

PRELIMINARY

UNEDITED

TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

3:00 p.m. - 6:00 p.m.

WEDNESDAY, APRIL 27, 1977

The House met at 3:00 p.m.

Mr. Speaker in the Chair.

MR.SPEAKER: Order please. Hon. member for Terra Nova.

STATEMENTS BY MINISTERS:

MR.LUSH: Mr. Speaker, I do not know exactly whether I should be asking to make a motion, but I want to just briefly explain to the House why I am standing at this time. I wanted to either make a motion-as I have said, or make a suggestion to the House that we, the elected representatives of the House of Assembly, send a telegram to the St. John's Blue Caps, the team that represented us in the semi-finals in the Allen Cup and did such a commendable in representing Newfoundland, took the Bradford Alexanders all the way in five games, and as I have said made a tremendous effort and almost went all the way, and I believe that this Hon. House should wire a telegram to the coach and the players to let them know how much we appreciated their efforts in being the second best amateur team in Canada.

I do not know whether a motion is in order. If it is, someone from the opposite side can do it and we can second it, the Premier may be, and we could get together and draft an appropriate telegram.

MR.SPEAKER: Hon. the Premier.

PREMIER MOOPES: Mr. Speaker, it is with great delight that I am only too willing to go along with the hon. member's suggestion that would have been proposed here just a little later but either way it is the same result and the same intent. The performance by the Newfoundland representatives, St. John's Blue Caps, in Allen Cup play, I think was of real interest to a great many people in the province, and I would suggest a great many members of the House of Assembly. I would suggest that probably some of the confusion last night was during the third period when it was three to three and Bradford scored. Sir, Maybe if we had been in here instead of listening to the radio a

PREMIER MOOPES: Few of us, we could have overcome some of the difficulties that transpired. Certainly, Sir, it is a great pleasure that we go along with those sentiments.

PRESENTING PETITIONS:

MR. SPEAKER: Hon. member for Naskaupi.

MR. CONDIE: I beg leave Mr. Speaker, to have permission to table the following petition. The petition has 1230 names attached to it. It comes from the Happy Valley - Goose Bay area of Labrador, along with other communities, namely Cartwright, Pigolet, Main Hopedale, Makkovik, North West River and Mud Lake in addition to the Happy Valley - Goose Bay area. I do not think it is going to be confusing but I would hope that when a presentation is made that perhaps the Minister of Recreation & Rehabilitation might offer a comment on the prayer of the petition, at least an explanatory note if that is possible.

But the prayer of the petition reads, "We, the undersigned, strongly protest the recent news that it is possible that the former Paddon Memorial Hospital in Happy Valley may be converted into government offices. As concerned citizens of this town we have in the past protested any such move and again now take strong exception to any such move. We feel this building could be put to a lot better use such as accommodations for our senior citizens, public health offices and day care centres, just to name a few. We have been told by government officials that the building would not be used for any offices and until any decision was made a meeting should be held here in town with citizens and government officials." When they say 'here in town they,' they are referring to Happy Valley - Goose Bay area.

In supporting the prayer of the petition, Mr. Speaker, I just wish to explain that I have attended two meetings in Happy Valley itself to discuss this particular issue, and not being allowed to make ministerial statements or anything else I am hoping that

MR. GOUDIE: the minister will offer some explanatory comments before this petition has been processed. I wish to table this petition, Mr. Speaker, and have it referred to the department to which it relates.

MR. SPEAKER: Hon. member for Fagle River.

MR. STRACHAN: Mr. Speaker, I have no hesitation whatsoever in supporting the prayer of this petition. As the member for Nashaupi (Mr. Goudie) has stated, the senior citizens home, should it become a senior citizens home, would not only serve the Coose Bay-Happy Valley area and Northwest River and Mud Lake areas but it would also serve coastal communities. And there is a real need for such a home in that area. Many people from the coast in the past have come down to St. John's and have essentially been removed from visits from their own people, their friends and relatives. The distance is too great for them to travel, to be able to see them and too costly, whereas Happy Valley-Coose Bay is certainly the center of the hub, it is the center of Labrador and everyone is certainly forced by geography to travel through Happy Valley-Coose Bay.



MR. STRACHAN: So with these reasons, and we have stated this many times before, and hopefully I would wish that the minister should have some answer or take some positive steps in this in the near future and I would welcome such if such were the case. I have no hesitation whatsoever in supporting the petition.

MR. SPEAKER: Hon. member for LaPoile.

MR. NEARY: I support the petition presented by the hon. member on behalf of 1,200 and some-odd, was it?

MR. GOUDIE: 1,230

MR. NEARY: 1,230 residents of the Goose Bay-Happy Valley area to have the former Paddon Memorial Hospital converted into a senior citizens home. I do not remember, Mr. Speaker, whether the hospital is a wooden structure or whether it is brick. I believe it is brick structure if my memory serves me correctly, Sir.

But, Mr. Speaker, I think it is a good idea because to my knowledge Labrador - and I am talking about North, South, East and the Western part of Labrador - Labrador does not have a home for senior citizens in any shape or form, does not have one. We have neglected Labrador in the programme of expanding homes for geriatric care and for senior citizens in this Province. I remember, Mr. Speaker, a few years ago when I outlined, on behalf of the administrations, a programme for building a smaller type home for senior citizens around this Province - that one of the areas that we were giving top priority to was the mainland part of the Province, Labrador. Unfortunately the administration got thrown out and I could not finish the programme that I started, but a number of homes that I had on the drawing board - and some that I did not have on the drawing board - have been completed since then.

MR. N'ARY: I believe it would be a good idea for the minister to have the fire commissioner, to have the various representatives of the Department of Public Works go into Happy Valley, go into Goose Bay and take a look at this building, see if it is suitable for a senior citizens' home before they start making plans to convert it into an office building, and I think it would be very worthwhile, I hope the hon. member or no other hon. member of this House though will fall into the trap of saying that there should be a senior citizens' home here or there or some other place to prop up the economy of the community. That is not the reason for building senior citizens' homes. As my hon friend from Eagle River said " There is a great need in that area for a senior citizens home," and that is the reason for putting it there, not to create jobs or not to prop up the faltering economy. And I do hope that the minister will give this matter his urgent attention, give it very serious consideration because I believe it is about time, Sir, that we did start opening up smaller type homes all over Labrador, both in the Happy Valley-Goose Bay area and the Southern part of Labrador and in Western Labrador, smaller type homes for the care of our senior citizens in that area.

MR. SPEAKER: Hon. member for Baie Verte-White Bay.

MR. RIDEOUT: Okay, the minister wants to respond.

MR. SPEAKER: The hon. gentleman will yield to the hon. minister.

MR. H. COLLINS: Yes, Mr. Speaker, to bring the House up to date is an opportunity that is provided now through this petition. Last year when we moved from the Paddon Memorial Hospital in Happy Valley-Goose Bay to the USAF hospital which has now been named the Melville Hospital, I had a meeting with some interested groups in the Happy Valley-Goose Bay area, a group

MR. CROSS:

representing the senior citizens, who were headed by the hon members mother, Mrs Goudie, another group known as the Early Childhood Development Group, and some other interested citizens who thought that the old Paddon Hospital would be a suitable building for a senior citizens' home.

After that when I came back to St. John's we had discussions with the Department of Public Works, arrangements were made to have some work done to the building in terms of protecting and refurbishing the heating system and so on to protect the building for the winter. And it was the considered opinion of people in the Department of Public Works, and indeed in the Department of Health and Rehabilitation and Recreation, that if we were going to provide the senior citizens' facility in Happy Valley-Goose Bay we would be better off going the route of providing a facility properly planned for that particular use. And subsequently, after a goodly number of meetings, the second last one about two months ago and the last one

MR. H. COLLINS: about three weeks ago where the officials from rehabilitation went to Happy Valley-Goose and met with all of the interested people. The clergymen, who I understand now are forming- have been requested to form and I am sure they will, an inter-faith committee to look into the best ways to get a new building designed for the care of our senior citizens and handicapped people as well. As I understand it, the member attended the meeting I think is that everybody have now agreed that the Paddon Memorial Hospital is not a suitable place, not a suitable building for that type of institution. That building will become, as I understand it again- and my colleague, the hon. Minister of Public Works, can confirm this if he wants to or if he should- that building will be used as a public office building and wheels are now being put in motion to go about the business of establishing the need, which I am sure will be easily established. The need is there to look for financing to build a suitable building which will be functional in terms of meeting the needs of the senior citizens.

AN HON. MEMBER: A commitment?

MR. H. COLLINS: That is a commitment. I am making the commitment now that has been made before so that we will come up with the right type of building for a suitable institution to look after the needs of the senior citizens of that area of the Province, indeed of the Coast of Labrador as well.

I am very happy to be able to confirm that.

MR. SPEAKER: The hon. member for Baie Verte-White Bay.

MR. RIDEOUT: Mr. Speaker, I rise to present a petition on behalf of 203 residents of the trailer court in Newtown area of Baie Verte. And in so doing, Sir, I do it in the realization that the actual prayer of the petition cannot be met in total by the government or by the Province of Newfoundland and Labrador. But this Province does have a Minister of Communications and it does have a Department of

MR. RIDEOUT: Communications who can in some way take up the battle on behalf of those 203 residents of Baie Verte with the CRTC and the appropriate bodies of the Federal Government.

It is in that spirit therefore that those people sent me this petition and asked me to present it to the House of Assembly, and it is in that spirit that I do so on their behalf. Now the prayer of the petition, Sir, is very simple. It is that "We, the undersigned residents of Baie Verte, would like to present to the member for the district this petition to the House of Assembly and the Canadian Radio-Television Commission on our behalf so that the residents of the mobile trailer court in the Newtown site may benefit by having the option of watching two television channels. CBC and CTV, available to most other parts of Newfoundland. At present we have been discriminated against by not being able to have the choice of channels because the principal owner of the cable tv transmission operated by Mr. Alvin Gale of Baie Verte has not installed the cable wiring to the above mentioned areas of the town.

"We, the undersigned, have requested that CATV transmission include the mobile home trailer court and the Newtown site with the availability of the cable transmission for the past three years but to no avail. We request that the necessary action be taken so that this service may be supplied to our area. We feel that if the service cannot be supplied by the present transmission systems owner, appropriate action should be taken to have a new operator in the area who is willing to supply this service to our area."

Now, Sir, in supporting the prayer of the petition let me say that Baie Verte, first of all must be one of the few, probably the only one as far as I know, -

AN HON. MEMBER: No.

MR. RIDEOUT: Well it is certainly one of the few areas in this



MR. RIDEOUT: Province, one of the few communities in this Province that pay a monthly rate of \$5.50 a month for the privilege of watching television. The old town area of Baie Verte is serviced by this CATV transmission as mentioned in the prayer of the petition and it is owned by Mr. Gale and that is also referred to. The company was in operation long before the trailer court was built and long before the Newtown site was probably ever conceived.

I understand that it is a condition of the operator's licence that he operate that service in the mobile home trailer park and in the Newtown site area. But despite the fact that those people had been requesting that service for the past three years they are still without it, and no action has been taken in this direction by the operator to provide them with the service. All is needed is to extend the transmission line from the present locations a quarter or a half a mile or so into the Newtown site area and there are a couple of hundred families there willing to pay the \$5.50 a month in order to watch the second channel.

The remainder of Baie Verte is being serviced, as I indicated, by this company for the past number of years so I see absolutely no reason why this operator should not be forced by CRTC to extend this service to all the town and if he cannot do that then the CRTC should be prepared to give the licence to somebody else who is prepared to do it.

This

MR. LUSH:

petition, Sir, unlike many others that have been presented to this House, is not calling for any expenditure whatsoever on behalf of the government. All it is asking is that the appropriate ministry, which is the Ministry of Communications, make the appropriate representation to the CRTC and press the case vigorously with the CRTC to have this operator live up to the conditions of his license. I believe it is a reasonable request. I support the petition wholeheartedly and I hope that the minister will give the petition his full support and support it vigorously before the CRTC to whom I will be referring it to now that it has been presented to this House. I ask that the petition be tabled and referred to the department to which it relates.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for LaPoile.

MR. S. NEARY: Mr. Speaker, I support the prayer of the petition presented by my hon. friend, the member for Baie Verte, Sir. I sympathize with all these people in the Newtown part of Baie Verte who are forced to watch one channel on their television sets. I do not know if members are aware of it, Mr. Speaker, I do not know if members are aware of it or not, but the number of communities around this Province where they can only get one channel on TV is amazing. The members would not believe the number of communities that are forced to watch The Edge of Night. They do not have the privilege to watch Another World because they only get CBC. And in a lot of communities when you turn on your set it is just like a snow storm hit her. Now all over the Province, Sir, I can tell you in my own district of LaPoile, Sir, Fox Roost, Margaree, one channel, Isle au Mort, one channel, Burnt Islands, one channel, Harbour Le Cou, Diamond Cove, Rose Blanche, one channel, Petites, one channel, LaPoile, one channel, Grand Bruit, one channel.

MR. DOODY: They cannot see Broph's Half Hour.

MR. NEARY: They can see Broph's Half Hour down in LaPoile. They can hardly get one channel down there, there is so much snow on it. It just comes and goes.



MR. NEARY:

So, Mr. Speaker, it is about time that we did something about this.

MR. DOODY: How lucky are they now.

MR. NEARY: Well maybe they are lucky, Sir, in some ways. But, Mr. Speaker, I think that these people that live in the outports, in the rural parts of this Province are entitled to the same privilege as the people who live in the urban centres, in the cities, are entitled to. I made a suggestion, Sir, some time ago in supporting a similar petition that the government of this Province put in the transmitters or the repeater stations or whatever is necessary so that people all over this Province can get the second channel and lease it, lease it to the owners of the television stations. That is one way to do it, Sir. Obviously the private station has no intention of expanding. I have already been in touch a number of times with the owners.

