THIS LEASE made as of the 22 November 20__

BETWEEN: _____, a body corporate duly incorporated under the laws of the Province of Prince Edward Island
(herein called the "Landlord")

OF THE FIRST PART

AND: **THE GOVERNMENT OF PRINCE EDWARD ISLAND** as represented by the Minister of Transportation and Infrastructure
(herein called the "Tenant")

OF THE SECOND PART

PREMISES

WITNESSETH that in consideration of the rents reserved and the covenants and agreements herein contained to be paid, observed and performed by the Tenant, the Landlord hereby leases to the Tenant the premises, consisting of _____sq.ft. including _____sq.ft of common area, herein called the "premises" of the Landlord's building, located at _____, Prince Edward Island, and as outlined on the attached floor plan attached hereto as "Appendix A".

TERM

TO HAVE AND TO HOLD the premises for and during the term of 5 years, commencing on the 1st day of _____, 20__ and ending on the 31st day of _____, 20__.

RENT

YIELDING AND PAYING therefor yearly during the term to the Landlord in advance in equal monthly instalments, in lawful money of Canada, the rent of sums as follows:

(a) the amount of $_____ annually ($_____/ sq.ft.) in equal monthly instalments of $_ plus applicable tax on the first day of each and every month during the term.

TENANT'S COVENANTS

The Tenant covenants with the Landlord as follows:

1. Pay Rent
To pay rent in accordance with the provisions of this lease.

2. Compensation for Damage
To make good or compensate the Landlord for any damage to the premises caused by the negligent, reckless or wilful conduct of the Tenant's servants, agents, employees, licensees or invitees.

3. Notice of Defect
To give the Landlord immediate notice of any accident to or defects in the premises, including the water system, electrical system, heating and ventilating system or any other system or part of the premises which the Landlord is obligated to repair.

4. Entry of Landlord
To permit the Landlord to enter the premises at any reasonable time for the purpose of inspecting the premises and making necessary repairs to the premises.

5. Assign or Sublet
Not to assign this lease or sublet the premises, in whole or in part, without the prior written consent of the Landlord. Notwithstanding any such assignments or sublets, the Tenant shall remain jointly and severally responsible for the payment of the rent and the performance of the other obligations under this lease.

6. Use of Premises
To use the premises for government office space and for no other purpose without the prior written consent of the Landlord.

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7. Building Name
Not to refer to the building by any name other than that designated from time to time by the Landlord and to use the name of the building for the business address of the Tenant but for no other purpose.

8. Tenant's Compliance with Laws
To comply with provisions of law including, without limitations, federal and provincial legislative enactments, municipal zoning and building by-laws and federal, provincial or municipal regulations which relate to the premises or to the use or occupation thereof or to the making of repairs, replacements, additions, changes, substitutions or improvements of or to the premises or any part thereof.

9. Waste
Not to do or suffer any waste, damage, disfiguration or injury to the premises or the fixtures and equipment thereof or permit any overloading of the floors thereof.

10. Nuisance
Not to use or permit the use of any part of the premises for any dangerous, noxious or offensive trade or business or cause or permit any nuisance in, at or on the premises.

11. Exhibiting Premises
To permit the Landlord to exhibit the premises to prospective Tenants during normal business hours during the last three (3) months of the term upon receipt of reasonable notice.

12. Mechanics' Liens
Not to suffer or permit during the term hereof any mechanics' liens or other liens for work, labour, services or materials ordered by him for the cost of which he may be in any way obligated to attach to the premises or to the buildings, structures, and equipment and that whenever and so often as any such liens shall attach or claims therefore shall be filed, the Tenant shall within thirty (30) days after the Tenant has notice of the claim or lien procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law; and the Tenant further covenants that whenever and so often as a certificate of action is registered relating to any of the liens referred to in the preceding sentence, the Tenant shall within thirty (30) days after the Tenant has notice of the registration of such certificate of action have the same vacated.

