

LAND LEASE AGREEMENT

THIS AGREEMENT DATED this 17th day of November , 2021

BETWEEN:

South-East Grey Community Health Centre
(hereinafter referred to as the “CHC”)

- and -

The Corporation of the Township of Southgate
(hereinafter referred to as the “Township”)

(collectively referred to as the “parties”)

WHEREAS the Township is the owner of vacant land in the Village of Dundalk and wishes to increase access to health care and social services in the community;

AND WHEREAS the Dundalk and area communities are living through access challenges to local health services, community growth and anticipating many impactful changes. .

AND WHEREAS the CHC is interested in continuing to increase capacity of the Rural Health and Social Services Dundalk Hub within the Township of Southgate area that will improve access to care and access to social services long term for the residents of the catchment area;

AND WHEREAS the signatories to this agreement offer to assist in the growth of the aforementioned Rural Health and Social Services Hub;

AND WHEREAS the Township considers entering into this Agreement to be in the interests and benefit of the municipality, its residents and the broader community serve in the region;

NOW THEREFORE, in consideration of the mutual covenants and agreements, and subject to the conditions and limitations, set forth herein, and for the mutual reliance of the parties hereto, the parties hereby agree on the following terms:

GENERAL

1. In consideration of the agreement referred to in the preceding paragraphs, the Leasee shall pay to the Lessor \$1.00 (one dollar), with the size of the Property to be determined by the reference plan to be prepared by the Leasee pursuant to the terms of this Lease Agreement.
2. The Leasee of the land, at its sole expense, shall have a draft reference plan and site prepared for review by the Lessor depicting the Property and shall arrange for such plan to be deposited against the title of the Property prior to the start of the Lease Date.

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3. **Lease Start Date** will begin on the 1st day of January, 2022, which time access to the Property in "as is, where is" condition shall be given to the Leasee for their use as defined in this agreement
4. **Lease Agreement Term** shall be for a twenty year period with appropriate extensions of this land lease agreement either automatically being extended for a five (5) year period terms or a new agreement executed for a twenty (20) year term based on the continued use and community benefit of the Medical Centre serving the community.
5. **Council Approval** - This transaction is subject to compliance with Section 270 of the *Municipal Act, 2001* as amended and is conditional upon the approval of this transaction by the Council of The Corporation of the Township of Southgate in its sole and absolute discretion by by-law. Council approval shall be obtained on or before the Completion Date, or this agreement will be null and void.
6. **"As Is" Condition** – The Leasee acknowledges that they are assuming the Property in an "as is" condition and that it must satisfy itself within fifteen (15) days of acceptance as to the Property including, but not limited to, all existing physical conditions of this Property, environmental conditions, fitness for any purpose, suitability for construction, soil bearing capacity for any building proposed, and the availability of municipal services and utilities necessary for the Leasee's proposed use of the Property. It shall be the Leasee's responsibility to provide, at its own expense, any soil bearing capacity tests, Conservation Authority permits or environmental inspection, as may be required or desired, and the Lessor shall grant the Leasee access for such testing or inspection at all reasonable times, on reasonable notice, for the purpose of conducting reasonable inspections. The Leasee acknowledges that the Lessor shall not be responsible for any physical deficiencies of this Property or for any past, present or future environmental liabilities and hereby waives any claims against the Lessor in respect of any environmental liabilities on this Property. The Leasee agrees that once the above-noted fifteen (15) day period has expired, and so long as no notice is given that the Lessor will not accept the Property within such time, the Purchase shall be deemed to have released the Lessor on closing with respect to matters set out in this paragraph. If the Leasee is for any reason whatsoever dissatisfied with the Property, it shall deliver written notice to that effect to the Vendor by no later than the time specified herein, and this Agreement shall be terminated and the deposit shall be returned to the Leasee without interest or deduction. If the Vendor is notified that the condition of the Property is not satisfactory, then the Leasee shall, prior to receiving its deposit monies back and prior to being entitled to a full release from the Lessor with respect to this Agreement, restore the Property to its original condition as it existed prior to such testing or inspection by the Leasee, at the Leasee's sole expense. If the Leasee fails to deliver written notice to the Lessor within the time specified herein regarding this condition, this condition shall be deemed to have been waived by the Leasee Use
7. The Parties acknowledge that the zoning bylaw allows Commercial uses for building the medical clinic on the Dundalk Street Property and Open Space uses for parking lot development on the Proton Street lands subject to the requirements of the Township of Southgate Zoning By-law, and other municipal by-laws and codes including but not limited