MR. ROBERTS: The people then do not know what they have got. Are they going to do that?

MR. NEARY: They are being sabotaged, so we are told, by CBC selling commercials, undercutting their rates, and they are having a job to stay afloat from what we can hear these days. But, Mr. Speaker, even the CBC itself are very slow, Sir, to improve the service to people in the rural parts of this Province. I have been after the CBC, I was a whole year trying to get a reply to a letter that I wrote the regional manager here of the CBC about improving the service in my own district. I finally got a reply. Then I was told that the service would not be improved until 1978, I think it is, and only then in one or two communities.

So, Sir, it is a big problem. I have no hesitation at all, Sir, in supporting the prayer of the petition. I am sure that members on either side of the House will support the petition. But I do hope, Sir, that

MR. NEARY:

something will be done about it, it will just not fall on deaf ears and that the government will give some consideration to setting up these repeater stations, set up whatever is necessary to bring the two channels into the communities in the rural areas that do not have two channels now and into Labrador and lease it back to the private owners. I believe a satisfactory agreement could be worked out along these lines, Sir.

MR. SPEAKER: I believe the hon. minister wishes to reply to the previous petition. And then I will recognize the hon. the member for Port de Grave.

MR. MORGAN:

Mr. Speaker, in a brief comment on the petition from the hon. gentleman for Baie Verte - White Bay (Mr. Rideout), the problem of poor reception of broadcasting and television signals in remote and rural parts of our Province is a very real one that was recognized a number of months ago, in fact, possibly two years ago, when this government met with the federal minister concerned, and her officials, the hon. Madame Sauve, and we agreed to a federal - provincial, very intensive, and comprehensive study of the broadcasting and receptional signals throughout the Province.

That study is now on the verge of being completed. It is of interest to note, to the hon. gentleman who tabled the petition, that the new legislation now before the House of Commons, put forward by the federal minister, there is a section in that new legislation which indicates that now for the first time ever the federal Cabinet can be given approval to direct the CRTC, which in turn will direct the licensee, any company issued a licence by the CRTC, to improve their signals, the signal strength.

In this case the company or gentleman referred to apparently was issued a licence by CRTC, so that new legislation will now enable the CRTC, with the approval of the federal Cabinet, or the Governor -in-Council, to issue a firm directive to the CRTC to improve that signal to the people who are connected to the antenna system. Of course, the same goes for the radio or television companies in the Province.

So the problem is a real one. It is recognized by this administration, and in working in co-ordination with the Federal Department of Communications it is hoped that now that the study will

MR. MORGAN: be completed in the very near future, we will be then sitting down at a ministerial level and hopefully finding solutions to overcome the problems we have in our rural, remote parts of the Province with regards to poor broadcasting and television signals.

MR. SPEAKER: The hon. the member for Port de Grave.

MR. DAWE: I beg leave, Mr. Speaker, to present a petition on behalf of seventy-two residents of Halls Town at North River.

MR. ROBERTS: If the hon. gentleman would permit. I would like to say a word on behalf of the petition if the hon. gentleman would agree, and then have him present his petition.

MR. DAWE: I am sorry.

MR. ROBERTS: I understood the hon. gentleman from Port de Grave (Mr. Dawe) was intending to speak in support of the petition as submitted by the gentleman for Baie Verte - White Bay.

MR. SPEAKER: That is agreeable.

MR. ROBERTS: Mr. Speaker, I thank the hon. gentleman. I shall not say very much except to say that I support the prayer of the petition, and as a number of speakers have indicated there are quite a number of communities throughout this Province that have only one channel or really have none, that may be able to get something on the set but the reception is so poor that one might as well not have the set at all.

I do not think there are any parts of the Province now that do not have access at least to one channel no matter what the quality of it may be. It has been discussed in the House and possibly when the estimates of the Transportation and Communications

MR. ROBERTS: Department are called for debate it is something we might quite fruitfully debate because the sheer fact of it is that whether CRTC can direct or not, the economics of the situation militate against -

MR. MORGAN: They cannot now.

MR. ROBERTS: The minister says they cannot now, and the minister is correct. He says they can under the new legislation, and again he is correct. But the fact remains the economics of the situation militate against it, and it is no good the CRTC or the Cabinet of Canada directing an operator to do something which is uneconomic. That could be done to a limited extent but there comes a point when you cannot drive the mare any further.

MR. MORGAN: Unless you get financial aid.

MR. ROBERTS: Well, my friend, the gentleman from Bonavista South (Mr. Morgan) has touched upon the point which is, Unless they give financial aid. Well now, that is the nub of it, Mr. Speaker. And the nub of the prayer of this petition really is the question of who will pay? Either the marketplace pays or the public must pay through government. Now I believe the marketplace ought to pay within the boundaries laid down. I think in the case of Baie Verte the marketplace should be able to support this, an extra \$12,000 or \$13,000 a year in revenue, as I understand it. I would think the added cost of providing these people in this particular part of the town of Baie Verte with the cable to enable them to hook up to the television is minimal and so there ought to be a good profit in it.

I do not understand why the operator of the system in question has not done it, but that is something which I hope will come out.

MR. ROBERTS:                   The larger question when you  
come to talk about the Southwest coast or come to  
talk of my district, or the Northern Peninsula on  
both sides, South of my district or the Coast of  
Labrador, or the other



MR. ROBERTS: areas of the Province that only have access to one channel and the normal question that must be faced is one of cost, because I think it must be accepted that in most instances it is not economically feasible for a private operator to do it. And whether we like the way the Newfoundland Broadcasting Corporation are carrying out their mandate or not that cannot change the numbers, it cannot change the basic economics. And so my suggestion is, as it has been on many occasions, that the service has got to be provided by the public chest, assuming as I do that the service is a necessary one and one that people have a right to expect in this day and age. I think the Province ought to look at it. There are precedents. The government of the Province has helped particularly along the Southern Shore, We did fund a number of these communities. I think Cape Broyle and Trepassay for two were funded by small grants from the old Community and Social Development Department and I do not know whether those grants are being paid off over a period of time or whether the amounts being contributed each month by the subscribers to the cable systems is simply enough to amortise or to carry the maintenance and the upkeep of the installations.

But no matter what the arrangements, I think the principal must be accepted and when the principal is accepted then in turn we can work out the detailed arrangements. I think it is a reasonable request for people to make, Sir. In this day and age access to two television channels is not a luxury. I think it is the basic right of every Canadian. I feel the government of Canada ought to make it available to every Canadian. They are making available by and large one channel, the CBC, but they are certainly not doing everything that people want done. If there is one subject that I get more complaints on in my district than any other, any other subject you could name, the one that leads to the most complaints is the fact, Sir, that we



MR. ROBERTS: could only get CBC television. If we can only get one we would like to have the private one. We would rather have two and if we have one we have the one we do not want.

I think it is something the minister ought to look into. I think it is something where some constructive leadership would pay large dividends and benefits to the public interest and it is something I think we ought to do, Sir.

I support the petition.

MR. SPEAKER: The hon. member for Port de Grave.

MR. DAWE: I beg leave, Mr. Speaker, to present a petition on behalf of seventy-two residents of Halls Town at North River. The prayer of the petition is that, "We, the undersigned residents of this community of Halls Town, in the electoral district of Port de Grave, humbly request that you take the appropriate action to prevent the obstruction of a public road, or the right of way by the shoreline known as Newell's Road in this community.

"The end of this road has been recognized traditionally as a turning table, especially for fire-fighting equipment. For your information this has been the public right of way for as long as can be remembered by the oldest residents of this community, certainly in excess of sixty years."

And for the information of the House, Mr. Speaker, this petition developed primarily because a certain Mr. Wiseman moved into Halls Town last year and bought a piece of land and now has built a new home there. And in fencing his land he has put his fence right down to the water's edge, and it being accepted in this community that no one but no one there can have the property to go down and fence off the right of way around North River or this pond as we know it, and they are concerned that if this is permitted, and this man is permitted as I say to do this -

MR. NEARY: Who owns the land?

MR. DAWE: He does. Wiseman owns the land. - and that other people will move in there because this is a very popular position over there now, and other people will move in and they will do a similar thing.

MR. SMALLWOOD: Is that a river or a pond or what?

MR. DAWE: I would say it is a pond, a river and a pond. The river flows into the pond on North River. It is known as North River.

MR. SMALLWOOD: You cannot. You cannot dare it.

MR. DAWE: Well I was talking with the people at Crown Land and they told me that certain grants or deeds permit people to fence right down to the shoreline. So naturally these people are concerned that if this person is permitted to do the same other people can move in and it has been a tradition down through the years, as I say, it has been a right of way around this pond or this river as it is know and they are afraid that other people will move in and do the same.

So in supporting this petition, Mr. Speaker, I share the concern of the residents concerned and I ask that it would be accepted and laid upon the table of the House and referred to the department to which it relates.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I rise to support the prayer of this petition and to say that in my own recollection I have known of only two cases in the

MR. SMALLWOOD: whole of the history of Newfoundland from 1497 to now where anybody was given the right to bar off access to a pond a lake, a river or any kind of public water. The two cases were, first and perhaps foremost, the land presently occupied by Mr. Andrew Crosbie and known as Virginia Waters. The Governor of Newfoundland, I think it was Sir Thomas Cochrane or Sir John T. Cochrane who built Government House, by the way, granted himself Virginia Waters and the right - this was subsequently confirmed by an act of the House, of the legislature; and the other is the case of - what is the -

AN HON. MEMBER: Murray's Pond.

MR. SMALLWOOD: No. What is our friend over in - he was a member of the House here, he used to be an RCMP officer?

MR. ROBERTS: George Mackinson.

MR. SMALLWOOD: George Mackinson. The other case is the case of Mackinson's on the Hodge Water Line.

MR. NEARY: Murray's Pond is a private clubhouse.

MR. SMALLWOOD: He too I believe the original grant there gave him a right, or the people who owned it before him, the right to fence right down to and including the edge of the water, and I do not know of any other case in Newfoundland, I do not think Sir Robert Bond had it, I do not think that anyone had it apart from those two cases.

SOME HON. MEMBERS: Murray's Pond.....

MR. ROBERTS: Murray's Pond owned the pond.

MR. SMALLWOOD: Well that is not a public pond.

MR. ROBERTS: No, but it should.

MR. SMALLWOOD: The Minister of Justice would be able to enlighten us here I think. We have no right to demand that he do so, but riparian rights I think are involved. Maybe the Leader of the Opposition -

MR. ROBERTS: Riparian rights are by flowing water.

MR. SMALLWOOD: Yes, well that is why I asked the hon. member if it was a pond or a river. And I have not heard of very many ponds that did not have water flowing into or out of them, so there is nearly always or always flowing water, we have a pond or a lake in Newfoundland. And that therefore I suppose would involve riparian rights. And all my life I have grown up believing that in Newfoundland you could not bar the public from access to public ponds and rivers and other bodies of public water. And so therefore I -

MR. HICKMAN: And the foreshore.

MR. SMALLWOOD: The foreshore.

MR. HICKMAN: The foreshore.

MR. SMALLWOOD: The foreshore, you have to leave the foreshore free for the public.

MR. HICKMAN: That is Studley versus Samuel Harris Limited, 1910.

MR. SMALLWOOD: That was a court case. But long before that court case only affirms what was already the fact, all that court case did I suppose was to reassert an established fact which must go back to Anglo-Saxon times in England that the public must not be barred from public waters. And so I very heartily support the prayer of this petition and hope that the minister - the minister is over there somewhere - one of these hon. gentleman is the Minister of Lands and Forests and surely -

MR. ROBERTS: The hon. minister is away.

AN HON. MEMBER: Oh, oh!

MR. SMALLWOOD: Well anyway he would be the one to just utter a stern reprimand and the prayer of the petition is thereby met.

MR. WHITE: Do you have another petition?

MR. SMALLWOOD: Mr. Speaker, I have the honour to request you for permission to present a petition to this House. The petition is signed by only thirty-nine citizens, but these are very reputable and prominent citizens in the town of Tizzard's Harbour in the district

Mr. Smallwood:

of Twillingate, which I have the great honour to represent here, and this is the second petition of its kind that I have presented to the House. It is got up by the Primary Lodge, the Loyal Orange Lodge, LOL No. 118 under the jurisdiction of the Provincial Grand Lodge of the Province,

MR. SMALLWOOD:

asking the House to bar the opening of clubs selling alcoholic liquors, not to bar them permanently and all the week, but just Sundays. Now there are only thirty-nine signatures to the petition from the large and important town of Tizzard's Harbour and I would not presume that they are even a majority of the citizens of Tizzard's Harbour. And it is only the second petition to reach us barring the sale of liquor or beer, intoxicating drinks, in clubs on Sunday. It is my duty to present it and I present it because it is my duty to do so. I would prefer as the member for the district that a few thousand people signed it. Then I could present it with far more enthusiasm than I feel at the present moment. I have now discharged my duty to present the prayer of this petition, ask permission to lay it on the table of the House and that it be referred to the department to which it relates. I would imagine that must be the Premier. I do not know what other department it could relate to.

AN HON. MEMBER: The Department of Finance

MR. SMALLWOOD: The Department of Finance. Yes, because they are in charge of all that stuff.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I rise to support the prayer of the petition presented. I believe this is the third petition now.

MR. SMALLWOOD: The second I think.

MR. NEARY: No, the third. My hon. friend presented two and the hon. member I believe from Bellevue (Mr. Callan) presented one. So it looks to me, Mr. Speaker, like there is an organized movement underway now by the great Loyal Orange Association in this Province to put an end to serving liquor in public establishments on Sunday. Sunday traditionally, Sir, was always considered to be a day of rest and prayer. Somehow or other people have gotten away from that today, Mr. Speaker.

