel all Persons and remove all property from the Leased Premises and such property may be removed and sold or disposed of by the Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant, all without service of notice or resort to legal process and without the Landlord being considered guilty of trespass or becoming liable for any loss or damage which may be occasioned.

Section 13.2 Material Breach

The occurrence of any of the following shall constitute a Material Breach:

- (a) The failure by the Tenant to perform or comply with any term or provision of this Lease;
- (b) The commencement by or against a party of any proceeding under the bankruptcy laws of any jurisdiction which is not discharged within 90 days of its commencement, the appointment of a receiver for a party who is not discharged within 90 days of his or her appointment, any assignment of the benefit of the creditors of a party, insolvency of a party, the levy, seizure, assignment or sale for or by any creditor or governmental agency of or on a substantial part of a party's property, or the winding-up, liquidation or dissolution of a party; or
- (c) Gross managerial neglect by FSA in its operation of the Student Centre, as determined by the Arbitrator pursuant to Section 14.13 and/or a court of competent jurisdiction in the Province.

Section 13.3 Remedy Period

(a) If the Tenant is in Material Breach of this Lease, the Landlord shall without prejudice to any other rights or remedies it has, give the Tenant written notice of such Material Breach in order that the Tenant may remedy the breach. Such notice shall identify in reasonable detail the events which the Landlord believes have occurred and which constitute or evidence a Material Breach, the provisions that have not been performed or complied with, and the actions which, in the opinion of the Landlord, would be required to fulfill the requirements of this Lease and cure the Material Breach.

(b) Following the date of the receipt of the notice of Material Breach, the Tenant shall have 120 days in which to take the necessary steps to cure the Material Breach. Such 120 day remedy period shall be extended to such longer period as may be reasonably required to cure the breach provided that the Tenant is diligently proceeding to rectify such breach as quickly as reasonably possible given the nature of the breach and provided that the Landlord is kept fully apprised of the Tenants progress in curing the breach.

Section 13.4 Right to Relet

(a) If the Landlord elects to re-enter the Leased Premises, or if it takes possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may without terminating this Lease make any alterations and repairs as are necessary in order to relet the Leased Premises. Upon each reletting all rent received by the Landlord will be applied, first to the payment of any indebtedness other than Rent due hereunder; second, to the payment of any costs and expenses of reletting including brokerage fees and solicitor's fees and the costs of alterations and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, will be held by the Landlord and applied in payment of future Rent as it becomes payable hereunder. No re-entry or taking possession of the Leased Premises will be construed as an election on its part to terminate this Lease unless a written notice of that intention is given to the Tenant.

(b) If the Landlord terminates this Lease, in addition to other remedies available, it may recover from the Tenant all damages the Landlord incurs by reason of the Tenant's breach, including the cost of recovering the Leased Premises, all solicitor's fees and including the worth at the time of the termination of the excess, if any, of the amount of Rent required to be paid pursuant to this Lease for the remainder of the Term over the Rent payable to the Landlord upon a re-leasing of the Leased Premises if applicable for the remainder of the Term and otherwise over the reasonable rental value of the Leased Premises for the remainder of the Term, all of which amounts will be immediately due and payable by the Tenant to the Landlord. In any of the events referred to in Section 13.1, in addition to all other rights, the full amount of the current month's instalment of Basic Rent and Facility Fee, together with the next three months' instalments of Basic Rent and Facility Fee, all of which will be deemed to be accruing due on a day-to-day basis, will immediately become due and payable as accelerated rent, and the Landlord may immediately distrain for the same, together with any arrears then unpaid.

(c) In the event that the Landlord terminates this Lease pursuant to the provisions of this Article 13, then the Landlord shall use its reasonable best efforts to use the Leased Premises, or other similar suitable premises located on the Frost Campus designated by the Landlord, as space dedicated to the recreational, social and organizational interests of the student body of the College. Provided, however, that the Landlord's obligation to do so is contingent upon there being funds available to the Landlord to cover the cost of maintenance and operation of such space, through ancillary fees or other similar student fees.

Section 13.5 Expenses

If legal action is brought for recovery of possession of the Leased Premises, for the recovery of Rent or any other amount due under this Lease, or because of the breach of any other of the Tenant's obligations, the Tenant will pay to the Landlord all reasonable expenses incurred therefor, including a solicitor's fee (on a partial indemnity basis), unless a court otherwise awards.