to the Township's Site Plan Control By-law. It is the Leasee's responsibility to confirm the Leasee's use is compliant or if rezoning is necessary and other compliance requirements.

OBLIGATIONS OF THE PARTIES

7. Scope of Clinical Practice(s)

7.1 The CHC will at all times, use reasonable efforts to do the following:

- a) create timely access to primary care, mental health services, social services, and homecare services by coordinating care between the parties and through other health and social services agencies;
- b) coordinate with area hospitals to ensure post discharge patients in a timely manner;
- c) work with the area Health Links partners to ensure a consistent approach to patient care;
- d) coordinate community services in a manner that exceeds residents' and users' expectations; and
- e) ensure that all services are delivered in an efficient and effective manner.

8. Services Provided by CHC:

8.1 The CHC shall:

- a) Provide CHC Board approval for a Community Health Clinic construction project for a 10,000 to 12,000 square foot Medical Centre in Dundalk;
- b) Apply to the Ministry of Health for capital funding for the Community Health Clinic construction project in Dundalk;
- c) Apply to the Local Health Integration Network (LHIN) for Clinic operation dollars as a Medical Centre/Health Clinic as a Primary Care Facility;
- d) Fundraise for the required Medical Centre/Health Clinic equipment required for the facility as a primary health care facility;
- e) Manage the day to day operations of the facility and be responsible for financial commitments, management and public reporting through their Board of Directors;
- f) Offer primary care services through physicians, nurse practitioners and various allied health professionals;
- g) Offer an array of community programs to seniors and youth as established in another agreement;
- h) Seek out opportunities that may arise for non-signatories to this agreement to further expand and align their services in a manner that improves the quality and scope of services being offered;

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- i) Be responsible for managing the snow removal, grass cutting and cleaning of the site property related to property maintenance; and

Ensure that this agreement does not require organizations to integrate in any manner that may affect their identity, integrity or service mandate.

9. Leased Lands to be provided by Township:

9.1 The Township of Southgate shall:

- a) Provide vacant property at the south-east corner of Dundalk and Grey Streets in the Village of Dundalk for the purposes of the CHC using the property to construct a Medical Centre/Health Clinic as a primary health care facility for the community at a rental amount of \$1.00 per year during the Term of this Agreement. Description of Leased Lands are described in Schedule “A” of this agreement.
- b) Provide vacant property at the at the south-west corner of Dundalk and Proton Streets in the Village of Dundalk for the purposes of the CHC using the property as parking area adjacent to primary health care facility for the community at a rental amount of \$1.00 per year during the Term of this Agreement. Description of Leased Lands are described in Schedule “A” of this agreement.

9.2 The CHC is responsible for all costs relating to the clinic and the parking lot, including site preparation, servicing connections, off site rail trail development between Grey and Holland Streets, the cost of constructing the business, landscaping, and all other capital, property taxes, building/property maintenance and operational costs. Without limiting the foregoing, the CHC shall be required to pay the electricity costs, water services, natural gas and other utility costs for the Clinic which will be separately metered by the service provider. Prior to the commencement of the Term CHC shall set up an account for the utility services with the local distributors in its own name. Further, CHC shall be responsible for the setting up accounts for telephone and internet in its own name and shall be responsible to pay for same.