MR. SMALLWOOD: Somewhat.

MR. NEARY: They have gotten away from it somewhat. And some of the secret rendezvous I know around the greater St. John's area where the



MR. NEARY:

congregation gather-instead of going to church they go to these secret rendezvous that have a bar. They are known as the Chapel for Shut-ins. Mr. Speaker, I think it is really hypocritical, Sir, what we have done to our society.

I have heard it said, Mr. Speaker, that this is a move to try to get people to go to church on Sunday. Well I say to that, "So what!" What was wrong with people going to church on Sunday? Not a thing in this world. I do not believe I have missed a Sunday going to church in ten years myself. I have only missed three or four in about twenty years going to church on Sunday. I go to church every Sunday and it has not done me any harm, although the hon. the Premier may think so sometimes. I do not think it is a move to get people to go to church at all, Sir. I think people will only go to church if they want to, if they want to set a good example for their children and they want to learn about the ten commandments and learn to be decent, honest to goodness citizens of this world.

MR. SMALLWOOD: What is the text?

MR. NEARY: It is not a text, Sir. Mr. Speaker, I do not think it would do any harm at all with the great problem of alcoholism that we have in this Province, I do not think it would do any harm at all, Sir, to shut down the establishment for one day. And if people want to go to church, well and good. They can go. They say it is a democracy, it is a democratic country we live in. It is up to the clergymen to entice them into the churches if they so desire. I do not think this is the motive at all. I think this is a genuine move on the part of the LOA and I hope that other organizations will follow suit, a sincere effort on their part to cut down on the drinking and the boozing that is going on in this Province especially among the young people, among the teenagers. It is a great problem, Mr. Speaker, and it is a step in the right direction in my opinion and I have no hesitation at all in supporting the prayer of the petition.

I suppose I drank enough, Sir, in my day to float the Queen Elizabeth II across the Atlantic.



Mr. Neary:

I am not like my hon. friend -

MR. SMALLWOOD: That is before the hon. gentleman became a Liberal.

MR. NEARY: I am not like my hon. friend the member from Twillingate (Mr. Smallwood), I cannot say that my lips have never touched beer or hard liquor, I drank enough of it in my -

MR. SMALLWOOD: I cannot say I never touched beer.

MR. NEARY: Beer or hard liquor.

MR. SMALLWOOD: No.

MR. NEARY: Hard liquor.

MR. SMALLWOOD: I can say that. I cannot say that I never touched beer or wine.

MR. NEARY: No, Sir, well I cannot say that my lips never touched wine either. I would not consider myself to be a wino but I like a glass of wine, but I gave up drinking hard liquor and beer about nine years ago. I gave up smoking cigarettes I suppose about twenty-two years ago. I smoked two and a half packs a day. I am not testifying now, Sir, this is not Alcoholics Anonymous. I smoke about maybe a cigar or two a day. I do not inhale it.

MR. DOODY: You have a chew.

MR. NEARY: And I gave up hard liquor and beer and I drank just as much as my hon. friend knows who sat on the floor in my hotel room manys a time when we guzzled it -

MR. SMALLWOOD: No names now.

MR. NEARY: - when we guzzled her back on Sunday mornings too by the way.

MR. SMALLWOOD: No names.

MR. NEARY: Until we got blind drunk, we did not know if we were in the world or out of it.

AN HON. MEMBER: Slopped eh, slopped.

MR. NEARY: Pardon?

MR. DOODY: Stopped drinking but changed to wine.

MR. NEARY: I do not know if my hon. friend has given it up or not, but I gave up hard liquor and booze, Sir. It did not do me any harm.

MR. DOODY: I gave up cigarettes and cigars.

MR. NEARY: Well good.

MR. LUSH: Do not go all the way now.

MR. NEARY: No, I am not going to go all of the way, Sir.

MR. DOODY: A second admiration society.

MR. NEARY: No. There is one or two little privileges that I am not going to give up.

AN HON. MEMBER: I should hope so.

MR. NEARY: But, Mr. Speaker, I think that it is about time that we took a look at this opening of clubs and taverns and bootleg joints and so forth on Sundays -

MR. DOODY: On Saturday nights after twelve o'clock.

MR. NEARY: I believe it is time to shut down some of these secret rendezvous, these non-official Chapels for Shut-ins.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Conception Bay South.

MR. NOLAN: Mr. Speaker, -

SOME HON. MEMBERS: Oh, oh!

MR. NOLAN: - with the endorsement of my friend, the Minister of Mines and Energy, I rise to support the prayer of the petition.

MR. ROBERTS: He is going to take the pledge right here now.

SOME HON. MEMBERS: The Orange Lodge.

MR. NOLAN: I listened with great - yes, the Orange Lodge, I am glad to do it too. Yes.

I am concerned with the Budget coming down as to how much money will be provided to offset that alcoholic problem we have in the Province and in Canada.

MR. ROBERTS: Right. That is a good point.

MR. NOLAN: It is one of the burning issues that is, it is just not a matter for the LOL or the LOA - is it the LOL?

MR. DOODY: The LOL, yes.

MR. NOLAN: Yes, who brought in the petition. It should not be snubbed because it contains only thirty-nine names. I listened with great interest to the open-armed confession of the hon. member for LaPoile (Mr. Neary). Not only was he willing to confess his own sins, but to drag in the Minister of Finance. Well, the Minister of Finance has now gone from sitting on the floor in the hon. member's room in the hotel apparently years ago, to the chief of all the booze emporiums in the Province because he is the one that puts it on the shelves and rakes in the money, and we spend it.

PREMIER MOORES: It is a sort of shelf.

MR. NOLAN: It is sort of like that.

I listened also, Mr. Speaker, -

MR. ROBERTS: He is coming up in the world.

MR. NOLAN: I also listened with great interest to the hon. member for Twillingate (Mr. Smallwood) who can usually offer us a dissertation on many things in this House, but on his drinking habits or lack of them. His admission that he has from time to time sipped on a quaff of beer and also that he has not indulged in hard liquor, which is interesting because as an old colleague I can recall, I am sure he would not feel that I am confessing or providing information that is secretive, that he has been known -

MR. ROBERTS: Watch Cabinet secrecy now.

MR. NOLAN: - to take from time to time the odd belt of Harvey's Bristol Cream.

MR. SMALLWOOD: Yes. That is a Temperance drink.

MR. NOLAN: Yes.

AN HON. MEMBER: About four or five.

MR. NOLAN: And I think, Mr. Speaker, with all respects if this House ever sets up any kind of a scientific committee to examine, and a scientific study of Harvey's Bristol Cream you will probably find that the alcoholic liquor content in that will floor a horse.

SOME HON. MEMBERS:

Oh, oh!

MR. NOLAN: So.

But the situation regarding liquor is one that we all have to face up to. One, there is a very serious problem of alcoholism amongst the young people.

MR. NOLAN: There are people who are working, sometimes they are scoffed at. They are not prohibitionists, many of them at all, far from it, but they recognize a very real drug problem that we have and alcohol is a drug, Mr. Speaker, the same as nicotine, the same as all the other drugs we hear about on the market today.

MR. NEARY: The oldest drug in the world.

MR. NOLAN: The oldest drug in the world, possibly. Now, Mr. Speaker, here is something that we cannot ignore. It is a very real problem that we have within our society.

MR. NEARY: When are you going, to the Crosbie, 'Bill'?

MR. DOODY: A hotel room.

MR. NOLAN: Of course, Mr. Speaker, it would be folly for me to try to avoid some obvious problems in cutting it out on Sunday. One is your massive tourist trade that you are trying to encourage in Newfoundland and all across Canada, and I think that in most places today where people go to eat, whether it is hotels or restaurants or so on, they usually, or many of them, at least, demand - or on the Continent or anywhere else - they demand and get a glass of wine or a glass of beer or whatever.

MR. NEARY: That is not what they are talking about.

MR. NOLAN: I know it is not what they are - I hope it is not what they are talking about.

But the other thing is this, that by closing down the liquor establishments on Sunday there is a very real possibility that you will open up again what we have now eliminated and that is the bootlegger. It is as simple as that and I would be a hypocrite if I did not lay it on the table.

MR. MURPHY: A good, legitimate business, you can get it an hour of the day or night.

MR. NOLAN: There was a lady, the hon. friend and I used to know, who used to sell you a bottle with a holy picture. Yes.

MR. ROBERTS: You bought the holy picture, were given the bottle.

MR. NOLAN: Right. Yes.

MR. NOLAN: Mr. Speaker, if I may be permitted one more minute, my hon. friend from LaPoile (Mr. Neary) made reference in some of his escapades, and some of the people that he associated with in those days. There was one gentleman that I knew who used to imbibe a little down at the Cochrane, I believe, and he did not drive, an old friend of my friend and myself in fact, and he one night left - he never drove by the way, always walked - and he went up to a place called the Country Store, which was held up at St. Pat's; wheels of fortune and different games and so on, and he was, I must say he was feeling the brew, and he went in and with I say drunkard's luck, but I do not mean it in that way, he certainly was not a drunkard, he went in and bought tickets on everything and by golly he won everything, cases of soup, sets of dishes, teddy bears, pandas, turkeys, chickens, the whole issue, so much so in fact that he could not bring it home. And all I can tell you in closing, Mr. Speaker, that when his dear and sainted and late mother woke the next morning she found when she opened the fridge here was the teddy bear, and when she went up to bed here was the son with the eviscerated turkey, so on that note I will close, Mr. Speaker.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Ah dear, Mr. Speaker, My I open my few remarks by saying that, Wine is a mocker and strong drink is raging/Look not upon the wine when it is red. I have listened to the support that has been emanating from the hon. gentlemen opposite and there is a very significant message coming through that apparently most, if not all, of the consumption of alcoholic beverages used to take place at least in the capital city, because most of their escapades took place in various hotels.

Mr. Speaker, no one can overlook gainsay or the concern, particularly of parents, of drinking amongst teenagers. But may I also, before we become too critical of that age group, may I also direct Your Honour's attention to the



MR. HICKMAN: very strong Allied Youth movement we have in this Province. It is in all the schools. It is student initiated, student oriented. I believe that the next national president of the Allied Youth, the president elect, is a young lady from my constituency, from the town of St. Lawrence, I believe I saw that in the paper quite recently.

But be that as it may, there is a very very strong group at work in our school system that the students have initiated. We have tried in the past. I had the distinct honour of being the Past Recording Scribe of Grand Division Number Nine of the Sons of Temperance.

MR. SMALLWOOD: IBT?

MR. HICKMAN: Of the Sons of Temperance.

MR. SMALLWOOD: IOBT?

MR. HICKMAN: No. No. And in fact it was the last chapter of the Sons of Temperance in Newfoundland. There used to be one in Epworth and one in Grand Bank and they both seem to have departed this world about the same time. There is still one left?



MR. SMALLWOOD: There is one in St. Thomas.

MR. HICKMAN: Oh that is long, long, long before. And there is still one I believe in Halifax. I am not sure that the name was a correct one, because it was really not the Sons of Temperance Society, it was a Total Abstinence Society, and drinking was absolutely prohibited. We used to have great arguments when we were young over the Temperance tea and the Temperance dance because we had a fellow used to play the accordion in Grand Bank, and he could not play unless he had a few drinks and we used to have to hire him to play for the dance and then our elders would find out about it and the next meeting there would be a great resolution to call a halt to that terrible thing that we had done the week before.

There may be a lot of merit, Mr. Speaker, in what is called the local option that you find in certain parts of North America. One has to hesitate. I concur with what the hon. member for Conception Bay South (Mr. Nolan) has said, that if you legislate it out of existence you may be encouraging something worst, namely bootlegging. But in certain areas you have the local option. I think that to my knowledge - for instance, public opinion is still sufficiently strong in my home town that I am not aware of any bars that are open on Sunday. But that is a matter of local preference.

MR. MURPHY: Are there any bars in Grand Bank?

MR. HICKMAN: Yes, there is one and then there is the liquor store. There are other places in my own constituency where I know that the local option would dictate that they be open on Sundays.

MR. LINDRIGAN: Most places are open at least six days a week.

MR. HICKMAN: I am not aware of six days a week, but be that as it may I think we should all share the concern of the Loyal Orange Lodge. And what they are, I believe, really seeking in their petition, Mr. Speaker, is not so much an absolute prohibition but that there be evidence of concern for what can conceivably be a very, and maybe already is, a rather serious problem in this Province, namely the adequate control and the temperate use of alcoholic beverages

MR. SPEAKER: The hon. member for Port au Port.

MR. HODDER: Mr. Speaker, I beg leave to present a petition on behalf of 106 voters from the district of Port au Port, specifically from the communities of Lourdes, Winterhouse and Black Duck Brook. The prayer of the petition is, "We, the undersigned residents of Lourdes, Winterhouse and Black Duck Brook on the Port au Port Peninsula, do hereby request the upgrading and paving of the stretch of road extending from Lourdes to Black Duck Brook."

Now, Mr. Speaker, this particular road runs North to Long Point. Black Duck Brook is the last community on the Northern part of the Port au Port Peninsula and the road is paved to the community of Lourdes and there are seven to eight miles left unpaved, running through part of the community of Lourdes to the community of Winterhouse and to Black Duck Brook. Now during the Spring and during wet periods in the Summer the last two miles of the road, which goes past Black Duck Brook or which leads into the community of Black Duck Brook, becomes nearly impassable.

Also, Mr. Speaker, this road is used by fishermen who travel to Blue Beach. Blue Beach is the largest fishing area in the district. It is at the end of Long Point and all the catch from this particular - it is not a fishing community actually; it is a place where fishermen go in the summertime and every year it is becoming larger and larger. Last year they had sixty or seventy boats there and this year it is expected, perhaps, to double. This particular community which is just a Summer community, all the fish which is hauled to National Sea and other buyers in the area must be taken over this road.