Section 13.6 Landlord's Rights

If the Tenant fails to pay any Rent when due, the Landlord, after giving ten (10) days' notice in writing to the Tenant, may, but will not be obligated to, pay all or any part of the same. If the Tenant is in default in the performance of any of its other covenants or obligations under this Lease, the Landlord may, but will not be obligated to, after giving such notice as it considers sufficient (or without notice in the case of an emergency), perform or cause to be performed any of the unperformed covenants or obligations.

Section 13.7 Remedies Generally

Mention in this Lease of any particular remedy of either party does not preclude that party from any other remedy, whether available at law or in equity or by statute or expressly provided for in this Lease. No remedy will be exclusive or dependent upon any other remedy, and the remedies are cumulative and not alternative.

ARTICLE 14 MISCELLANEOUS

Section 14.1 Rules and Regulations

The Rules and Regulations adopted by the Landlord including, without limitation, those set out in Schedule "B", are made a part of this Lease, and the Tenant will observe them. The Landlord reserves the right to amend or supplement the Rules and Regulations applicable to the Leased Premises as in the Landlord's judgment, acting reasonably, as are needed for the safety, care and cleanliness the Leased Premises, provided such changes are consistent with the terms of this Lease and with the standards held on the Frost Campus. Notice of the Rules and Regulations and amendments and supplements, if any, will be given to the Tenant at least ninety (90) days prior to enactment and the Tenant will thereupon observe them provided that they do not contradict any terms, covenants and conditions of this Lease.

Section 14.2 Intent and Interpretation

(a) Obligations as Covenants and Severability

Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes. If any provision of this Lease is or becomes invalid, void, illegal or unenforceable, it shall be considered separate and severable from the Lease and the remaining provisions shall remain in force and be binding upon the parties as though such provision had not been included.

(b) Entire Agreement and Amendment of Modification

This Lease and the Schedules attached together with the Rules and Regulations set forth all covenants, promises, agreements, conditions or understandings, either oral or written, between them. No alteration or amendment to this Lease will be binding upon the Landlord or the Tenant unless in writing and signed by the Tenant and by the Landlord.

(c) Governing Law

This Lease will be construed in accordance with and governed by the laws of the Province.

(d) Time of the Essence

Time is of the essence of this Lease and of every part of it.

(e) Joint and Several

If there is at any time more than one Tenant or more than one Person constituting the Tenant, their covenants shall be considered to be joint and several and shall apply to each and every one of them. If the Tenant is or becomes a partnership, each Person who is a member, or shall become a member, of such partnership or its successors shall be and continue to be jointly and severally liable for the performance of all covenants of the Tenant pursuant to this Lease, whether or not such Person ceases to be a member of such partnership or its successor.

Section 14.3 Overholding No Tacit Renewal

If the Tenant remains in possession of the Leased Premises after the end of the Term without having signed a new lease or an extension of Term agreement, there is no tacit renewal of this Lease or the Term, notwithstanding any statutory provisions or legal presumptions to the contrary, and the Tenant will be deemed to be occupying the Leased Premises as a tenant from month-to-month upon the same terms, covenants and conditions as are set forth in this Lease (including the payment of the Facility Fee) so far as these are applicable to a monthly tenancy.

Section 14.4 Waiver

The waiver by either party of any breach of the other is not deemed to be a waiver of any preceding breach by the Tenant regardless of the Landlord's knowledge of the preceding breach at the time of acceptance of the Rent. No term, covenant or condition of this Lease is deemed to have been waived by the Landlord unless the waiver is in writing by the Landlord.

All Rent to be paid by the Tenant to the Landlord will be paid without any deduction, abatement, set-off or compensation whatsoever (except to the extent Rent may be abated pursuant to Section 9.1), and the Tenant hereby waives the benefit of any statutory or other rights in respect of abatement, set-off or compensation in its favour at the time hereof or at any future time.

Section 14.5 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly payment of Rent stipulated is deemed to be other than on account of the earliest stipulated Rent, nor is any endorsement or statement on any cheque or any letter accompanying any cheque or payment as Rent deemed an acknowledgement of full payment of accord and satisfaction, and the Landlord may accept and cash any cheque or payment without prejudice to the Landlord's right to recover the balance of the Rent due or to pursue any other remedy provided in this Lease.