9.3 The CHC may install in, upon or about the Clinic any signs and advertising material which shall remain the property of the CHC, which the CHC shall remove upon the expiration of the Agreement. All signs and locations of same are to be approved beforehand by the Township, which consent not to be unreasonably withheld, and must conform with all applicable governmental bylaws and codes.

10. Ongoing Review

10.1 The parties agree to review this Agreement at least every two years, upon request by any one party, to ensure the terms contained herein continue to be relevant and accurate.

11. Insurance.

11.1 The CHC will maintain comprehensive insurance and will indemnify and save harmless the Township who is acting as a landowner only. For greater certainty, the CHC shall take out and maintain, at its cost and in the names of the CHC and the Township, its own:

- (a) “All Risks” insurance on all of its property on a one hundred percent (100%) replacement value basis;
- (b) general liability and property damage insurance with a policy limit of not less than five million dollars (\$5,000,000) per occurrence;
- (c) Medical malpractice insurance;
- (d) Professional liability if there are accounting and professional administration duties being performed at the Clinic;
- (e) Cyber liability if medical records will be stored/shared electronically at the Clinic; and
- (f) All physicians, nurse practitioners and health professionals shall be required to show proof of medical malpractice insurance. and
- (g) such other insurance as reasonably required by the Township from time to time.

11.2 Notwithstanding any other provision of this Agreement, the CHC shall indemnify the Township and save it harmless from and against any and all loss, claims, actions, damages, liability and expense in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Agreement, or any occurrence in, upon, or at the clinic or the occupancy or use by the CHC of the clinic or any part thereof, or occasioned wholly or in part by any act or omission of the CHC or by anyone permitted to be at the clinic or its lands by the CHC. If the Township shall be made a party to any legal action commenced by or against the CHC, the CHC shall indemnify and hold the Township harmless and pay all costs, expenses and reasonable legal fees incurred or paid by the Township in connection with the same. The CHC shall also pay all costs, expenses and legal fees (on a solicitor and client basis) that may be incurred or paid by the Township in enforcing the provisions of this Agreement, the contents of this section shall survive the termination or surrender of this Agreement.

11.3 The CHC will complete the attached “Schedule B” document titled “CHC Annual Proof of Insurance Report” as part of this Agreement on an annual basis to identify and provide the Township proof of the insurance they shall carry to comply with this Agreement upon request.

12. Extensions and/or Renewals of Agreement:

12.1 This Agreement is for a twenty (20) year term, subject to extensions or renewals, or otherwise when this Agreement has been terminated pursuant to the terms herein.

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12.2 Notwithstanding section 6.1., this agreement may be dissolved by any of the parties to this Agreement upon six (6) months written notice and the Agreement shall then be terminated contemporaneously at the end of the said notice period.

12.3 It is recognized that once the terms identified under 2.1(a) to 2.1(i) have been met, and the project has been completed, clause 6.2 as stated above shall be considered a moot issue.

12.4 In the event that the CHC materially breaches the terms of this Agreement, and same is not cured within thirty (30) calendar days from the date notice is given by the Township, the Township may thereafter terminate this Agreement and the CHC shall give vacant possession of the clinic building to the Township.

13. Arbitration.

13.1 All parties shall refer all matters in difference between the parties in relation to this Agreement to the arbitration of a single arbitrator agreed upon by a majority of the parties. The award and determination of this arbitrator is binding upon the parties and their respective heirs, executors, administrators, and assigns.

14. General Terms

14.1 *Independent Contractors.* The parties agree that each of them is contributing to the Venture as an independent contractor. Nothing contained in this Agreement shall be regarded or construed as creating any other relationship (whether by way of employer/employee, agency, association, or partnership) between the parties. No party has the authority to contractually bind the other party (whether as partner, agent or otherwise) or deal with any property belonging to the other party except as set out in this Agreement. No party shall be vicariously liable for the torts committed by the other.

14.2 *Governing Law.* This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

14.3 *Assignment.* No party may assign this Agreement, or any interest in the Venture contemplated herein, without the other party's written consent, which consent may not be withheld unreasonably.