Also, Mr. Speaker, the minister had indicated that the road to Mainland was on a priority list for paving this year and expressed some desire to pave that particular road. If that road was completed, the road to Mainland and this particular road to Black Duck Brook, then there would not have to be any grading whatsoever on all that portion of the Peninsula because I understand that part of the road is up to paving standards or nearly up to paving standards at the present time. There needs to be some upgrading at the end of the road. But if

Mr. Hodder:

these two roads were paved, then I am sure that the Department would save a considerable amount of money because they would not have to bring their grading equipment into that particular area at all.

MR. HODDER: I will say, Mr. Speaker, that there are 105 voters in this particular area and the petition is signed by 106 voters, so obviously since the voting list - but it is signed by everyone in those particular communities and I believe that the road does not need a lot of work upgrading and that I do hope that the minister will look on this petition and do something for the people of this area.

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, just a few brief comments on the petition. The road referred to, I recall travelling over that road last Summer, the latter part of the Summer, as indeed I travelled over many of the gravel roads throughout the Province during the past year. The hon. gentleman mentioned that I indicated the road to the community of Mainland on the Port au Port Peninsula was a priority; well I have often said in this House of Assembly and I will say it again today that all the gravel roads throughout Newfoundland and Labrador which need reconstruction in preparation for paving are priorities. But each and every year there is a certain amount of funds allocated in the Budget to the Department of Transportation and Communications, which means there is a limitation in the amount of work that we can do around the Province.

That road, last year, to Mainland, for example, we carried out reconstruction and we put on a surface on the road to make it a half decent road to travel over although it is not paved. So that road and the road out to Blue Cove - where the fishermen - which I travelled over last Summer, and met with the fishermen out there, with the hon. member for the district, that road of course is important to these fishermen, who commute back and forth every day to Blue Cove. So roads of that nature they are priorities but again there is a limitation as to how much work we can do each year, But hopefully funds can be made available sufficient

MR. MORGAN: to carry out the necessary road work that needs to be done throughout the Province in the next three, four, five years. In the meantime I can assure the hon. gentleman the roads referred to will get consideration by the department and by the minister concerned.

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, I rise to support the petition so ably presented by my hon. friend from Port au Port (Mr. Hodder). In supporting the petition, Mr. Speaker, I admit there is something that puzzles me and I would have hoped that I would have supported this before the minister spoke because I have never been able to determine the criteria on which the Department of Transportation decides on what roads are to be paved and what roads are not to be paved.

Now I have travelled the roads that the hon. member refers to in the petition and I recognize the importance to the economy of the whole area that that particular road means. You know I take up the paper and I see tender calls by the Department of Transportation, I noticed one a few days ago, I think it is fourteen miles from Kings Point to the Springdale Access Road, and I mean that is obviously a road that will be paved, the tender call is out. And what I am wondering is what is the criteria? How do we pick those roads?

MR. MORGAN: Twenty-five miles in Bonavista North.

MR. FLIGHT: Twenty-five miles in Bonavista North. I am not suggesting anything but one day I would like the minister to indicate.

MR. MORGAN: Long overdue.

MR. FLIGHT: And, Mr. Speaker, sometime this past three or four months I think the minister made a statement that he had saved \$5 million on road construction last year and that he was now calling tenders, and now going to do some work this year prior to the budget coming down, earmarked funds that were saved last year. And there are

MR. FLIGHT: a lot of people in this Province, Mr. Speaker, who believe it was not necessarily a saving but it was \$5 million being put into a war chest for the next election. But the road condition got so bad -

MR. MORGAN: Point of order.

MR. SPEAKER: A point of order.

MR. MORGAN: Mr. Speaker, on a point of order, it may sound like a trivial point of order but it is important to me, the minister concerned, because the hon. gentleman just made a statement which is not correct. The statement I made with regards to the \$5 million to be spent this year, which was saved from last year, that was not what was said, that was in connection with the DREE agreement. Last year when we signed a DREE agreement a number of projects had to be approved under the agreement. We called tenders for these projects, When the tenders were received they were lower than the estimates of the department and therefore there were some savings. We are spending that money this year, with the approval of federal government, but only that \$5 million we are talking about, not provincial funds.



MR. SPEAKER: Before recognizing the hon. member, there is no point of order for the Chair to make a decision on. I would point out to hon. gentlemen to my right and to my left as well to be careful not to enter into debate. The hon. gentleman has two minutes left.

MR. FLIGHT: Thank you, Mr. Speaker. Well I am thankful for the clarification because the Province could use that clarification, Mr. Speaker. There is some feeling amongst people who live in communities who have been waiting for years and years and years to have roads paved, and some of the roads in my own district that will apply to. And there was a feeling that maybe these funds were earmarked for pavement two years down the road. However, they accept the fact that the roads in this Province have gotten so bad that the department had no choice but to start spending that money that they would have dearly loved to have had two or three years down the road when an election is due. Mr. Speaker, I heartily support the petition.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, I ask permission of the House to table the following regulations: These are regulations in connection with highway traffic fees, regulations in connection with motorized snow vehicles and all-terrain vehicles and also with the highway traffic regulations in connection with snow clearing operations in the winter months.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I table the annual report to the Lieutenant Governor of Newfoundland as required by the Criminal Code of Canada, section 17, 178.22 for 1976 and an amendment to the annual report of 1975 to His Honour, the Lieutenant-Governor required under the same section of the Criminal Code of Canada.

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

MR. ROUSSEAU: Mr. Speaker, I wish to table the annual report of the C.A. Pippy Park Commission. It might be of interest to the members of the House, Mr. Speaker, if I just mention that there were some

MR. BOUSSEAU:

4,000 acres of land in the Pippy Park and the controlled area. And up to March 31, 1976 we had acquired almost half the properties, approximately 150 of them for a total acreage of 900 plus over on a total of 1,400 in the Pippy Park Commission, and also acquired the title to about 900 odd acres of the 1,400 acres in the Pippy Park and also in the controlled area which is approximately 2,500 or 2,700 acres. In 1975-1976 we acquired 425 acres in this area of which -

MR. SMALLWOOD: What is the grand total at the moment of the 4,000?

MR. BOUSSEAU: Of the 4,000. About 1,800 acres.

MR. SMALLWOOD: Of the 4,000?

MR. BOUSSEAU: Of the 4,000. There are still about 150 properties to be acquired.

MR. NEARY: Are you paying \$50,000 a year?

MR. BOUSSEAU: On the budget?

MR. NEARY: No, no. toward the cost of Pippy Park.

MR. BOUSSEAU: After some extractions.

MR. SPEAKER: Before calling Notices of Motion I would point out to hon. members the presence in the gallery of representatives from the town council of Centreville in Bonavista North. They are Mayor Fred Green, councillors, Howard Ackerman, Thomas Pickett and Malcolm Pickett. I know hon. members join me in welcoming these gentlemen to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

MR. BOUSSEAU: I have the answers to questions 185, 211 and 214.

I am embarrassed to say the hon. member for LaPoile (Mr. Neary) or the hon. member for Burin-Placentia West (Mr. Canning). It is just a matter of the way they are coming, about the regional college in Corner Brook and these things.

OPAL QUESTIONS:

MR. SPEAKER: The hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, I do not know if it is because it is four-thirty but we are down to one, two, three, four, five, six ministers and it is extraordinarily difficult to ask - I had a question here for the Minister of Fisheries that I believe it is important. Can the government House Leader - is there is any way to - you know, I know -

MR. NOLAN: The Premier checked.

MR. ROBERTS: The Premier did do me the courtesy to ask whether there were any questions for him. But indeed I have just suggested to the clerks we do a little research. We might look at changing the order of business so that Question Period was first or second and then if ministers had to go for something else, they could.

I will have to wait for the Minister of Fisheries for that one. Let me ask the Minister of Justice in the absence of the Minister of Finance, and the absence of the Premier, has any mediator as yet been appointed for the Waterford situation. I understand it is entrain and can the minister bring us up to date and tell us where we are please.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I am not in a position to bring the House up to date on that matter because quite frankly I have not had an opportunity to talk to my colleague, the hon. Minister of Finance,

Mr. Hickman: since this time yesterday.

MR. NOLAN: How about the Minister of Labour?

MR. HICKMAN: I cannot answer. Maybe my colleague the hon. Minister of Industrial Relations and Manpower can answer the question, I cannot.

MR. SPEAKER: The hon. member for Eagle River, followed by the hon. gentleman for LaPoile.

AN HON. MEMBER: The Minister of Manpower wants to answer it I think.

MR. SPEAKER: Did the hon. minister stand up to answer the question?

MR. ROUSSEAU: Yes.

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

MR. ROUSSEAU: It is my understanding thus far that Treasury Board and the hospital administration, I presume, and the unit are meeting in an attempt to resolve the question of who would mediate the strike, and some agreement on the terms of reference. I think terms of reference have been supplied by Treasury Board, and I would assume that the talks between both sides will resolve whether the terms of reference are suitable or not and whether one suitable mediator can be agreed on.

MR. SPEAKER: The hon. member for Eagle River.

AN HON. MEMBER: A mediator has not been found yet.

MR. ROUSSEAU: No.

MR. STRACHAN: A question for the Minister of Transportation and Communications. As he is probably aware from telegrams, the Community Council of Cartwright has closed down the roads once more so the school bus and the trucks and so on are not able to use the roads, and they have requested his department to take over the jurisdiction of the roads in Cartwright. Could the minister inform us of any development in these affairs and whether the Council can look forward to anything in a positive vein?

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, yes I will confirm that a telegram was received today from the Cartwright Community Council. It indicated

MR. MORGAN:

in the telegram that conversations had been held with a Mr. Corbett so I am of the opinion that they had been talking to Municipal Affairs, and the telegram apparently was meant for the Minister of Municipal Affairs more so than myself. However the situation is of concern to us because in Cartwright last Summer, I saw the road conditions. So I will be now discussing the matter, the telegram received, with my colleague the Minister of Municipal Affairs and Housing to determine what can be done, if anything can be done, in the Community of Cartwright, and hopefully we will be in a position to give a reply to the Cartwright Council in a matter of days at the most.

MR. ROBERTS: A supplementary.

MR. SPEAKER: A supplementary.

MR. ROBERTS: Mr. Speaker, a supplementary to my friend's question. Could the minister tell the House how much of the road around Cartwright, or around that part of Sandwich Bay in which Cartwright is located, with the community on one side of a bite and the so-called mission side, the IGA side, a little distance away, how much of that road is the responsibility of the Department of Transportation and Communications?

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, the indication that I have from talking to the officials in the department, and also from meeting with the Council at Cartwright last Summer, the road leading all of the way from the government wharf on the Hudson Bay side, if you wish, -

MR. ROBERTS: The community side.

MR. MORGAN: Yes, the community side - all the way around to the Grenfell Mission is under the jurisdiction of the municipality. They have been receiving grants from government for maintaining that road over the past number of years, and based on that therefore they have received responsibility for the road. However we do give consideration to places like Cartwright, for example, where we recognize the fact that Council cannot avail of the funds themselves from their own means



Mr. Morgan:

to carry out the necessary work and it may be necessary for the two departments to get together and to hopefully determine some kind of a solution to the problem.

MR. ROBERTS: A further supplementary.

MR. SPEAKER: A further supplementary.

MR. ROBERTS: Mr. Speaker, I thank the minister, and a supplementary grows out of his answer as a good supplementary should. Could he tells us whether there are any other communities in this Province where the "main road" is not the responsibility - the "main road" is in quotation marks, because it is a term of art, a term of definition as opposed to a description as such - where the "main road" is not the responsibility of the Department of Transportation and Communications, with the exception of some very small communities along the Coast of Labrador that effectively have no roads? For example, Marys Harbour has no road, I mean, I do not even know if there is a truck there at present in Marys Harbour, There may be a few trucks, but there is no road, whereas Cartwright has a definable road, It is five or six miles by road I would hazard from the public wharf around to the Mission Station. Is there any other community in this Province where a comparable situation exists, where a municipality is responsible for trying to maintain five or six miles of road that is by the normal process "the main road"?

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Yes, Mr. Speaker, there is a number of these roads. One I can use as a good example, maybe, is the road in the community, and on the island really, of Change Islands. Last year when I visited the Community of Change Islands it was brought to my attention then that there is almost four miles, 3.7



MR. MORGAN:           miles of a road on the island which was under the jurisdiction, the responsibility of the municipality. They had been requesting funds and, of course, they were unable to supply the necessary forty per cent required under the sixty - forty programme in Municipal Affairs and Housing Department, and because of that my colleague at that time, the Minister of Municipal Affairs and Housing, my colleague from Green Bay (Mr. Peckford), and myself, we got together and worked out a programme whereby we arranged to call tenders to have that work carried out because it was virtually impossible for that community, in a form of a municipality, to raise the necessary funds to carry out that work. But that road was strictly under the jurisdiction of the municipality, not our department. But we made an exception to that rule and I am hoping that maybe possibly the same thing can be done for places like Cartwright, and recognize them as special areas where these remote parts of Province, like Island communities, like St. Brendan's or Change Islands, places of that nature, and particularly the Labrador Coast.

MR. SPEAKER: I will recognize the hon. member for LaPoile, and that would not preclude hon. members from coming back later if they get the opportunity.

MR. NEARY: Mr. Speaker, my question is to the minister responsible Sir, for the environment. We all read this in the morning news Sir, with great alarm and concern, the story about deformed rabbits being found, in and around, near the phosphorus plant at Long Harbour. Does the minister have any statement to make on this? Can the minister confirm whether or not this is correct?

MR. SPEAKER: The hon. Minister of Provincial Affairs and Environment.