Section 14.6 Force Majeure

Notwithstanding anything in this Lease, if either party is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of: strikes; labour troubles; inability to procure materials or services; power failure; restrictive governmental laws or regulations; riots; insurrection; sabotage; rebellion; war; act of God; or other reason whether of a like nature or not which is not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then the performance of that term, covenant or act is excused for the period of the delay and the party delayed will be entitled to perform that term, covenant or act within the appropriate time period after the expiration of the period of the delay. However, the provisions of this Section do not operate to excuse the Tenant from the prompt payment of Rent.

Section 14.7 Notices

Any notice, demand, request or other instrument which may be or is required to be given under this Lease will be delivered in person or sent by registered mail postage prepaid and will be addressed as follows:

To the Landlord:

Sir Sandford Fleming College
599 Brealey Drive
Peterborough, Ontario
K9J 7B1

Attention: President

With a copy to Landlord's Counsel:

LLF Lawyers LLP
332 Aylmer St N
P.O. Box 1146
Peterborough, Ontario
K9J 7H4

Attention: Peter Lawless

To the Tenant:

Frost Student Association
Frost Campus, 200 Albert St. P0 Box 8000, Lindsay, Ontario
K9V 5E6,

Attention: President

With a copy to Tenant's Counsel:

Borden Ladner Gervais LLP
22 Adelaide Street West, Suite 3400
Toronto, Ontario
M5H 4E3

Attention: Nick G. Pasquino

Any notice, demand, request or consent is conclusively deemed to have been given or made on the day upon which it is delivered, or, if mailed, then four (4) business days (excluding Saturdays, Sundays and statutory holidays) following the day of mailing, as the case may be. Either party may give written notice of any change of its address and thereafter the new address is deemed to be the address of that party for the giving of notices. If the postal service is interrupted or is substantially delayed, any notice, demand, request or other instrument will be delivered.

Section 14.8 Registration

Neither the Tenant nor any one on the Tenant's behalf or claiming under the Tenant will register this Lease. If either party intends to register a document for the purpose only of giving notice of this Lease or of any assignment or sublease of this Lease, then, upon request, both parties will join in the execution of a short form or notice of this Lease which will: (i) be prepared by the Landlord or its solicitors at the Tenant's expense; and (ii) only describe the parties, the Leased Premises and the Commencement Date and the expiration date of the Term, and any options to extend the Term.

Section 14.9 Accrual of Rent

Rent will be considered as annual and accruing from day-to-day and where it becomes necessary for any reason to calculate Rent for an irregular period of less than one year, an appropriate apportionment and adjustment will be made.

Section 14.10 Quiet Enjoyment

If the Tenant pays Rent and observes and performs all its terms, covenants and conditions, the Tenant will quietly hold and enjoy the Leased Premises for the Term without interruption by the Landlord, unless otherwise permitted under the terms of this Lease.

Section 14.11 "As Is"

The Tenant acknowledges having inspected the Leased Premises and agrees to accept the Leased Premises on an "as is" condition.

Section 14.12 Successors and Assigns

The rights and liabilities created by this Lease extend to and bind the respective heirs, executors, administrators, successors and assigns of the Landlord and the Tenant. No rights, however, shall enure to the benefit of any Transferee unless the provisions of Article 10 are complied with.

Section 14.13 Dispute Resolution

(a) The parties shall endeavour to resolve all disagreements and disputes through discussion and consultation, employing to such end, in addition to any other channels of communication, the College Liaison (as defined in Section 14.14) and the Board. If such disagreement persists, the parties may mutually refer the disagreement to the FSA/College Committee.

(b) If consultation fails to solve a dispute, and if either party does not wish to submit the dispute to the FSA/College Committee, then either party may commence legal proceedings or, if both parties desire to submit the dispute to arbitration, the parties shall refer the dispute to final and binding arbitration under the *Arbitrations Act, 1991*, S.O. 1991, c.17 (Ontario), as amended (the "**Arbitrations Act**") before a single arbitrator in accordance with the procedure set out in subsection 14.13(c).

(c) Any unresolved controversy, dispute or claim arising out of or relating to this Lease, or breach of this Lease, shall be settled by arbitration in accordance with the Arbitrations Act and shall not result in a claim in court. There shall be one arbitrator to be mutually agreed by the parties (the "**Arbitrator**"). If the parties cannot agree on an arbitrator, within 20 days of a party providing notice in writing to the other party of their intention to refer a controversy, dispute or claim to arbitration, the party referring the matter may apply to the court for an arbitrator to be appointed in accordance with the Arbitrations Act. Each party shall pay the fees of their respective lawyers and the expenses of witnesses called by them and all other fees and costs, shall be borne equally by the parties. The arbitration shall be held in the Province at a mutually agreeable location, or as otherwise determined by the Arbitrator.