14.4 *Enurement.* This Agreement shall enure to the benefit of the parties' heirs, successors, estate trustees and permitted assigns.

14.5 *Notices.* Notices hereunder shall be in writing and will be sufficiently given if delivered personally or by registered mail to following addresses:

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To the Township:

Name: Township of Southgate
Address: 185641 Grey Road #9 – RR#1
Dundalk, Ontario N0C 1B0
Contact Person: Dave Milliner
Phone #: 519-923-2110
Email: dmilliner@southgate.ca

To the CHC:

Name: South East Grey Community Health Centre
Address: 55 Victoria St,
Markdale, Ontario N0C 1H0
Contact Person: Al Madden or Alex Hector
Phone #: 519-986-2222
Email: allan.maddern@segchc.ca or
alex.hector@segchc.ca

Notice may also be delivered by facsimile, electronic mail or other electronic transmission if the sending party has written evidence that the notice was in fact delivered. Such evidence may include (without restricting the generality of the foregoing) a fax confirmation, an automated e-mail delivery receipt confirmation or a message sent by the receiving party confirming receipt of the notice.

- 14.6 The CHC shall not assign this Agreement in whole or in part, sublet the whole or any part of the clinic, grant any license or right otherwise to occupy or use the clinic, or part with or share possession or control of the clinic with any other person or party, or mortgage or otherwise encumber this clinic, without the prior written consent of the Township which, subject to the requirements below, shall not be unreasonably withheld.

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IN WITNESS WHEREOF the parties identified herein, have affixed their corporate seals attested by the hands of their duly authorized officers in that behalf.

**SOUTH EAST GREY COMMUNITY
HEALTH CENTRE**

Date: _____

Per: _____

*Allan Madden,
Executive Director
I have authority to bind the Corporation.*

TOWNSHIP OF SOUTHGATE

Date: _____

Per: _____

*John Woodbury,
Mayor,
I have authority to bind the Corporation.*

Date: _____

Per: _____

*Lindsey Green,
Clerk,
I have authority to bind the Corporation.*

Schedule A

**Description of Property
owned by the Township of Southgate
and
proposed to be Leased to
South East Grey Community Health Centre**

All and singular that certain parcel of land located within the Province of Ontario, County of Grey, Township of Southgate

Firstly: Part of Lot 229 Concession 2 Southwest of the Toronto-Sydenham Road, Former geographic are Township of Proton, Township of Southgate, being Part 2 of the Reference Plan, being part of the lands bearing PIN 37315-0136 (LT) (Clinic Parking lands)

Secondly: Part of Lot 229 Concession 2 Southwest of the Toronto-Sydenham Road, Former geographic are Township of Proton, Township of Southgate, being Part 17 and 18 of the Reference Plan, being part of the lands bearing PIN 37315-0135 (LT) (Clinic Building Site lands)

Schedule B

SEGCHC Annual Proof of Insurance Report

Facility: Dundalk Medical Centre/Health Clinic Primary Care Facility

Address: Dundalk Street North, Dundalk, Ontario

Reporting Year: _____

Insurance Coverage Requirements Checklist:

- ☐ Indemnification and Hold Harmless Insurance
- ☐ General Liability Insurance
- ☐ Medical Malpractice Insurance
- ☐ Professional Liability Insurance confirmation by the CHC for the following Practitioners:

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

- ☐ Data Liability Insurance

Note: The insurance coverage required above shall provide the associated clause and compliance listed below.

1. Indemnification and Hold Harmless Clause

The Supplier shall defend, indemnify and save harmless (*identify the Township*) its elected officials, officers, employees and agents from and against any and all claims of any nature, actions, causes of action, losses, expenses, fines, costs (including legal costs), interest or damages of every nature and kind whatsoever, including but not limited to bodily injury, sickness, disease or death or to damage to or destruction of tangible property including loss of revenue or incurred expense resulting from disruption of service, arising out of or allegedly attributable to the negligence, acts, errors, omissions, misfeasance, nonfeasance, fraud or willful misconduct of the Supplier, its directors, officers, employees, agents, contractors and

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subcontractors, or any of them, in connection with or in any way related to the delivery or performance of this Contract. This indemnity shall be in addition to and not in lieu of any insurance to be provided by the Supplier in accordance with this Contract, and shall survive this Contract.