MR. MURPHY: Mr. Speaker, I was rather alarmed when I read the headline myself. We had been aware of the fact for some five or six weeks that people had reported that they had caught rabbits that were deformed. Apparently our department was of the opinion that it was no fluoride concern, it was a natural phenomena, but they referred it to the Department of Wildlife who have forwarded at least I think two or three specimens on to - and it is not the laboratory that the mounties use but some other one that looks after animals. But we still have not got the report back.

But I spoke this morning with Mr. Downey, my Assistant Deputy Minister, who informs me that if fluoride were a part of it he thought that the older rabbits would be more affected than the newer rabbits because fluoride, the content there was at its lowest ebb at this particular time, and the older rabbit being three or four years older would have naturally been browsing much longer and shown the effects. But that is not it. That is not the case.

So as far as we are concerned there is no fear of fluoride but we do not know until whatever they do with these things - have a post mortem or something else on the darn things and analyze the whole works - but we still have not got the report back but it is being done through the Department of Wildlife rather than our Environment Department.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, I know we are all concerned about the animal vegetation in that area but we heard all kinds of conflicting reports over the past several weeks and several months. I know I have had the same reports that the hon. minister just referred to about the animal life in that area, but I am more concerned about the people that live in the area. Would the minister tell the House if his

MR. NEARY: department has any procedure whereby they monitor the atmosphere in that area to make sure that the lives of the people, especially in Long Harbour, are not being affected by any pollution from the phosphorus plant.

MR. SPEAKER: The hon. Minister of Provincial Affairs and Environment.

MR. MURPHY: Mr. Speaker, we are kept very much on our toes by the hon. member for Placentia with reference to that. And on several occasions, as a matter of fact he was the one that brought the rabbit to our attention, but we monitor the air, I think they call it the ambient air, the surrounding air, something like we do in Baie Verte area, for samples, and there was a presence there. I mean anybody - those here in the House whose minds can go back ten or twelve years, the one great fear expressed was the establishment of this plant there. Then the subsequent parade on the House of Assembly, and I can see the old gentleman holding the bottle of water down in the lobby of the hotel now, and the red fish, this type of thing. But it is being monitored very regularly Sir, yet there is always the fear. The vegetation I think has been affected considerably. One of the facts that arose, I think, there - was it last year? Was there a closedown, 'Bill'? Was there a strike or something there for a month or so last year?

AN HON. MEMBER: Two years.

MR. MURPHY: Well whenever it was, But after that it was amazing the amount of new shoots that were coming out on some of the vegetation that previous to that closedown had not been there.

So there is some effect on it,

MR. MURPHY:

there is no doubt about it but it is at its lowest ebb. I think this was either - I do not think it was the Winter it might have been the late Fall. But the lowest ebb of any sign of pollution was in the latter part of 1976. So it is being monitored regularly and I will, perhaps, get some of the reports to, perhaps, give the House and table it just to show how - you know, the House - how they save the air and the pollution that does emit from places such as that. I will table it in the House for general information.

MR. NEAPY: A supplementary.

MR. SPEAKER: A supplementary, the original questioner.

MR. NEAPY: Mr. Speaker, then I would assume from what the hon. minister says that the hon. minister's experts, the people who do the monitoring, would go in there automatically. This is on their list of inspections. They do not have to be invited in. They do not have to wait for things like the rabbit episode to hit the headlines before they go in there. Would the minister tell the House - just as a matter of curiosity - if the people who do the monitoring of air pollution in and around places like the phosphorus plant, if they do any monitoring on the asbestos mine out in St. George's where Flintkote has an operation.

We always hear so much about -

MR. MURPHY: St. George's?

MR. NEAPY: Yes. We always hear so much about Baie Verte. Here we have a similar operation there in -

MR. MURPHY: Flat Bay, I think.

MR. NEAPY: - St. George's, Flat Bay. Does the ministers officials also monitor the atmospheric conditions in that area? Because I do not know. I mean it may be just pure speculation, that there may be a higher instance of lung cancer in that area than in other parts of Newfoundland. I do not know if this is true or not. Perhaps the minister can enlighten us on this.

MR. MURPHY: Mr. Speaker, I will check that out but I am pretty well sure that a few months ago the hon. member for St. George's (Mrs. MacIsaac)

MR. MURPHY:

was chatting to me about the same thing and I believe one of our men went in. But I will certainly check the matter out because lately - and I say lately, in recent years - we have been pretty much, you know, aware of what is happening, like occupational disease, the mines and this type of thing. St. Lawrence perhaps was the one that precipitated the whole thing. So I think I can assure the House that, like Labrador City, Frco and this places are monitored regularly. We do not wire and say we will be in on Monday or Tuesday, the boys just go in like a regular inspector and see things as they are. For that reason it is a pretty regular thing. Brian Power is our engineer who does the air part of it and I will check with Brian and get any reports on these.

While I am on my feet, Sir, I did have a report earlier today, a report that there was a major oil spill in the Quidi Vidi Lake area. So we checked it last night and again this morning but there was no oil. There were supposed to be thousands of gallons had floated out into the gut going out. But that was found to be entirely not correct. So if there is any report on it it is not correct that there was a vast spillage. There was some oil around the rocks and whatnot but there was no great emission from the tanks there. So I will have a full report on the thing tomorrow. So if anybody has any doubts that will solve them.

MR. NEAPY: Could I have one final supplementary question?

MR. SPEAKER: One final supplementary, the original questioner.

MR. NEAPY: Mr. Speaker, because of the seriousness of the situation I wonder if the minister could tell the House if the company, you know, Frco, if they also have a procedure whereby they monitor the air, the atmospheric conditions in that area? While the minister is on his feet could the minister tell us if the minister finds it difficult, or does he have sufficient staff to assign now to all these hot spots that we have in the Province as a result of the industrial and economic development that has taken place over the years? There are a number of hot spots. Does the minister have sufficient staff and does the minister have any



MR. NEADY:

difficulty getting the expertise that is familiar with, you know, what you have to look for in these areas? I would like to hear the minister's comment on that.

MR. SPEAKER: The hon. Minister of Provincial Affairs and Environment.

MR. MURPHY: I guess there is not a minister who would not tell you he would like to have some extra staff. But I will say this quite honestly, in the past two years, I would say, we have added three or four of these environmental people and of course they come in different areas. You get the water pollution. You get the air pollution and this type of thing. But we are very happy with the group that we have and I believe we are keeping pretty well abreast of it and they do try to bring in reports, I think, quarterly on all these areas and get to them when they can in between other things that happen. But basically I think we are doing pretty good and we get wonderful co-operation. I imagine now - and I just say this - that Erco would be monitoring their own emissions and all the rest like everybody else, but I am not quite sure of that. I will see if I can get a full report particularly on that one, and I think they did get some kind of an award for safety in the place. And we are very happy, as I said, I think it was last Fall that the lowest degrees of any effluent or any pollution was recorded over all the years that they had been in operation. I will try to get a sample one and just show how the thing is graded. It is a pretty scientific thing but it is quite interesting how it is done.



MR. SPEAKER: I will recognize one additional supplementary on this subject from the hon. member for Conception Bay South (Mr. Nolan), then the hon. member for Windsor-Buchans (Mr. Flight).

MR. NOLAN: Mr. Speaker, am I permitted to ask a two or three part question like the hon. member for LaPoile (Mr. Neary)?

MR. SPEAKER: No.

MR. MURPHY: Put it all in one part.

MR. SPEAKER: Order, please! The Standing Order - I do not think there is any need for me to read it out - but the Standing Order with respect to questions, is Standing Order 31 (a) to (f).

MR. YOUNG: You are just getting jealous now that is all. You are jealous.

MR. NOLAN: I wonder if the hon. minister would be good enough to get us the following information? One - when was the matter of deformed animals, whether rabbits or whatever, brought to the attention of the provincial and/or federal governments; they must be in consultation working together, I would assume. And secondly - is there any evidence that whatever the problem might be is injurious to health? I am wondering about those who are working on it. Does the minister have any idea when we might get some answers on this matter? In so far as health to human beings is concerned, or whether it is rabbits or some other type of wild game.

MR. SPEAKER: The hon. Minister of Provincial Affairs and Environment.

MR. MURPHY: Now the only thing I can say to the hon. member, Mr. Speaker, is that I will check the information. Perhaps the hon. member for Placentia (Mr. Patterson) could tell me when he brought it to my attention first. If it is permissible, Sir, just for the information of the House.

MR. PATTERSON: I think before I brought it to your attention, it had been brought to the attention of the Federal Department of the Environment, and that possibly would have been two months.

MR. NEARY: Were the rabbits federal or provincial?

MR. PATTERSON: Well the ones that you wanted in the park I do not know, I think they were bilingual.

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, my question is for the Minister of Mines and Energy. When the mines at Gull Bridge were closed down the mining company left and Gull Bridge was a complete, self-sustained town as the minister knows, When they left they left a lot of real estate, there must be, I have seen them myself, eight or ten houses there, hundreds of thousands of dollars worth of real estate, There are various groups which have shown an interest in moving in there and setting up various things, a senior citizens complex is one, would the minister indicate to the House just what the status of those properties is right now? Just what is happening with regard to disposal of assets in Gull Bridge?

MR. SPEAKER: The hon. Minister of Mines and Energy.

MR. PECKFORD: Mr. Speaker, the company had it all frozen and have on repeated enquiries from me, both before I got into this portfolio and since, Only about a few weeks ago I enquired again and the companies got all their property, all their equipment, the whole works frozen.

MR. SIMMONS: Mr. Knight is still caretaker, is he not?

MR. PECKFORD: Oh yes, Mr. Knight is still on site. Furthermore, just for the information of the hon. member, after the problem at Rambler, and the same principles are involved in the two companies, the Gull Bridge one and Rambler Mines, Rambler Mines as a company investigated some of the equipment and the flotation that was operational at Gull Bridge and they have since transferred some of the equipment from Gull Bridge to Rambler and it is that equipment that has succeeded in helping the flotation process get the mercury content down at Rambler.

Some of the equipment at Gull Bridge has been used by the other company, Rambler, in their operation because both companies

MR. PECKFORD: are principally owned by the same individual.

But all the property is still frozen.

MR. FLIGHT: A supplementary, one supplementary.

MR. SPEAKER: A supplementary.

MR. FLIGHT: Mr. Speaker, I am more concerned really with the houses and the real estate there than with the equipment, I am aware of the equipment and that some has been moved. But the question is is the government involved with the company with regards to - will the government be involved or be aware of the way that that real estate will be disposed of when and if the time comes?

MR. PECKFORD: Yes we will. We will be aware of how it is disposed of. I am as concerned as the hon. member is. If I am not mistaken it is just out of my district and into yours I think, into the hon. member for Windsor-Buchans (Mr. Flight) district.

MR. FLIGHT: At the present time -

MR. PECKFORD: It is in Windsor-Buchans district.

MR. BECKFORD:

The houses and a lot of the material, you know, when it was there like you say it was a very good town, are fast, you know, deteriorating.

AN HON. MEMBER: Deteriorating right.

MR. STEPHEN: Did they have a curling rink there?

MR. BECKFORD: Yes there was a curling rink and a softball pitch and -

MR. RIDEOUT: That is not there now, the curling rink, is it?

MR. BECKFORD: Yes. It was quite a little town. Most of the people who worked at Cull Bridge did not live there. It was only the people with the company on that staff of the company. But it is a beautiful area and it is unfortunate that the company still sees fit to freeze it.

Now the other point about it all, which is just an overview observation, is that there is still a fair amount of interest in that particular area as the hon. gentleman knows. The provincial government did some exploration work out there, some field work for a couple of years. There have been numerous companies trying either to push companies that have concessions to get on with the job or to ask to go in on a joint venture with them and this kind of thing. So there is still a fair amount of interest.

MR. FLIGHT: What is the principal company there now 'Brian' or Mr. Minister?

MR. BECKFORD: Well in that whole area you are talking about - Noranda is involved there to some degree and Cull Bridge themselves have -

MR. FLIGHT: Well, who is freezing the property? Is it Irving?

MR. BECKFORD: Yes, that is right, the principal owner of Cull Bridge and Parbler.

MR. FLIGHT: Irving Oil?

MR. BECKFORD: Is our friend Mr. Irving. But it is very unfortunate. All I can say is that I think there are two reasons for it. One, there is still a lot of interest in the mining activity in the area. Two,

MR. BECKFORD:

that there seems to be some tax provisions which are very lucrative towards the owner.

MR. SPEAKER: The hon. member for Lewisporte.

MR. WHITE: Mr. Speaker, my question is directed to the Minister of Fisheries, and it has to do with the continuing confusion and debate with respect to the lobster fishery. I wonder if the minister could tell the House whether or not he has taken any further action with respect to having the prices of lobster increased other than the telegram which he sent off last week to the companies in Nova Scotia?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: No, Mr. Speaker. I wired the companies concerned requesting information as to why they were paying less to the Newfoundland lobster fishermen than that being paid the Maritime lobster fishermen. I have not, or at least I do not think there are any replies, back unless they are in my office without my knowledge. I understand the union is also involved in this and they are trying to negotiate a price with the four main lobster buyers. That is where it stands at the moment.

MR. WHITE: A supplementary.

MR. SPEAKER: A supplementary.

MR. WHITE: Mr. Speaker, in some cases the minister knows, I understand the Department of Rural Development has gotten involved with purchasing salmon. I wonder if the minister could tell us whether or not his department has considered the possibility of purchasing lobster from fisherman and holding them until market conditions improve?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, that is something we are very much interested in but certainly I do not think we would have time this year to start that kind of an operation. I have announced in the House our intention to investigate the possibility of maybe getting involved in some kind of a holding operation maybe next year and maybe then having some kind of an option system involved. But certainly we would not have time this year. My impression is that the



MR. W. CARTER:

union is very actively negotiating with the companies. So I am hoping that we will be able to extract from the companies the best deal possible for the fishermen.