Section 14.14 FSA/College Liaison and Committee

The College shall designate an employee of the College (the "**College Liaison**"), subject to the Landlord consulting with the Tenant prior to such designation and/or appointment, to act as a liaison between the College and FSA Board of Directors (the "**Board**") on matters of mutual interest to the College and FSA.

FSA and the College agree to create a committee (the "**FSA/College Committee**") comprised of the Associate Vice-President of Student Services or his/her equivalent (College person) and FSA President (FSA person). The FSA/College Committee shall meet at such times as decided by the members, provided that it shall meet at least once each Rental Year. The

purpose of the FSA/College Committee is to report and make recommendations to FSA and the College on operation, management and finances of the FSA, as well as ensuring the terms of this Lease are being followed. Depending on the agenda items, relevant College and FSA representatives will be asked to attend meetings from time to time. The FSA/College Committee will provide meeting notes to the Board and the College Associate Vice-President, Student Services and the VP Finance and Administration or equivalent.

Section 14.15 Liquor Licence

- (a) FSA shall have the right to apply for and renew the liquor licence for the sale of alcoholic beverages at the Student Centre which liquor licence shall be issued to FSA solely. FSA will maintain the licence in good standing and will be solely responsible for any and all costs arising from the application and renewals for such licence.
- (b) FSA agrees to manage the licensed areas in an entirely safe and responsible manner in accordance with regulations of the Alcohol and Gaming Commission of Ontario (or any successor thereof) and in accordance with FSA by-law, the Student Centre policies and College policies including the College alcohol policy.

Section 14.16 FSA's Reporting Requirements

Without limiting any obligations of the Tenant contained in this Lease:

- (a) FSA shall keep accurate and complete books of account and records relating to the financial affairs of FSA; which will be audited annually by auditors retained by FSA.
- (b) FSA shall maintain its financial records for such period of time as required by Canada Revenue Agency.
- (c) FSA shall provide the College with the following:
 - (i) An annual audited financial statement within 120 days of each fiscal year end of FSA;
 - (ii) If requested by the Landlord, the annual operating budget for FSA prior to the start of the new fiscal year.
 - (iii) Prompt notice in writing of any lawsuit commenced against FSA or any commercial tenant of the Student Centre related to the Leased Premises or any accident or damage to the Building or to persons or the Student Centre or claims for lien.

Section 14.17 Relationship of Parties

- (a) Except as expressly otherwise provided in this Lease, nothing contained herein nor any acts of the College and FSA performed pursuant to this Lease shall be deemed to create a relationship between the parties as joint ventures or partners or agents of each other. FSA shall be an independent contractor with respect to its obligations under this Lease.

(b) FSA shall not hold out any of its employees, including the staff of the Student Centre, as employees, agents or legal representatives of the College. FSA shall not, without the prior written consent of the College, enter into any contract or commitment in the name of or on behalf of the College or bind the College in any manner whatsoever.

(c) All personnel employed by FSA, including the staff of the Student Centre, shall be employees of FSA and not of the College and FSA shall have sole responsibility for discharging any employee and other relevant obligations to such personnel. The College shall not be required to make contributions for unemployment insurance, Canada pension, workers' compensation and other similar levies in respect to such personnel of FSA and FSA shall be solely responsible for the payment of all such levies in respect of such personnel.

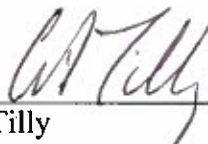
(d) The College recognizes FSA as the sole representative of the students of the Frost Campus of the College and shall continue to do so unless otherwise determined by a court of competent jurisdiction.

[SIGNATURE PAGE FOLLOWS]

TOR01: 6511095: v10


IN WITNESS WHEREOF, the Landlord and the Tenant have executed this Lease as of the date first above written.