13. Indemnification and Insurance
To indemnify and save harmless the Landlord against and from any and all claims, including, without limiting the generality of the foregoing, all claims for bodily injury or property damage, arising from the conduct of any work or by or through any act or omission of the Tenant or any assignee, subtenant, agent, contractor, servant, employee, invitee, or licensee of the Tenant, and against and from all costs, counsel fees, expenses and liabilities incurred in or about and such claim or any action or proceeding brought thereon.

To maintain Commercial General Liability (CGL) insurance in an amount not less than Two Million Dollars, ($2,000,000.00) per occurrence on a form at least as broad as the Insurance Bureau of Canada current form of commercial general liability insurance.

To maintain All Risks property insurance, in amounts sufficient to fully cover the Tenants improvements and all property in the Premises owned by the Tenant.

The policy(ies) required by this Agreement shall be in a form provided by the Province of Prince Edward Island Self Insurance and Risk Management Fund.

14. Not to Affect Insurance
Not to do or omit or permit to be done or omitted on the premises anything which shall cause the rate of insurance upon the building to be increased and if the rate of insurance upon the building shall be increased by reason of anything done or omitted or permitted to be done or omitted by the Tenant or anyone permitted by the Tenant to be upon the premises, the Tenant shall on demand pay to the Landlord the amount of such increase.

15. Facilitate Cleaning
To leave the premises in a reasonably tidy state at the end of the business day to facilitate the Landlord's janitorial services as outlined in Appendix "B" attached.

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LANDLORD'S COVENANTS

16. Quiet Enjoyment
For quiet enjoyment; provided that the Tenant complies with its obligations under this lease.

17. Realty Taxes
To pay, subject to the provisions of this lease, all taxes and rates whether municipal, parliamentary or otherwise levied against the building and the land pertinent thereto or against the Landlord on account thereof.

18. Access
To permit the Tenant, his servants, agents, employees, licensees and invitees to have access to the stairways, and passages within the building in common with all others entitled thereto for the purpose of ingress to and egress from the premises.

The Province of Prince Edward Island has adopted barrier free regulations, based on the National Building Code, which apply to all areas of the Province, except within geographical boundaries of a municipality, which have already adopted the National Building Code or a similar building standard bylaw. The premises must conform to accepted barrier free regulations as a minimum standard to provide access for physically and visually challenged individuals.

19. Repair
To maintain the premises in good repair and tenantable condition during the term and make good any defect or want of repair promptly upon receipt of notice from the Tenant with a minimum of disruption to the Tenant's business.

20. Utility Charges
To pay all charges for water, electricity, sewer supplied to the premises.

21. Heat
To heat the premises at its expense.

22. Snow Removal
To effect the prompt removal of snow and ice from the sidewalks, steps, roads and parking areas serving the premises at its expense. Snow removal operations to be completed no later than 7:30am Monday to Friday. Lots / entrances to be checked daily for salt / sand requirements. Fire Department connection for sprinkler system must remain cleared of snow at all times.

23. Telephone / ITSS Installation
To permit the Tenant to effect the installation of telephone and inter-communication apparatus in the premises.

24. To provide and operate the following existing services and facilities, except as otherwise noted, for the premises at its expenses and maintain the service systems in good repair during the term at its expense.

Electrical System
a) an adequate electrical system to meet the needs of the Tenant consistent with use and occupancy.

Heating System
b) a heating system sufficient to maintain a reasonable temperature (20-23 degrees Celsius) in the premises during the heating season (15th. September to 15th. May) and at other times of the year if required for comfortable occupancy;

Air Conditioning/Ventilation System
c) a ventilation system that is sufficient to provide a constant supply of air that is filtered and either humidified or dehumidified and either heated or cooled as conditions may require for comfortable occupancy, and not to exceed 25 degrees Celsius.

Water System
d) a potable water system capable of supplying hot and cold water to the premises;

Washrooms
e) washroom facilities for employees of the Tenant in accordance with the applicable provincial or municipal requirement.

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Fire and Life Safety

f) to provide, maintain and inspect the required fire and life safety devices within the leased space as per NFPA and NFC requirements including egress systems, fire extinguishers, fire alarm panels, smoke detectors, and emergency lighting. Fire exit plans shall be installed by the Landlord as required by the Authority Having Jurisdiction.

