**NON-BINDING LETTER OF INTENT TO LEASE**

Date: October , 2021

Tenant: • (the “**Tenant**”)

Landlord: CORPORATION OF THE MUNICIPALITY OF NORTH GRENVILLE (the “**Landlord**”)

Premises: Purvis Hall, 850 Heritage Drive, Kemptville, Ontario

This non-binding letter of intent to lease (this “**LOI**”), being non-binding, conditional and subject to the subsequent execution of a formal lease agreement (the “**Lease**”), expresses the basic principles upon which the Landlord is interested in entering into a lease agreement with the Tenant with respect to Premises (as defined below).

1. **Execution of Lease:** The Landlord will, within twenty (20) days after the execution of this LOI, prepare and deliver the Lease to the Tenant, which Lease will be on the Landlord’s standard form of lease and which will incorporate the terms of the LOI. The parties will, for a period of thirty (30) days thereafter, use commercially reasonable efforts to settle the terms of the Lease and execute and deliver the Lease. If the Lease has not been executed and delivered within such thirty (30) day period, this LOI will come to an end and the parties will have no further obligations in respect thereof.
2. **Premises:** The entirety of the building known as Purvis Hall, at 850 Heritage Drive, Kemptville, Ontario, containing a gross rentable area of 6899 square feet.
3. **Permitted Use:** The Premises will be continuously occupied and used for [], and for no other purpose. **[*NTD to Tenant: Please provide a fulsome description as to the Tenant’s proposed use of the Premises and how it aligns with Scope set out in backgrounder document*]**
4. **Lease Commencement:** December 1, 2021 (the “**Commencement Date**”).
5. **Term:** Five (5) years commencing on the Commencement Date, subject to one Tenant’s option to extend as set out in Section 10.
6. **Base Rent:** The Tenant will pay to the Landlord, commencing on the Commencement Date, base rent for the Premises (the “**Base Rent**”) plus applicable taxes, payable in advance without deduction in equal monthly installments on the first day of each and every month throughout the Term, as follows:

|  |  |  |
| --- | --- | --- |
| Year | Annual Base Rent | Monthly Base Rent |
| 1 | $ 151,778.0 plus HST | $ 12,648.16 plus HST |
| 2 | $ 154,816.56 plus HST | $ 12,901.13 plus HST |
| 3 | $ 157,849.12 plus HST | $ 13,154.09 plus HST |
| 4 | $ 161,006.00 plus HST | $ 13,417.18 plus HST |
| 5 | $ 164,243.11 plus HST | $ 13,686.92 plus HST |