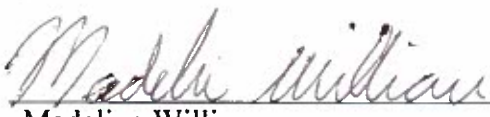
**THE SIR SANDFORD FLEMING COLLEGE
OF APPLIED ARTS & TECHNOLOGY**

Per: 
Name: Dr. Tony Tilly
Title: President

I have authority to bind the corporation

FROST STUDENT ASSOCIATION

Per: 
Name: Rachel Bourne
Title: Authorized Signing Officer

Per: 
Name: Madeline Williams
Title: Authorized Signing Officer


I/we have authority to bind the corporation

SCHEDULE "A" LEASED PREMISES




 State of Tennessee
 Department of Transportation
 Nashville, Tennessee 37203

NOTES
 ALL DIMENSIONS TO BE
 SHOWN ON SITE
 CONSTRUCTION

 REVISIONS	1. REVISIONS 2. REVISIONS 3. REVISIONS	4. REVISIONS 5. REVISIONS 6. REVISIONS	7. REVISIONS 8. REVISIONS 9. REVISIONS	10. REVISIONS 11. REVISIONS 12. REVISIONS	13. REVISIONS 14. REVISIONS 15. REVISIONS	16. REVISIONS 17. REVISIONS 18. REVISIONS	19. REVISIONS 20. REVISIONS 21. REVISIONS
PROJECT NAME ASKUS FLOOR LAYOUT	DATE 10/1/2011	SCALE 1/8" = 1'-0"	DRAWN BY J. W. WALKER	CHECKED BY J. W. WALKER	DATE 10/1/2011	PROJECT NO. A101	SCALE 1/8" = 1'-0"

SCHEDULE "B"
RULES AND REGULATIONS

1. The Tenant will not place or permit any debris, garbage, trash or refuse to be placed or left outside of the Leased Premises.
2. The Tenant, its agents, servants, contractors, invitees or employees, will not bring in or take out, position, construct, install or move any safe or other heavy machinery or equipment or anything liable to injure or destroy any part of the Leased Premises without first obtaining the written consent of the Landlord. The Landlord will have the right to prescribe the weight permitted and the position thereof, and the use and design of planks, skids or platforms, to distribute weight. All damage done to the Leased Premises by moving or using any heavy equipment or office equipment or furniture will be repaired at the expense of the Tenant. Safes and other heavy equipment and machinery will be moved only upon steel bearing plates.
3. The Tenant will not place or cause to be placed any additional locks upon any doors of the Leased Premises without the approval of the Landlord and subject to any conditions imposed by the Landlord.
4. The Tenant will not permit or allow any odours, vapours, steam, water, vibrations, noises or other undesirable effects to emanate from the Leased Premises or any equipment or installation therein which in the Landlord's opinion, are objectionable.
5. The Tenant will not install any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Leased Premises, as determined by the Landlord. If any equipment installed by the Tenant requires additional utility, electrical or mechanical facilities, the Landlord may, in its sole discretion, if they are available, elect to install them at the Tenant's expense.
6. The Landlord may from time to time adopt appropriate systems and procedures for the security and safety of the Building and the tenants and occupants and contents thereof, and the Tenant shall comply with the Landlord's reasonable requirements in respect of such systems and procedures.
7. The Tenant shall not use or permit the Leased Premises to be used for residential, lodging or sleeping purposes, or for the storage of personal effects or articles not required for business purposes.
8. The Tenant shall participate in all Building recycling, energy reduction and water conservation programs as may be determined by the Landlord from time to time.
9. The Tenant shall neither obstruct nor use the entrances, passages, escalators, elevators and staircases of the Building or the sidewalks and driveways outside the Building for any purpose other than ingress to and egress from the Leased Premises and the Building.
10. The Tenant shall not install any radio or television antenna or satellite dish on any part of the Building without the prior written consent of the Landlord, not to be unreasonably withheld, conditioned, or delayed.