The Landlord shall carry out an annual fire drill and provide a report / comments to the Department of Transportation and Infrastructure, Building Maintenance Division.

Pest Control
g) the Landlord shall be responsible for all pest control. It is required for the Tenant to notify the Landlord of any known or visible infestation.

25. Janitorial Service
To provide and pay for janitorial service to the premises in accordance with the schedule attached as Appendix "B" including the provision of cleaning supplies.

26. Garbage Service
To provide and pay for garbage removal services to the premises.

27. Exterior Common Areas
To maintain the exterior of the building, the landscaped grounds of the building, the parking lots and walkways of the building and the common areas of the building in good repair and clean condition.

28. Glass Replacement
To promptly replace, in case of breakage, all plate glass windows and other glass forming part of the demised premises with glass of the same kind and quality as that which may be damaged or broken, save where such damage or breakage has been occasioned by the Tenant, his servants, agents, employees, licensees or invitees.

29. Indemnification and Insurance
To indemnify and save harmless the Tenant against and from any and all claims, including, without limiting the generality of the foregoing, all claims for bodily injury of property damage, arising from the conduct of any work or by or through any act or omission of the Landlord or any assignee, sub Landlord, agent, contractor, servant, employee, invitee or licensee of the Landlord and against and from all costs, counsel fees, expenses and liabilities incurred in or about any such claims or any action or proceeding brought thereon.

The Landlord shall insure the building and other property to replacement cost on an all risks basis, including boiler and machinery insurance, and any other property not the responsibility of the Tenant to insure.

To purchase and maintain throughout the term of this Lease and any renewals thereof Commercial General Liability (CGL) insurance with a limit of Two Million Dollars ($2,000,000,00) per occurrence on a form at least as broad as the Insurance Bureau of Canada current form of commercial general liability insurance.

All of the foregoing insurance policies shall be with insurers licenced to do business in the Province of Prince Edward Island and shall be with such insurers as Landlords of similar property would reasonably insure.

All required insurance shall be endorsed to provide Government with 30 days advance written notice of cancellation. The foregoing insurance shall be primary and not require the sharing of any loss by any insurer of Government nor by any other form of recovery available such as the Provincial Self Insurance and Risk Management Fund. Certificate(s) of insurance and any renewals thereof shall be delivered to Government prior to execution of this Agreement. Default of delivery to Government or receipt of the Certificate(s) of Insurance by Government shall not be construed as acknowledgment or concurrence that there has been compliance with the terms of this Agreement.

30. Landlord's Compliance with Laws
To comply with all provisions of law including, without limitation, all federal and provincial legislative enactments, municipal zoning and building by-laws and any federal, provincial or municipal regulations which relate to the premises or to the use or occupation thereof or to the making of any repairs, replacements, additions, changes, substitutions or improvements of or to the premises or any part thereof.

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Not withstanding the above, if federal or provincial legislative enactments, municipal zoning and building by-laws or any federal, provincial or municipal regulations relating to any of the terms of this agreement should change after the dates of this lease and such change requires additional expenditures on the part of the Landlord, the Tenant shall reimburse the Landlord for these additional expenditures.

31. Mould and Asbestos

If mould (in amounts greater than that occurring naturally in the area) and/or asbestos containing materials ("ACMs") are found in the Building or the Premises, to the extent such conditions were not created by the Tenant during the Term or any Extension Term, the Landlord shall notify the Tenant and cause such mould and/or ACMs to be remediated in accordance with all Environmental Laws. ACMs can be managed in place and do not necessarily require abatement (removal) provided that within the scope of the building's operations and maintenance program these materials are managed through an Asbestos Management Plan by trained personnel and handled by qualified contractors as required by OHS regulations. A copy of the Landlord's Asbestos Management Plan must be provided to the Tenant for information.

PROVISOS

32. Landlord's Default
If the Landlord defaults in the observance or performance of any of its covenants or agreements contained in this lease the Tenant may, at his option and upon such reasonable notice as the circumstances warrant, remedy such default and deduct the reasonable cost of such action from the payable under this lease.