MR. WHITE: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. WHITE: It is a final supplementary and it has to do, Mr. Speaker, with the confusion that lobster fishermen are finding themselves in. I am getting calls from dozens of lobster fishermen who are wondering what to do with their lobsters. I wonder if the minister could tell us whether or not they should be encouraged to hold them or just let them go because they do not have a very long life span as the minister knows.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, there is not too much I can say on that. Certainly I would not want to give the impression that they should hold the lobsters and then maybe something happen in the future that would be detrimental to the fishermen. But certainly my advice to them is to strike out for the best price possible and to work maybe with their union and between them they might be able to force the companies to pay a better price. Certainly I think we have done about all we can at this time. We have wired the companies. We have requested an explanation as to why the differential between the price being paid Maritime fishermen as opposed to that being paid Newfoundland fishermen. We have reminded the companies that they are operating in the Province by leave and license of the governments.

MR. WHITE: Have you checked the U.S. markets?

MR. W. CARTER: I beg your pardon?

MR. WHITE: Have you checked the U.S. markets?

MR. W. CARTER: I have asked the Fishing Industry Advisory Board to check the various markets and to find out what is going on there and to also check the other provinces to see what price is being paid fishermen there for their lobsters as well.

MR. NEARY: Mr. Speaker, a supplementary.

MR. SPEAKER: I will recognize one additional supplementary on this line of questioning.



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MR. NEARY: Mr. Speaker, the minister seems to favour the optioning system which I do not understand. I wonder if the minister could elaborate on this? Who

MR. NEARY: would do the bidding on the lobsters, would it not be the same companies that are buying the lobsters now? Could the minister explain the auctioning system for the benefit of ignoramuses like myself.

MR. SPEAKER: The hon. minister.

MR. CARTER: The idea, Mr. Speaker, has not been developed yet to any great extent. The idea has been put forward by the union. They are inclined to think that maybe an option system would provide a better price.

MR. NEARY: That is all right in areas of big population, but you know -

MR. CARTER: They feel that maybe through some method of the Telex system where -

MR. WHITE: Every morning.

MR. CARTER: -every morning the market place would be bidding on a certain number of lobsters, where there would be, maybe, a firm price established by the lobster fishermen and the union and the person bidding nearest that price then would get the chance to buy the lobster. Or if the price was not satisfactory then maybe the lobster could be held over until the market improves.

MR. NEARY: But how will that change what is going on?

MR. CARTER: Mr. Speaker, I would not want to get too deeply involved in that idea because it is very much in the planning stage or at least in the, just thinking about it. But certainly I think it has possibilities. Then, I believe, the lobster fishermen would be given a chance to take advantage of the peaks in the market as opposed to now. I think in many cases, they are pretty well in the valleys. Certainly I think the price being paid Newfoundland fishermen which is at the moment, I believe, more than fifty cents a pound less than that paid other fishermen - I hope the companies can explain that because certainly I am interested in knowing it and I think the fishermen are as well.

MR. SPEAKER: Hon. member for Terra Nova followed by the hon. gentleman for Burgeo-Bay d'Espoir.

MR. LUSH: Mr. Speaker, I have a question for the Minister of Education. A few days ago the teachers made a statement to the effect that many of our students were taking courses, particularly mathematics which were not challenging and certainly inappropriately matched to the abilities of the students. Consequently students were not prepared for future education or for the job market, so I am wondering whether the minister can comment on the substance, the validity or the accuracy of these accusations?

MR. SPEAKER: The hon. minister.

MR. HOUSE: Mr. Speaker, I had seen the newspaper item that carried that article and it referred to the mathematics programme in the school. ~~and~~ I think it said that in some cases there is as much as sixty or seventy per cent of pupils in schools doing that lower caliber mathematics. The fact is, Mr. Speaker, we have three calibers, or three categories of mathematics in high school. We have the honours programme, the matriculation and the basic mathematics, and the basic mathematics is designed for the lower fifteen per cent or so of the student population.

A lot of people feel that you do not have to know quadratic equations to get a reasonable, good grade eleven. Now I have checked on the statistics and I found that 6,200 out of 7,700, 6,200 are doing either the matriculation or the honours mathematics. About 1,500 the basic math. So it is around the fifteen per cent that we had projected that would need it that is doing that basic math.

One of the problems, of course, is that perhaps there is the

MR. HOUSE: occasional school where there is only ten or eleven in grade eleven and they may have to opt in that school for either one or the other. Sometimes you get some very good students doing the basic mathematics and that is unfortunate. But we are looking into the matter and trying to monitor and see that hopefully only the lower fifteen per cent all the way through are doing the basic math.

The other thing about the caliber of the math is that a grade - somebody said it was a grade eight standard, we do not think that is so but we do question - there is divided thought on whether we should have that basic math at all. Perhaps since you can get a grade eleven without mathematics, perhaps it would be better for us to have business mathematics at that lower level.

MR. SPEAKER: I am afraid

MR. SPEAKER:

the time for the Question Period is up. Before calling Orders of the Day I will welcome, on behalf of hon. members, to the gallery Mr. Don Fagan, President of the Federation of Municipalities and several members of his executive. I know hon. members join me in welcoming these gentlemen to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY:

MR. SPEAKER: This being Private Member's Day the House proceeds to motion 3, the adjourned debate thereon adjourned by the hon. member for Eagle River.

SOME HON. MEMBERS: Hear, hear!

MR. STRACHAN: Mr. Speaker, I understand I have twenty or twenty-five minutes left. In opposition to last night I do not intend to use that time. I only intend to speak for a few minutes unless I move an amendment.

MR. SIMONS: You had a seconder last night.

MR. STRACHAN: I had a seconder last night.

Mr. Speaker, last Wednesday I got into some of the facts and figures or some of the biological aspects of the fisheries in this Province and discussed the so called surplus that we believe there is in this Province, or we are told there is, and I referred to much of the fisheries statistics that we are presented with as being paper statistics. I do not intend to cover that ground but just to say that I have always had a deep belief that much of it is very much like pulling a rabbit out of a hat, that many of the statistics and many of the figures that we are given are guess work, pure guess work and do not come very close to the truth at all and whatever we do we should always err on the side of safety by far.

I also presented an idea of closing off the Hamilton Banks totally since I believe that that has to happen sometime in the near future. My final point is raised out of the minister's reply or talk on this debate. But he mentioned that we are paying a figure, being paid a figure of twenty cents a pound, roughly that figure, for work done on



MR. STRACHAN:

the fish product in this Province. He was stating - and I accept what he states well - that twenty cents a pound is a good price to be paid for the amount of work that you are doing on the product. Well you indicated it was a fair price and I think that is correct. I am checking the Hansard here. It was indicated that twenty cents a pound was a figure that you stated.

MR. STRACHAN: Be that as it may, twenty cents or thirty cents, it is immaterial to me. But the point that I am trying to make here is that we have often looked at the joint ventures from our point of view and I think that we should look at the joint ventures from the companies' participating, point of view. Because I am sure that if we looked at it from their point of view they are getting an extremely good deal out of it. They are putting their vessels across from Europe. They are making one trip across the Atlantic and instead of essentially filling up the vessel and returning back over the Atlantic, they are disposing of the fish here and allowing, as I understand it, a second or a third trip to be worked out of these vessels. So in other words, they do not have to do these numbers of crossings or the number of fishing trips. It therefore saves them a great deal since their fishing down time would be less and the costs of travel, of crossing the Atlantic, the trans-Atlantic crossings and so on would be less, as I understand it.

The companies can obviously therefore afford to pay a considerable amount of money for work being done on this product in this Province because they are making these considerable savings in vessel activity and in less cost or less expenses than the trans-Atlantic crossings. I feel essentially, as I stated earlier, and I have always felt that I am totally against the joint ventures of this nature. I never see them as being long-term projects obviously, and the minister has agreed that these are not long-term projects, that possibly this one would be a one-shot deal, and it will be assessed and then decisions made for next year. I hope that the minister can

MR. STRACHAN:

prevail on the federal government and finish it and close off  
the deal right now and try to look at it from the point of view  
of the inshore fishery in this Province and try to

MR. STRACHAN: look at it in a different light, in a different vein and an entirely different channel than from what he has stated previously. I therefore totally support the motion and would like to see most definitely the end to all joint venture schemes such as they are since I feel they remove the initiative and the ability for the people of this Province to try and participate in the inshore fishery, midwater fishery which I believe is the future of this Province. Thank you.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER ( DR. COLLINS): The hon. member for Harbour Grace.

MR. YOUNG: Mr. Speaker, I would like to say a few words on this motion concerning joint ventures. I was, you may say, a supporter of the joint ventures that do affect my district and a few more districts around the East Coast, I suppose, because the plants here are depending on the inshore fishery.

The Minister of Fisheries spoke to a dinner meeting at the Board of Trade in Harbour Grace and the Compass of that week said that the joint ventures may get the boot. Now, Sir, I do not know if they should be called joint ventures or co-operative fishing agreements. now these agreements, Sir, will affect the people of Trinity and Conception Bays. The largest problem experienced by the fish plants in Harbour Grace, Carbonear, Bay de Verde, Hant's Harbour and Port de Grave is a shortage of fish on a year-round basis. This problem, Sir, can only be solved by obtaining a steady supply of fish from offshore sources. In view of the existing regulations this solution seems impossible because licenses to operate trawlers were curtailed on August 13th., 1973 by a federal law.

The result, Sir, that existing trawlers cannot supply sufficient fish to maintain the local plants on a year round basis, where then can we get this guarantee of a supply of fish to keep our plants operating at full capacity and our people employed?

MR. YOUNG: I believe, Sir, that the joint venture, or the co-operative fishing experiment we have is the most effective solution to this problem. Through co-operation with other countries who have the catching capability, expertise and technology, our present seasonal industry can be turned into a very prosperous, viable, year-round operation.

Fish plants, Sir, need raw material on a year-round basis and a traditional twelve week season is not enough to provide a measure of economical security for those communities with a relatively weak economic base. If these joint ventures prove to be successful, as I feel they will, Sir, in Harbour Grace, it would mean that fish plants elsewhere could offer full time employment. The Ocean Harvest Fish Plant at Harbour Grace which would be closed during the Fall and Winter months, would remain open creating employment for a large number of men and women who would be otherwise unemployed.

The town itself, Sir, would benefit greatly on the spin-offs in the increase in activity. And since many of the towns and communities in the area are having financial problems, a stronger economic base to stabilize employment would increase investments and the necessary ground-work for many positive improvements in our quality of life.

Sir, if joint ventures is a short-term solution I believe it is vital too for our fishermen to take advantage of the knowledge gained from these foreign fleets in the areas of their vast technology in improving fish products and probably within three or four years our Newfoundland industry will have experienced an exciting expansion with fish production, perhaps double over that presently.

We as a government, Sir, must, and I am sure will, move quickly to upgrade and expand the fishing industry

MR. VOICES:

and make full use of this new technology and skills. I believe, Sir, that it will prove to have a positive long-term benefit for our inshore fishermen as well as the fish plant workers, the fish plant owners and Newfoundland in general.

Sir, I had the privilege of visiting one of those fish draggers when she was in Harbour Grace and it was a magnificent ship. I do not think, Sir, that we as a government can ever afford to, or even probably Canada itself, to equip and man these boats as I saw that one in Harbour Grace. It was a magnificent plant. It was spotlessly clean. The fish is not seen as it comes out of the water. It is not subject to the elements of the weather or rain or sun or what they are used to Newfoundland. It produces a perfect product. And as one went through that ship, Sir, and saw where the fish came in over the stern of the boat and it was processed and what they were taking out of the hold of the boat, it was amazing. They tell me these crews work on a twelve hour shift and on these boats the Germans were catching the fish on the upper deck and the Portuguese were processing it inside.

As a result, Sir, of this - probably one of the main things, or the main reasons of the joint ventures not getting criticism from the fishermen's union, and probably the opposition have jumped on the bandwagon, is our government - a lack of explanation to the people of Newfoundland of what joint ventures really mean. I find, Sir, that today in Harbour Grace there are about 110 people working there and this means a great, great thing to these people because now as it was announced, proposed last night on the news - everyone heard it - that ten weeks stamps will be needed in this area in Newfoundland. It is quite impossible sometimes for people who are working in these plants to gain or obtain these eight stamps at the present time.

I read with interest, Sir, some of the comments from the owner of that fish plant in Harbour Grace, Mr. Alec Moores, and probably he summed it up in a very few words, our fishery in Newfoundland. Also



MR. YOUNG:

Last week I was speaking with another fish merchant and he felt that probably joint ventures or some other arrangement is the only way to cure our ills in Newfoundland. In the fishery in Newfoundland - I feel, we must forget big industries and so forth and go back to the fishing boats. We need a supply of fish, these plants need a supply of fish, especially the one in Harbour Grace and the other places I mentioned, we need a supply of fish from November to April. These plants cannot produce - the producing capacity, I presume they can be fed enough fish during trap fishing and so forth in Conception Bay and Trinity Bay.

Sir, I spoke of the possibility in speaking with Mr. Moores not long ago, Mr. Alec Moores, the possibility of round fish coming in and being frozen in this sense, like they are doing now. And he said the wastage on it - they only just get about probably sixty, sixty-five per cent of the finished product. Probably the minister, Sir, could explain to us more fully why it was only 1,000 tons of the finished product landed at Harbour Grace and also sent over to St. Mary's.