SCHEDULE "C"
DEFINITIONS

1. **"Alterations"** has the meaning set forth in Section 7.3.
2. **"Arbitrator"** has the meaning set forth in Section 14.13.
3. **"Basic Rent"** has the meaning set forth in Section 2.2.
4. **"Board"** has the meaning set forth in Section 14.14.
5. **"Building"** means that main building located on the Frost Campus (to which the Leased Premises are attached) municipally known as 200 Albert Street South, Lindsay, Ontario.
6. **"College Liaison"** has the meaning set forth in Section 14.14.
7. **"Common Areas and Facilities"** means those areas, facilities, improvements, installations and equipment that are or might in the future be situated on the lands owned by the Landlord known as the Frost Campus that are provided or designated from time to time for the benefit or use of occupants or users of buildings constructed from time to time on the Frost Campus including, but not limited to, watermains, sanitary sewers, storm sewers, storm drainage improvements, electric facilities, entrances, access and service corridors, indoor and outdoor walkways (both open and enclosed), street lighting, sidewalks, curbs, amenity areas, driveways, and laneways, all as may be altered, expanded, reduced, reconstructed or relocated from time to time;
8. **"Contaminants"** means any contaminant, pollutant, dangerous or potentially dangerous, noxious or toxic substance, hazardous waste, flammable, explosive or radioactive material, asbestos, polychlorinated biphenyls and any other substances declared to be hazardous, toxic, contaminants, pollutants or dangerous goods in any applicable federal, provincial or municipal statute, law, by-law or regulation.
9. **"Facility Fee"** has the meaning set forth in Section 2.3.
10. **"Food Services Premise"** has the meaning set forth in Section 5.5.
11. **"Frost Campus"** means the lands and buildings owned by the Landlord known as the Frost Campus together with the Common Areas and Facilities and all other buildings and improvements located thereon from time to time legally described in Schedule "D" attached hereto.
12. **"FSA/College Committee"** has the meaning set forth in Section 14.14.
13. **"FSA Funds"** has the meaning set forth in the opening recitals of this Lease.
14. **"Encumbrance"** has the meaning set forth in Section 12.2.
15. **"Exclusivity Agreements"** has the meaning set forth in Section 5.5.

16. “**HST**” has the meaning set forth in Section 2.4.
17. “**Improvements**” means the Auk’s Lodge, the site services and all other improvements of any kind whatsoever now or at any time and from time to time constructed, situated or laid out upon the Auk’s Lodge or Frost Campus (as it relates to the Auk’s Lodge) and including all site preparation work in regard to any of the foregoing;
18. “**Landlord**” or “**College**” means the party of the First Part and includes the Landlord and its duly authorized representatives. In any Section of this Lease that contains exculpatory language in favour of the Landlord, “Landlord” also includes the directors, officers, servants, employees and agents of the Landlord.
19. “**Material Breach**” has the meaning set forth in Section 13.1.
20. “**Mortgagee**” means any mortgagee or chargee (including any trustee for bondholders), from time to time, of the Leased Premises or any part thereof, or the Landlord’s or the owners of the Leased Premises’ interest in them.
21. “**Person**”, if the context allows, includes any person, firm partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.
22. “**Province**” means the Province of Ontario.
23. “**Rent**” means Basic Rent and the Facility Fee. All Rent is payable without prior demand and without any deduction, abatement or set-off.
24. “**Rental Year**” means a period of time consisting of consecutive periods of 12 calendar months during the Term commencing on September 1 and ending on August 31 of each year, unless otherwise stipulated by the Landlord.
25. “**Taxes**” means (a) all real property taxes, rates, duties and assessments (including local improvement taxes, business improvement area charges, impost charges or levies assessed after the Commencement Date), whether general or special, that are levied, rated, charged or assessed against the Leased Premises from time to time by any lawful taxing authority, whether federal, provincial, municipal, school or otherwise, and any taxes or other amounts which are imposed in lieu of, or in addition to, any such real property taxes whether of the foregoing character or not and whether in existence at the Commencement Date or not, and any such real property taxes levied or assessed against the Landlord or the owners on account of its interest in the Leased Premises or any part thereof, or their ownership thereof, as the case may be.
26. “**Tenant**” or “**FSA**” means the party of the Second Part. Any reference to “Tenant” includes, where the context allows, the servants, employees, agents, invitees and licensees of the Tenant and all others over whom the Tenant may reasonably be expected to exercise control.
27. “**Term**” has the meaning set forth in Section 1.2.
28. “**Transfer**” has the meaning set forth in Section 10.1.

29. **“Transferee”** has the meaning set forth in Section 10.1.
30. **“WSIB”** means the Workplace Safety and Insurance Board of Ontario.

SCHEDULE "D"
LEGAL DESCRIPTION

PIN 63238-0069 (LT):

PT PARKLT N1, W1 PL 8P AS IN A27325; PT N1/2 LT 18 CON 5 OPS; PT S1/2 LT 18 CON 5 OPS AS IN R194690 LYING S & E OF PT 6 & 10, 57R5522; S/T A20842, A27326E, R317483, R317595, VT46616; KAWARTHA LAKES