33. Overholding
If the Tenant, with the consent of the Landlord remains in possession of the premises after the date fixed for the expiration of the term or any renewal thereof without any further written agreement, the Tenant shall be deemed to be a Tenant from month to month at the monthly rental reserved by this lease and on the terms and conditions contained in this lease except as to length of tenancy.

34. Amendment
Either party, by mutual agreement, may amend the name on the suite, the number of suites, terms and/or conditions by giving six (6) months written notice to the other party.

35. Termination
.1 **For leases greater than 5 years:** At any time following the 5th anniversary of the commencement of the Term, the Tenant may terminate this lease in whole or in part by giving a minimum of three (3) months written notice to the Landlord, at the end of which notice period this lease or the portion thereof referred to in the notice shall terminate.

.2 **For leases less than 5 years:** At any time following the 2nd anniversary of the commencement of the Term, the Tenant may terminate this lease in whole or in part by giving a minimum of three (3) months written notice to the Landlord, at the end of which notice period this lease or the portion thereof referred to in the notice shall terminate.

36. Alteration
The Tenant may, at his own expense, make such alterations, additions and improvements to the premises as he may consider necessary from time to time during the term subject to the prior written consent of the Landlord. No alterations shall be made to the frame or permanent structure of the building.

37. Notice of Alterations
The Tenant shall give the Landlord notice of his intention to make alterations, additions or improvements to the premises and, upon request, shall supply the Landlord with plans of the proposed alterations, additions or improvements.

38. Landlord's Consent
Where the Landlord's consent is required by this lease to any act of the Tenant such consent shall not be unreasonably withheld and shall be communicated to the Tenant within fourteen (14) days of the receipt of a request for such consent.

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39. Removal of Alterations

a) the Tenant may, at his option, remove any alterations, additions or improvements made by him in the premises; and

b) if the Tenant elects to remove any of the alterations, additions or improvements made by him in the premises, he shall restore the premises, as nearly as possible, to the state they were in before such alterations, additions or improvements were made.

40. Fixtures

a) the Tenant may at any time during the term or any renewal thereof remove any fixtures installed by him in the premises; and

b) the Tenant will compensate the Landlord for any damage caused to the premises by such removal.

41. Signs

a) the Tenant may erect such signs on the premises as he considers necessary for the proper conduct of his business;

b) all such signs shall be removed from the premises at the end of the term of any renewal thereof, and

c) the Tenant shall compensate the Landlord for any damage caused to the premises by the removal of signs.

d) all signs erected on the premises shall be bilingual with the French version appearing first on the left and such signs must have the prior approval of the Landlord.

42. Unavoidable Delays

In the event that the Landlord or the Tenant shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes; lockouts; labour trouble; civil commotion; riots; insurrection; war; inability to procure labour, materials or services; acts of God; weather; power failure; restrictive laws or regulations or any other reason beyond the reasonable control of the Landlord or the Tenant as the case may be, then performance of such act shall be excused for the period of the delay and the time allotted for the performance of any such act shall be extended for a period of time equal to the period of such delay.

43. Right-of-Way

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

44. Common Parking

If the premises are now or hereafter served by common parking facilities, the Tenant, his servants, agents, employees, licensees and invitees shall have full right to use such parking facilities in common with all others entitled thereto.

45. Damage Premises Untenantable

If at any time during the term the premises are wholly or partially destroyed by fire or other insurable peril so as to render them untenantable or prevent reasonable or convenient access thereto, the rent hereby reserved shall immediately abate until such times as the premises have been restored to tenantable condition. If the premises are so badly damaged that they cannot be restored to tenantable condition within 120 days then the Landlord or the Tenant may determine this tenancy within Thirty (30) days of such damage or destruction upon notice to the other party.

46. Damage Premises Partially Tenantable

If at any time during the term the premises are damaged to such an extent that only part thereof is tenantable, then the rent hereby reserved shall immediately abate in proportion to the part of the premises which is untenantable and full rent will not be payable again until such time as the premises have been fully restored. If the Landlord does not begin to restore the premises within Fourteen (14) days of the occurrence of damage or having commenced the restoration of the premises does not proceed to complete it with reasonable dispatch, the Tenant may determine this tenancy upon Fourteen (14) days notice to the Landlord.