1. **Additional Rent:** The Tenant shall pay to the Landlord during the Term as Additional Rent:
	1. Tenant’s proportionate share of Operating Costs and property taxes in accordance with the Lease;
	2. all Additional Service Costs payable by the Tenant in accordance with the Lease;
	3. out of pocket costs of the Landlord arising from or related to any default of the Tenant under the Lease, costs of enforcement of the Lease and all costs incurred by the Landlord as a result of any act or omission of the Tenant, its employees, agents, invitees or anyone for whom it is at law responsible;
	4. Additional Fees (as set out in Section 8 below) and other similar costs as determined by the Landlord, acting reasonably, plus any applicable Sales Taxes; and
	5. where applicable, all other amounts payable by the Tenant pursuant to the Lease.
2. **Additional Fees:**
	1. Shared Facility Fees: $12,169.56/annum or $1,014.13/month plus HST (2021 rate, subject to change)
	2. IT Infrastructure Fee: $1,411.15 / annum or $117.59 per month plus HST (2021 rate, subject to change)
	3. Wi-Fi: $50.60 per month for 20 MB plus HST (if required) (2021 rate, subject to change)
	4. Cleaning: Basic cleaning after hours will be provided for the term of the Lease. Additional or enhanced cleaning required or recommended as a result of COVID19 will be at an additional cost.
3. **Utilities**: The Tenant shall pay utilities directly to its suppliers, or to the Landlord, at the Landlord’s option, as and when due (and shall make such arrangements therefore). The Tenant’s utility consumption shall be monitored monthly and reviewed on an annual basis by the Landlord.
4. **Tenant’s Option to Renew:** Provided the Tenant has not been in default of the Lease, it shall have one (1) option to renew the Lease for an additional period of five (5) years, subject to the terms of the Lease.
5. **Pre-Paid Rent:** The Tenant shall provide the Landlord with the amount of **[$26,335.08]** plus HST concurrently with execution of the Lease, which amount shall be applied to first and last months’ Base Rent, provided the Tenant is not in default.
6. **Signage:** The Tenant shall not install any sign upon any part of the Building (including, without limitation, the exterior of the Building (including temporary signage), or upon the exterior or interior surfaces of any exterior window or door to the Premises), except with the prior written consent of the Landlord.All Tenant signage must comply with the Landlord’s signage strategy for the Campus and with municipal laws.
7. **Parking:** During the Term, the Tenant shall have the right to use the parking facilities on an unreserved, first come first served basis. The Landlord reserves the right to charge a monthly fee per parking space, and/or to limit the number of allowable spaces.
8. **Landlord’s Work:** The Premises are provided in an “as-is, where-is” condition. For greater clarity, the Landlord shall not be required to perform any Landlord’s Work.
9. **Tenant’s Work**: **[*NTD to Tenant: Please provide details as to the scope and design of Tenant’s proposed fit-up (renovations and installation of leasehold improvements) and estimate of costs*]** The Tenant shall not, without the prior consent of the Landlord, make, erect, alter or install any Leasehold Improvements or other alterations or installations to the Premises (the "Work").
10. **Transfer:** The Tenant may not transfer its interest in this LOI or assign, sublet or otherwise transfer its interest in the Lease without the prior written consent of the Landlord.
11. **Indemnifier**: In order to induce the Landlord to enter into the Lease with the Tenant, [] (the “**Indemnifier**”) will indemnify the Landlord with respect to the payment of rent, the observance and performance of all of the terms, covenants and conditions contained in Lease and default by the Tenant in attending to the same, and the Indemnifier will execute and deliver (on or before the execution and delivery of the Lease) an indemnity agreement in the form attached to the Lease in order to confirm the Indemnifier’s obligations. Failure to do so will be an event of default under the Lease.
12. **Landlord’s Conditions:** This LOI is subject to the following conditions in favour of the Landlord:
13. Approval of this LOI by the Landlord’s Board of Directors within fifteen (15) days of execution of the LOI by both Landlord and Tenant.

In the event that the conditions contained above are not waived in writing by the Landlord on or before the dates specified, then this LOI will be at an end.

1. **Non-Binding Nature:** The Landlord and the Tenant acknowledge that this LOI does not constitute a binding agreement between them with respect to the lease of the Premises. A binding lease of the Premises will not exist until the settled Lease is executed and delivered by all of the Landlord, the Tenant and Indemnifier and neither the expenditure of funds nor the undertaking of actions in furtherance of the transaction contemplated by this LOI will be considered partial performance or constitute a binding agreement, nor will it be the basis for any reliance upon the terms of this LOI by any party. The parties agree that there will be no recourse by any of them against the others if they do not settle the terms of the Lease. The Landlord, the Tenant and the Indemnifier will bear their own costs (including legal costs) in connection with the negotiation of the Lease.

If the Tenant wishes to pursue a lease of the Premises on the terms set forth in this LOI, please arrange for the Tenant and the Indemnifier to sign and return a copy of this LOI to the Landlord on or before 4 p.m., Eastern Standard Time on July \_\_\_\_\_, 2021.

Yours truly,

**CORPORATION OF THE MUNICIPALITY OF NORTH GRENVILLE**

By:
Name:

 Title:

By:

 Name:

 Title:

I/We have authority to bind the corporation.

[TENANT] and [Indemnifier]hereby agree to pursue the lease of the Premises pursuant to the provisions of this LOI.

**[tENANT]**

By:
Name:

 Title:

By:

 Name:

 Title:

I/We have authority to bind the corporation.

**[USE THIS SIGNATURE BLOCK IF INDEMNIFIER IS AN INDIVIDUAL]**

SIGNED by **[Indemnifier]** in the presence of:

Witness – Signature **[Indemnifier]**

Witness – Print Name

Address

Address (continued)

Occupation