

THIS LICENCE AGREEMENT is made the _____ day of _____, 2021

BETWEEN

THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES
(Hereinafter called the "Municipality")
OF THE FIRST PART

-and-

Grand Bend Art Centre
(Hereinafter called the "Club")
OF THE SECOND PART

WHEREAS the Municipality is the owner of the property located at 16 Municipal Drive, Grand Bend, in the Municipality of Lambton Shores, in the County of Lambton;

AND WHEREAS the Club is desirous of leasing and operating the property for the purpose of an Art Centre, hereinafter referred to as the "facility";

AND WHEREAS the Municipality of Lambton Shores is empowered under Section 2 of the *Municipal Act, 2001* to manage public assets of the Municipality as it sees fit;

NOW THEREFORE WITNESSETH that for and in consideration of the premises and mutual covenants hereinafter set forth, the parties agree as follows:

The Municipality hereby grants leave and license and full permission and authority to the Club for the exclusive right to operate and maintain the facility in accordance with the terms set out herein.

1. Term of License

The agreement is for a term of one (1) year from the date of signing, with an option to renew annually as agreed to by both parties.

2. License Fee

The license fee for the term of this agreement is \$1.00 which is payable at the signing of the agreement. Any subsequent renewal shall be due at the time of the renewal.

3. Utility Costs

The Club will be responsible for paying all utility costs for the facility including gas, hydro, water, sanitary sewers and water heater rental. This amount will be invoiced on a graduated system, on the following schedule:

2021: 70% of the total annual amount

2022: 100% of the total annual amount (pending agreement renewal)

Utilities will be invoiced by the Municipality on a quarterly basis.

4. Maintenance and Cleaning

Exterior building repairs and repairs to uphold the structural integrity of the building (e.g. windows, roof, HVAC systems) are the responsibility of the Municipality. Snow removal of the parking lot is provided by the Municipality.

The Club is responsible for interior repairs and facility cleaning. No changes to the interior may be made without the prior written approval of the Municipality. Any interior changes must meet current code requirements and the Centre must provide evidence of such.

5. Insurance

Commercial General Liability Insurance

The Club shall, at their expense obtain and keep in force during the term of the Lease, Commercial General Liability Insurance satisfactory to the Municipality and underwritten by an insurer licensed to conduct business in the Province of Ontario. The policy shall provide coverage for Bodily Injury, Property Damage and Personal Injury and shall include but not be limited to:

- a. A limit of liability of not less than \$ 2 million/occurrence with an aggregate of not less than \$ 2 million
- b. Add the Municipality as an additional insured with respect to the operations of the Named Insured
- c. The policy shall contain a provision for cross liability and severability of interest in respect of the Named Insured
- d. Non-owned automobile coverage with a limit not less than (usually \$2,000,000) and shall include contractual non-owned coverage (SEF 96)
- e. Products and completed operations coverage
- f. Broad Form Property Damage
- g. Contractual Liability
- h. Hostile fire
- i. The policy shall provide 30 days prior notice of cancellation

Tenant's Legal Liability Insurance

Tenant's legal liability insurance for the actual cash value of the building and structures on the demised premises, including loss of use thereof;

Boiler and Machinery Insurance

Comprehensive Boiler and Machinery insurance on mechanical equipment in the premises controlled by the Club. The Municipality is to be named as an additional insured if the objects insured qualify as tenant's improvements.

Each policy will provide that the insurer will not have any right of subrogation against the Municipality on account of any loss or damage covered by such insurance or on account of payments made to discharge claims against or liabilities of the Municipality or Club covered by such insurance. The cost or premium for each and every such policy will be paid by the Club.

Primary Coverage

The Club's insurance shall be primary coverage and not additional to and shall not seek contribution from any other insurance policies available to the municipality.

Certificate of Insurance

The Club shall provide a Certificate of Insurance evidencing coverage in force at least 10 days prior to contract commencement.

6. Equipment

The Municipality grants use of the facility and equipment in their current "as is" condition and will not be required to make any repairs, changes, alterations or replacements of same.

7. Possessory Interest

It is the intention of the parties to this Agreement that the agreement between the two parties for occupancy by the Club does not create a possessory interest or any other interest in real property and the property shall remain the sole property of the Municipality.

8. General Conditions

- a. The Club may partner with whomever they choose, within reason to provide the necessary staff to carry out its programs and to ensure the safety of the participants, staff and volunteers.
- b. In the event that a third party is using the facility for any reason as approved by the Club, the user must provide the proper insurance requirements identified in Section 5 of this agreement and to the satisfaction of the Municipality.

- c. The Municipality reserves the right to use any portion of the facility at any time for municipal purposes, provided a minimum of seven (7) days' written notice is provided to the Club. In the case of an emergency, no minimum notice is required.
- d. The Municipality retains the right to inspect the facility to ensure that maintenance and upkeep are being carried out in accordance with this agreement but shall provide the Club with advanced notice of any such inspections.
- e. The Club undertakes to ensure that the facility is only leased for such activities and events as are permissible under Provincial, Federal and/or Municipal law.
- f. The Club and the Municipality will as required to address any concerns.
- g. The Club shall not assign or sub-let any portion of the property without the written consent of the Municipality.

9. Notice of Termination

If either the Club or the Municipality wishes to terminate this licence prior to the end of the term created by this Agreement, notice to that affect will be given in writing NOT LESS THAN SIXTY (60) DAYS. The Club agrees and acknowledges that a notice to terminate the licence as described above shall be delivered or mailed to the offices of the Municipality at:

The Municipality of Lambton Shores
7883 Amtelecom Parkway
Forest, ON N0N 1J0 Attention: Chief Administrative Officer

The Municipality agrees that a notice to terminate the Agreement as described above shall be delivered or mailed to:

The Grand Bend Art Centre
Box 523
Grand Bend, ON N0M 1T0 Attention: Peter Phillips

EXCEPTION: In the event that circumstances beyond the Municipality's control arise, or for breach of contract, it is understood that this agreement could be terminated with no notice.

10. Indemnity

The Club agrees to indemnify and save the Municipality and the Municipality's employees, officers and agents harmless from any claims, prosecutions, actions, proceedings and judgments of any type relating to the use of the licensed area by the Club. The Club shall respond to any such matter by engaging legal counsel to represent the Municipality's interest and will promptly satisfy any settlement amount, fine, bill of costs or judgment imposed with respect to same.

The Club is required to indemnify the Municipality for expenses incurred. If a claim arises, the Club shall indemnify the Municipality to the extent that the Municipality has not acted with negligence or willful intent.

IN WITNESS WHEREOF the Parties hereto have hereunto caused to be affixed their respective seals, attested by the hands of their proper officers duly authorized in that behalf

SIGNED, SEALED AND DELIVERED

In the presence of

GRAND BEND ART CENTRE

THE CORPORATION OF THE
MUNICIPALITY OF LAMBTON SHORES

Bill Weber, Mayor

Stephanie Troyer-Boyd, Clerk