47. Re-Entry

If the rent hereby reserved, or any part thereof, shall be in arrears or if the Tenant shall make default in the observance or performance of any of the Tenant's covenants or agreements contained in this lease and such arrears or default shall continue for a period of Thirty (30) days, then the Landlord may give the Tenant notice requiring the Tenant to pay the arrears or remedy the default within Thirty (30) days of receipt of notice. If the Tenant fails to pay the

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arrears or remedy the default within such period, the Landlord may re-enter the premises and the term hereby granted shall thereupon be terminated.

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

49. Dispute Resolution
The parties hereto agree to make the best efforts to resolve differences or disputes between themselves concerning any differences or dispute that arise as a result of the interpretation of this lease and their resulting Landlord/Tenant relationship. If any such difference or dispute has not been resolved within 10 days after receipt of written notice by one party to the other, then the parties agree to hire a mediator and hold a mediation with the assistance of a mediator agreed upon by the parties. Each party shall bear one-half of the cost of mediation. If mediation fails then the parties may, upon agreement, refer the matter to single arbitrator agreed upon by the parties in accordance with the Arbitration Act, R.S.P.E.I. 1988. Cap. A-16 which arbitrators decision shall be final and binding on the parties Each party shall bear one-half of the cost of the arbitration.

50. Notices
Any notice required or contemplated by any provision of this lease shall be given in writing enclosed in a sealed envelope addressed in the case of notice to the Landlord to _____, and in the case of notice to the Tenant to the **Manager, Building Maintenance and Accommodations, Department of Transportation and Infrastructure, PO Box 2000, Charlottetown, PEI, C1A 7N8**, and mailed registered and postage prepaid. The time of giving of such notice shall be conclusively deemed to be the third business day after the day of such mailing. Such notice shall also be sufficiently given if and when the same shall be delivered in the case of notice to the Landlord to the President, and in the case of notice to the Tenant to a responsible employee of the Tenant at the above-noted addresses. Such notice, if personally delivered, shall be conclusively deemed to have been given and received at the time of such delivery.

51. Entire Agreement
The Tenant and the Landlord acknowledge that there are no covenants, representations, warranties, agreements or conditions, expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this lease save as expressly set out in this lease and the relevant agreement to lease and that this lease constitutes the entire agreement between the Landlord and the Tenant and may not be modified except as herein explicitly provided or except by subsequent agreement in writing, of equal formality hereto executed by the Landlord and the Tenant.

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

53. Binding of Tenant
This lease shall not be binding upon the Tenant until it has been executed by or on behalf of the Minister of Transportation, Infrastructure and Energy.

54. Mortgages and Subordination
This lease is hereby made expressly subject and subordinate at all times to any and all leases, mortgages or deeds of trust whatsoever affecting the building, which have been executed, and any and all extensions and renewals thereof and substitutions therefor. Tenant agrees to execute any instrument or instruments which Landlord may deem necessary or desirable or evidence the subordination of this Lease to any or all such leases, mortgages, or deeds of trust.

55. Severability
The Landlord and the Tenant agree that all of the provisions of this lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were

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used in each separate paragraph hereof. Should any provision or provisions of this lease be illegal or not enforceable, it or they shall be considered separate and severable from the lease and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

56. Interpretation
The words “herein”, “hereof”, “hereby”, “hereto”,”hereinafter”, and similar expressions refer to this lease and not to any particular paragraph, section or other portion thereof, unless there is something in the subject matter or context inconsistent therewith;

57. Headings and Captions
The headings and captions appearing in the margin of this lease have been inserted as a matter of convenience and for reference only and in no way define, nor limit or enlarge the scope or meaning of this lease not any of the provisions hereof.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS LEASE

Signed, Sealed & Delivered * _____
in the presence of: * as represented by :

_____ * _____
Witness

* **DEPARTMENT OF TRANSPORTATION AND INFRASTRUCTURE** as represented by:
*

_____ * _____
Witness * Minister

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