Sir, with the 200-mile limit it was also suggested that we close the Hamilton Banks. You know in speaking with the local fishermen that is the breeding grounds they say. But I can remember, I think it was last year - probably the hon. Minister of Transportation and Communications can remember, when we were on that inshore fishery - I think it was unanimously passed in this House of Assembly that we would request the federal government to close the Hamilton Banks and I do believe they ignored us completely. Sir, this fish is out there and it must be caught. If we do not catch it, ICNAF will give it to someone else to catch. I feel, Sir, if our inshore people, our people in fish plants, can be employed under agreements such as this, the joint ventures, that

MR. YOUNG: it is almost just as important to have these people to work as the fishermen to work.

Now probably, Sir, in closing if I would quote from Mr. Alex Moores' piece in The Telegram recently, and he might have summed it all up and I do not like to be probably blaming everything on the Opposition but he says, Sir, "The people have to develop a sense of pride in industry which was neglected for twenty lost years."

Now I do congratulate, Sir, the Minister of Fisheries for the keen interest he has taken in the fishery. I think, Sir, we should encourage the inshore fishermen. I know I am very grateful for the part he has played in providing a community stage in the community of Upper Island Cove. I am sure there is about, I would say there is about twelve fishermen crews there and it employs around - well at least forty or forty-five people are getting a living out of it.

And once again, Sir, I would like to say that I do support joint ventures or some other name, and probably in the Budget we may have a - I would like to see a more detailed fishing policy whereby these plants that I mentioned in my opening remarks would find a supply of fish on a year-round basis. Thank you.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, just a few words maybe on this resolution. I think it is an obligation on the part of all members who are in this House of Assembly representing fishing districts to at least have a few words to say on this resolution.

The resolution as put forward by the hon. gentleman from LaPoile (Mr. Neary) is asking for a select committee to look into and enquire into the proposals with respect to joint ventures and

MR. MORGAN: to examine their implications and the facts with respect to the fishery of the Province.

Mr. Speaker, there is no question about it that since the 200 mile limit came into being in January, 1977, that that very important historic event is going to have a very drastic effect on our fisheries and hopefully to the benefit of our Province by improving the fisheries.

There are a number of concerns that bother me as a member who represents a fishing district, in fact a district that depends almost entirely on the fisheries. And when I heard the Premier and the Minister of Fisheries, my colleague, talk about joint ventures and the foreigners catching fish off our Coast, particularly along the Hamilton Banks, I indeed was very concerned and that concern was relayed to me many times through the inshore fishermen in the Bonavista area, in particular, which is a large town of approximately 5,000 people and all of them in the area depend on the fishery. There is a fish plant there operated by the Bonavista Cold Storage people, but it is owned by the Lake group and, of course, the fishermen there are mainly inshore fishermen and mid-shore fishermen, the longliners.

When I heard talk about the joint ventures, not knowing the full details of what it meant and what the possible repercussions could be to the fishery, I was very concerned. And in fact today I have some reservations on these joint ventures but these reservations are somewhat squashed based on the fact that my colleague, the Minister of Fisheries, and indeed the Premier, has indicated time and time again in this House, and outside the House, that this will be a one-shot venture. It will not be a continuing thing until the ramifications, if you wish, are fully analyzed and scrutinized by the Department of Fisheries and by this administration to determine whether or not we should proceed further with any kind of ventures involving the foreigners catching and landing their catch here to be processed on the Island, or in the

MR. MORGAN: Province. If this qualification was not there I do not think today I would be supporting the joint ventures.

Only two years ago in this hon. House of Assembly as a private member I put forward a resolution at that time calling for the abandonment of the fishing on the Hamilton Banks during the spawning season, January, February and March. I put forward the argument with very strong convictions because the old fishermen that I grew up with, in fact, my father being a fisherman in Flat Islands, Bonavista Bay, and the fishermen I now associate with in Bonavista, in the Bonavista South district.

MR. SMALLWOOD: I did not know until this moment that the hon. minister is one of that famous Flat Islands Morgan family, a very great family.

MR. MORGAN: The fishermen there, of course, they were primarily Labrador fishermen, they owned schooners, my uncle and dad owned schooners for years and used to go to the Labrador, but even then - then and even now I should say - the old

MR. MORGAN:

fishermen I talked to in Bonavista South district, they are always concerned and have been concerned with the fishing along the Northern part of the waters in the, I think they call it the 3J area - 2F-3J area in ICNAF's designations - but it is the Hamilton Banks, and they say that the Hamilton Banks is a spawning ground for the codfish. And if the old mother cod are caught out there in great quantity it is going to effect the inshore migration, the migration to the inshore every season that the inshore fishery counts on so much. In fact they depend on it. Without that migration every Spring with the caplin spawning season when the codfish come to the shore, without that season, without that migration, the inshore fishery along the Northeast and the East Coast, in fact, all the way from the Notre Dame Bay area along to Trinity Bay as far as Conception Bay out to Baie Verte, without that migration there would be no inshore fishery.

When I heard about the foreigners going to be allowed to catch fish on the Hamilton Banks area, indeed I was very concerned. But the fact is that the 200-mile limit has now been established and there is going to be a surplus of fish out off our coast. I think to quote these figures that I think are correct, after the 200-mile limit has now been, well was declared in January, as a result of that through the license being issued to foreign nations, that the foreign nations can catch off our coast, within the 200-mile limit, can catch a total of 542,000 metric tons of cod.

AN HON. MEMBER: For a total of all the species.

MR. MORGAN: My more knowledgeable colleague here tells me that is a total of all species. Now that is where Canada as a country is now giving licenses to these foreign countries. Before I forget that, I think it is very important in the future that when we issue these licenses, whether they be to the Germans or to the Russians or the Poles or no matter who it may be, that we should stipulate - and I have been talking about this mainly with my involvement in transportation looking at the port of St. John's and other ports in our Province -



MR. MORGAN:

I think that we should as a country, Canada, should make it compulsory, mandatory, that before any license is issued to a foreign nation, to a foreign country to fish within our 200-mile limit, that each and every vessel concerned must come into port, in Canada's ports - in our case St. John's will be a fine example - come in to obtain their license and not the procedure that is now being followed.

The situation now is that one vessel can come into port and pick up maybe sixteen, seventeen or even up as high as one hundred licenses at one time. And that should be changed. It would not only boost the ports, it would mean more activity in the port of St. John's for example, but it would also give the fisheries inspectors more of a chance and a better opportunity to carry out a more adequate surveillance. They could go aboard the ships and they could check on the fishing gear, and check on the size of the mesh of the fishing gear, etc., the types of fishing gear, and that could be all checked out with each and every individual vessel coming into port and before they are given a license, or issued a license checked out accordingly and approved.

Now that suggestion or idea has been discussed with my colleague, the Minister of Fisheries and, in fact, has been mentioned to the federal minister, the Minister of Transport, the hon. Otto Lang who will be talking about port development and port activity. And Halifax, I understand, has been promoting the same idea because the port activity has been down substantially in the two ports, in particular in the East coast of our country during the past two or three years and we feel this could boost the ports. But now we issue these licenses to the

MR. MORGAN: foreign countries and they are going fish out there in the 200 mile limit.

Now it is the obligation of the Country of Canada to set the total allowable catch. In other words - the difference between the sustainable yield and a total allowable catch I guess is not much difference. It is basically the same. The total allowable catch should be connected with the maximum sustainable yield.

MR. STRACHAN: - sustainable yield.

MR. MORGAN: The sustainable yield will -

MR. STRACHAN: (Inaudible) fishery and then come to -

MR. MORGAN: In other words the total allowable catch linked into it will provide a preservation of our stocks. That is what I am getting at. Now the 1977 total allowable catch as pointed out a number of times by my colleague, the Minister of Fisheries, is this year 160,000 metric tons of cod, cod being the prime species for our inshore fishery, and we can catch this year as a country 67,000 metric tons. Now the big question that is on the minds of all the fishermen in Bonavista Bay that I talked to, "Okay so you got a total allowable catch of 160,000 metric tons, how much can we catch?" The fishermen are talking, saying this. "How much can we catch?"

Well last year the total catch for the inshore and midshore fishery, the hon. gentleman, the Minister of Fisheries can correct me, was a little more than 50,000 metric tons, inshore, midshore, 700,000,000 pounds.

So we have an obligation, I said so at meetings in Bonavista with the hon. the minister, my colleague in presence, that I had no hesitation in saying that our big obligation as a government in this Province today is not to get the foreigners in here to catch the fish, it is to lay immediate emphasis by allocation and a proper development of our catching ability. The catching ability has got to be

MR. MORGAN: increased and if we can reach the point of 52,000 metric tons last year, if we can get up to around 65,000, 75,000 metric tons in five years and hopefully within a ten year period up around 100,000 metric tons we will have most of the seasonal plants around the Province operating most of the year round. Practically all year-round some of them, which are now only seasonal.

And that is the immediate aim and I am sure that what I am saying today is the view of my colleague, the Minister of Fisheries. But in the meantime, because that is not going to happen overnight, we cannot get all this catching ability overnight, so in the meantime what do we do? What my colleague has done and what we are doing as a government now, is going out to the West Germans and making a deal of 6,000 metric tons, a small amount compared to the total allowable catch, but we are saying to them, Okay, let us give it a try, let us give it on an experimental basis. Now we are not saying to them, Come in now and you are there for ten years time you are still here. If he did that, if this government did that I would be strongly opposed to it. But we are doing it only on the basis it is an experimental venture, and only after the total ramifications are assessed and scrutinized and checked out by this administration will we even consider going ahead with any further joint ventures as they are so known as now, joint ventures.

The surprising point about all the fisheries in our Province is that we have a processing ability, and I am sure the hon. gentleman from down in Fortune Bay (Mr. J. Winsor), being a man involved in the fisheries in the processing end, will agree with me that the surprising part about the fisheries in our Province today is that we have the ability and the capability to process 1.2 billion pounds of fish. And our processing activity we presently have, the ability and the capability is

MR. MORGAN: and many other plants around the coast like Valleyfield and the Wesleyville area and down around the hon. gentlemen's plant down in Gaultois, the operation down there. These are seasonal operations and that is the surprising part, just a little more than thirty per cent of our capability to process fish is being utilized. And as the Premier has often said, Look what it would mean in jobs in this Province if we could get all these plants operating all year round, 100 per cent. It would mean many more jobs. But again I sincerely hope that we will not have to go all the way on joint ventures and in five or ten years time, when I am still relatively only man and many of the fishermen today in Bonavista Bay - which I am very proud to note, by the way, are young fishermen.

I have had more enquiries this year as a member for a fishing district from young fishermen looking for loans from the loan board, looking for help to get involved in the fishery - went out and bought longliners this year, it is fantastic, it is really enticing, it is really - well it is invigorating to me as the member for the district to see all these young men getting so enthused with the fishery. And some of them, for example, have even left some of the jobs where they worked in some season as carpenters and these things and have gone back to live in Bonavista and are going to get involved in the fishery, and they are going to stick with the fishery. They see a future.

Last year in Bonavista I would say that there were fishermen down there who earned wages more than any member of this House of Assembly with the exception of a minister maybe. The minister's salary combined with - as a member's salary many fishermen in my district last year earned more money, and God bless them for it because it is about time they did, because they always had the sore end of the stick, the fishermen, and never made much money, just barely enough to survive on.

MR. MORGAN: But now they have a future because they see the two hundred mile limit and the hopes for the accumulation of the stocks and they can see a bright future. But for a while there was a bit of a dark cloud came over when the Minister of Fisheries announced the joint ventures, I must say there was in Bonavista. The minister went down with me to the meeting and I know that he thought as well there was a black cloud over them all. They were not clearly understanding what joint ventures were and what it meant to the cod stocks along the Hamilton Banks, in particular, which is so important to them and the inshore fishery.

But when it was explained by the minister at that meeting that - in fact the minister got a rousing ovation from the fishermen. When they could understand what he was talking about they went along with it. I do not want to be rubbing in and complimenting the Minister of Fisheries that makes it sound like a partisan thing. But I think there is not one member of this House of Assembly today but can stand up and say being partisan or not, that the Minister of Fisheries that we presently have in the Province is doing something that should have been done many, many years ago. There is no good in select committees going out and sitting down - and the hon. gentleman from Harbour Grace was on a committee and I was with him, we travelled all over the Province, Labrador, southern portion of Labrador, all around the Province, three or four weeks travelling around, Mr. Speaker was with us, and -

AN HON. MEMBER: What about select committees of the House?

MR. MORGAN: Select committees of the House. The fishermen's attitude was, "Ah you are coming, what have you got for us now? What are you going to promise us now? What are you going to give us now? Their attitude was negative all the way. But



MR. MORGAN: I think it is the only minister ever, in this Province that had the courage to go out and sit down with the fishermen and listen to the fishermen, and not only listen to them but implement their ideas. And that has gone a long way with the fishermen throughout the Province. He may be not so popular with some of the lobster buyers and merchants, in fact, some of the plant operators or owners. But the important people in the fishery today are not those processors who lack initiative, and I have got to say it, I am not going to attack the plant operators alone, but a lot of them lack initiative.

They are always coming with their hand out to government. Give us this and give us that. They very seldom reinvest what they make in the fishery. They make big profits and off they go. Next year if the markets are down they are in crying, "Oh it is a poor year and I cannot make any money" but there is no mention of the money they made last year that they stacked away in the banks in Boston and in other places. No mention of that.

But I am not going to get involved in viciously attack these people, we have some good people involved in the fish processing as well. But the fishermen irrespective of the processors, the fishermen are the important factors-

MR. NEARY: Hear, hear!

MR. MORGAN: - in the fishery, the catchers, the people out there catching the fish. And that is the reason why I think it is good to see the Minister of Fisheries - and it would not matter what political affiliation he had - if he was in the opposition, in the government, whatever it may be it has got to be said. So he is out getting the views of the fishermen and listening to them and he is proving he is listening to them by coming back and implementing their ideas.

Mr. Morgan:

and I would say gentleman this is first time in the history of the Province that has happened, and the fishermen see a ray of hope and a ray of light. In fact, they are more encouraged now than ever before.