The Supplier agrees to defend, indemnify and save harmless (*identify the Township*) from and against any and all claims of any nature, actions, causes of action, losses, expenses, fines, costs (including legal costs), interest or damages of every nature and kind whatsoever arising out of or related to the Supplier's status with WSIB. This indemnity shall be in addition to and not in lieu of any proof of WSIB status and compliance to be provided by the Supplier in accordance with this Contract, and shall survive this Contract.

2. General Liability Insurance Clause

General Liability Policy insuring against injury or damage to persons or property, underwritten by an insurer licensed to conduct business in the Province of Ontario with a limit of not less than \$_____. The policy shall be endorsed to include each party to the agreement as an additional insured with respect to the Mutual Aid Ambulance Services as per the signed agreement. The policy shall further be endorsed to include:

- (a) cross-liability,
- (b) contractual liability,
- (c) personal injury, and
- (d) Non-owned Automobile Coverage with a limit of not less than \$_____ and shall include contractual non-owned coverage.

3. Medical Malpractice Insurance Clause

Medical Malpractice with a limit of not less than \$_____. The coverage can be provided as a stand-alone policy or included in the coverage afforded by the General Liability Policy referenced above.

4. Professional Liability Insurance Clause

The (Professional) shall take out and keep in force Professional Liability insurance in the amount of \$_____ providing coverage for acts, errors and omissions arising from their professional services performed under this Agreement. The policy SIR/deductible shall not exceed \$100,000 per claim and if the policy has an aggregate limit, the amount of the aggregate shall be double the required per claim limit. The policy shall be underwritten by an insurer licensed to conduct business in the Province of Ontario and acceptable to the CHC, the Township. The policy shall be renewed for 3 years after contract termination. A certificate of insurance evidencing renewal is to be provided each and every year. If the policy is to be cancelled or non-renewed for any reason, 90 day notice of said cancellation or non-renewal must be provided to the Township. The Township has the right to request that an Extended Reporting Endorsement be purchased by the (Professional) at the (Professional's) sole expense.

5. Data Liability Insurance Clause

Data liability/Network Security coverage, underwritten by an insurer licensed to conduct business in the Province of Ontario and in an amount not less than \$_____.

Coverage is to respond to but not be limited to the following occurrences:

- i. Privacy violations as a result of but not limited to unauthorized access to or dissemination of private information; failure to properly handle, manage, store, destroy or control personal information and include the failure to comply with privacy laws and their respective regulations regarding the collection, access, transmission, use and accuracy. Coverage shall extend to include the costs associated with notification of affected parties, regardless if required by statute as well as any fines or penalties or costs imposed as a result of the breach including defense of any regulatory action involving a breach of privacy.
- ii. Network Security to protect against incidents arising from system security failures such as, but not limited to, unauthorized access, theft or destruction of data, electronic security breaches, denial of service, spread of virus within the Contractor's computer network or other third party computer information systems and will further include expenses related to third party computer forensics.
- iii. Data Breach Expenses including crisis management and credit monitoring expenses related to electronic and non-electronic breaches.

The policy shall be maintained continuously during the term of this Agreement and for an additional (two) years after the termination or expiration of the Agreement. If coverage is to be cancelled or non-renewed for any reason, 90 day notice of said cancellation or non-renewal must be provided to the Township. The Township has the right to request an Extended Reporting Endorsement be purchased by the CHC at the CHC's sole expense. The term of the Extended Reporting Endorsement will be decided by the Township and CHC.

Report is for the 12 month period of _____ to _____.
month day month day

SEGCHC Report Approval:

Date:

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