I mentioned earlier about these young men -  
I cannot put in words what it means to me, a member in the House of Assembly, who talked to a person last Fall who could not get a job as a carpenter or a labourer, and this year I talked to him, no longer than two or three weeks ago, two or three men of that nature, got their longliners, they had a few dollars put away, gone out and invested it, a big investment in this case, a number of longliners for the first time, and they are going fishing. That I think is very important, because we need the young men in the fishery. Because I know in many places in Bonavista Bay, in particular, a couple of years ago I thought that if the old fellows died off there would be no more fishermen, because all of the boats consisted of fishermen up around sixty, sixty-five, and many of them old age pensioner types, once they passed on there would be no more to take their place. It is good to see the young people getting involved in the fishery.

Mr. Speaker, the fact that we have fish out there that we cannot catch; I would like to hear solutions or recommendations from any member of the House of Assembly, in fact, anyone in the Province who could tell the Minister of Fisheries, and tell this administration how they would go about obtaining that fish out there that we cannot catch, as a country. What would you do in the meantime. let it go?

MR. MURPHY: What do you mean by we cannot catch?

MR. MORGAN: When I say we cannot catch, because we have not got the ability to catch. It is beyond our capability, it is beyond our catching capabilities. Yet it is out there. In other words it is surplus. We have not got the boats.

MR. CANNING: We have the ability but no boats.

MR. MORGAN: Well the catching ability is the boats, so you know, we can get the boats, but we cannot get the boats overnight. It cannot be done overnight. Now what other choice would the minister of this administration have? I do not see any solution to it. How can we go out and immediately overnight get the necessary boats to increase that catching ability, I mentioned earlier, from 50,000 metric tons up to 75,000 metric tons in a couple or three years? It cannot be done.

Now the Law of the Sea Conference in New York in 1973 gave the rights to coastal states to decide what they wanted to do themselves as individual countries with the surplus stocks of fish that they could not catch or did not have the ability to catch. It is a right set down by the Law of the Sea Conference in New York. That is a right, it was proclaimed. So the fish is out there and we as a country, and when I say "We", Canada, we have the right to take that fish stock and say to, -in this case, West Germany, or say to Russia, or some other country, Spain, Portugal, We are going to let you catch some of these fish stocks but we are going to call the shots of what you do with the fish you catch, in this case, land it in Newfoundland, or land it in Canada, and process it and create jobs for us.

So it is an interim, temporary measure, in my view, and I will say it without hesitation, I say hopefully I do not want to see any great involvement in the joint ventures, until the situation is fully analyzed. And this is what the minister has said will be done, and this is the reason, what the select committee as brought forward by the hon. gentleman from LaPoile (Mr. Neary) in his resolution is asking to do. But a select committee will only be duplicating what the Department of Fisheries is going to do anyway as it was said in a policy statement by the Premier and by the minister. And before any second joint venture or third or fourth or any other future joint venture has gotten involved in, or got involved with, that before that is done, that the ramifications will be fully analyzed.

Mr. Morgan:

Now so much for the joint ventures, but looking at the fisheries in general: What we are doing, we are doing because we have a right to do it, number one. What we are doing we are doing because we have no alternative to land more fish, that we cannot catch because you do not have the ability to catch.

Now one of the big problems of the fisheries in this Province has been facilities, and facilities, of course, are the responsibilities of the federal government. And indeed I have to say today I am pleased with the recent developments from the

Mr. Morgan:

federal government in improving and developing new facilities.

I say in the past twelve months we have seen more activity, not enough now, but more activity in the last twelve months than there has been in the last four or five years from the federal government.

Small Craft Harbours Division now in co-ordination with Public Works, it is in the Department of the Environment, but Public Works does all the engineering work, and they do the design work and call the tenders, but the funds are normally allocated through the Small Craft Harbours Division.

And last Fall, for example, many, many projects were carried out, and new facilities developed by means of - they had a programme called FLIP, a federal labour intensive programme, and that programme was zeroed in primarily on the development of the fishing facilities, and that was done by means of the Small Craft Harbours allocating the materials on one hand, and Canada Manpower allocating the manpower cost on the other. And that was one of the best programmes that I have seen carried out by the federal government in years. LIP is a waste of money many times because we get many unnecessary projects, and it is a waste of federal government money, and a waste of taxpayers money. It is a total waste. It creates a few jobs, and gets unemployment insurance stamps and sit home all the Summer in many cases. I see it happen many times, not only in my own district, but throughout the Province. And in many cases the facility left behind is not going to be used, never going to be used again. I can give you an example of a small marina that was started up in Sandringham - the hon. gentleman from Terra Nove (Mr. Lush) is not here right now; yes, he is, he is behind me - in Sandringham, I am sure he is aware of it. They started to build a marina there two years ago or three years ago by LIP, \$60-odd thousand came in. If you drive down through a scenic road, like the Eastport Peninsula road which has a very strong tourist potential, and out to



Mr. Morgan:

the left driving down you will see this—well I do not know what you would call it, it is an obstacle out there, or obstacles -

MR. LUSH: It is an eyesore.

MR. MORGAN: It is a real eyesore. It is a shame. And that is only one example I am using, in Sandringham, where LIP projects were partially completed and left. Sandringham, you know the one I am talking about, the left hand side going down, the Just Bight -

AN HON. MEMBER: There is another one in the St. Brendan's area.

MR. MORGAN: Well they are all around the Province. That is the reason why I do not give too much for LIP although some projects are good. But this FLIP last Fall, I certainly hope the federal government will carry on again next year, and I am sure my colleague the Minister of Fisheries will agree that that is a good way of getting the fishing facilities required is to have two department of federal government, and also in combination with the Department of Fisheries provincially, they could supply the materials, and Manpower supply the cost of labour.

For example, this year in the Bonavista South district I would say that it is the biggest activity we have had for years. I can list them off where we got going out there in fisheries. We got a contract awarded for a new fishing wharf in Little Catalina. We got a contract awarded for the reconstruction and modification of the slipway in Elliston. We have the new slipway being built in Spillars Cove - no, I am sorry, in Maberly. We have got now funds allocated for a small landing facility in conjunction with a slipway in Spillars Cove. We have got the funds allocated for the upgrading of the slipway at Newmans Cove and also repairs to a slipway at Amherst Cove. And the provincial Department of Fisheries allocated funds this past Winter to upgrade the community stages in Plate Cove East and Plate Cove West and in Summerville. There was a wharf built this past Winter in the community of Tickle Cove by the fishermen themselves, under FLIP, a perfect job, the only one they have in the community. A wharf is



MR. MORGAN:

now being built in Charleston by the fishermen, another perfect job they are doing there. A shed was built in Summerville for the fishermen to repair their nets. Now many of these projects were carried out in a co-ordinated, joint way. For example, the upgrading of the stages and some of the improvements to the landing facilities is been carried out by Provincial Government. But many others are carried out by FLIP, others by LIP, a couple of them. And these programmes - you know, it is more activity for the past three or four years it was frustrating to go to Ottawa and talk about fishing facilities. And I do believe that the pressure put on by the present Minister of Fisheries, who was in Ottawa as a member of Parliament, by him and also my colleague, the Minister of Industrial Development when he was there, and people like Jim McGrath and people like Bill Rompkey and George Baker, all Newfoundland members of Parliament who were in the area,

MR. MORGAN: and particular and most important of all, in fact most importantly, you can indicate and say quite clearly that the fishermen appreciate as well the efforts of the hon. Don Jamieson. Mr. Jamieson in my view did more lobbying I would say to his federal colleagues - of course he was the only one who could do the lobbying, but he was very effective and he - We have to laud him and appreciate his efforts on behalf of the Province because I think he was instrumental, the final key instrument in getting the people in Ottawa who are not that much concerned, some of them. I think the Prime Minister - I have some reservations about his concern for the fisheries when I saw him in Fogo and saw him in Bonavista a few years ago. He was not too concerned with the fisheries. He was down politicking only. Mr. Jamieson had some genuine concerns and he showed that and I think his efforts came through in Ottawa.

So now I think that finally that we have the 200 mile limit, I think also that the members of Parliament in Ottawa are effective in getting some of the necessary funds to upgrade the facilities. So, Mr. Speaker, without going to the deadline of six o'clock I will give a chance to somebody else to have a few words to say on this topic. But all I can say is that being a member of the House of Assembly representing a fishing district, and being a member who represents a town of the size of Bonavista with one little seasonal plant open from maybe the first of June until possibly the end of September, the middle of October, where employment is important, and looking at the 200 mile limit, looking at the increased effort of this administration which has to be increased and zeroing in with great emphasis on the catching ability being improved and developed, looking at the Federal Government's change of attitude - There is a change of attitude on the part of the Federal Government in the fisheries and they are providing necessary funding for

MR. MORGAN: marine facilities and marine fishing facility development, and looking at a minister who is concerned for the fishermen and the fishermen's problems, looking at all these things and combine them all I am convinced that the Bonavista South district, like maybe Bonavista North and like parts of Green Bay, but Bonavista South in particular because it is a district that depends primarily on the fisheries - In fact I look forward and maybe the day will come when I am no longer in politics and long gone, but I think that Bonavista South will be enjoying a very bright future based on our fisheries.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Placentia West.

MR. P. CANNING: Mr. Speaker, coming from a district or representing a district where the fishery is an all year round industry, where at present we are processing or partially processing or processing in part fish caught by the Germans on the Hamilton Banks, I feel perhaps that I should say a few words and contribute something to this debate, this very important debate.

Mr. Speaker, joint venture and the landing of fish in the Province when I heard it first I did not give much for it. I did not know too much about it. However I read what I could and made as many inquiries as I could and I got in contact with those who actually negotiated re our negotiations of the 200 mile limit, and finally late Fall I think it was I arranged a meeting for the fishermen and for the people concerned in my district, had people from Ottawa and others at a meeting at Salt Pond in Burin where we had the joint venture clearly explained, clearly defined, and I was converted that there were no adverse effects of landing the catch in Newfoundland and having it processed. On the other hand it would help with the

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JM - 3

MR. CANNING: employment for the time being. Since then and during then I have heard people who do not know the difference between a cod and a sculpin, and one end of the ship from the other, express opinions on it.

MR. CANNING: I think that I have it clear. I know what it is about because others have told me and I have read the proceedings at ICNAR meetings and Law of the Sea meetings. This was the situation, Mr. Speaker. We acquired, or the nation of Canada and the United States acquired the 200 mile limit. It was talked for years and years and finally it came into force. It came out of international agreement, international agreement of several countries. With any agreement of that kind there has to be a give and take. Mr. Speaker, as I understand it, it was this, that the final breakthrough in acquiring the 200 mile limit - we refer to it as the 200 mile limit - the foreign nations asked the Canadian nation, I suppose, and the American nation, perhaps the American-Canadian anyway - if you cannot catch fish, if you have a surplus, if there is a surplus on the Grand Banks and you cannot harvest it for any reason, can we get a quota. So the quotas were given, Mr. Speaker, for the Hamilton Banks.

With a hungry world, their argument was pretty sound, you could hardly say no to it. Why the situation was thus, I do not know, we can blame it on governments of the past, lack of interest of Ottawa, lack of interest of Newfoundland or anyone else, but the fact was it was just with us. We came to a point where we had to cut down on the catch to try to restore the stocks which were dangerously low, very seriously low, but in the meantime, according to the scientists - and we have to believe them. Sometimes we do not, we doubt them, but men who have the ability to put men on the moon and do other great things we know that in many directions they must know what they are talking about, what they are doing. So we have to accept the figures or the percentages the scientists give us from their studies.

The situation with the Hamilton Banks was this. There was so many thousand tons catchable that we could not catch. We were not in the position because we did not have the



MR. CANNING: boats, heavy boats, and as said by somebody a few moments ago, the cost of constructing them - first of all it would take us some time to construct them and the cost is just beyond our means.

The situation is this, that at ICNAF meetings it was decided that those foreign nations like Germany and Russia, Poland and other nations, we agreed, our people on this side of the Atlantic agreed that the surplus that we could not catch, that the scientists said they would die before it was caught - and we all know that we have a hungry world - so it would not be very appropriate for the Canadian nation to say, no, we play dog in the manger and we cannot catch it, but we are not going to give it to you.

Then, Mr. Speaker, the agreement to allow the foreign nations to still fish, still have quotas, was a part of, or was instrumental in our acquiring the two hundred mile limit. We had to make agreements like I said, give and take. In this case we are giving something to the Germans, and the Russians and others that we are not in a position to harvest, the fish we are not in a position to harvest. So what does it mean to Newfoundland? What I have heard, what we were told at the meeting we held in Salt Pond, what I have read, how I understand it, I cannot see any adversity.

First of all, is that they catch the fish, they catch the surplus, they bring it back to their own countries. It is not exported. The German druggers bring the fish back to Germany, the German people buy it and they eat it. Germany does not export fish to America or any other country. The same with Russia. It is for her own needs.

MR. CANNING: the surplus is there so why not let them have it. On the other hand, Mr. Speaker, at the present moment in Harbour Grace I believe that from my talks with the manager there, Ocean Harvesters, but I believe during the Winter there is something like thirty or forty men working there maintaining the premises and preparing for this year's catch. But when the 2.5 million pounds of fillet with bone in were landed there, in a few weeks I think it has gone over 100 the employees there now. Which means that there is 100 or 120 people working in Harbour Grace who will go on for another while and probably come into the peak catch of the shore fishery, so instead of the plant being closed down during the Winter or almost closed down, it will almost mean an all year round operation.

At Marystown, the same number of pounds were landed there, 2.5 million pounds. About two weeks ago I checked and they had taken on over thirty extra people, which means again that these people they took on were people who have to wait for the peak season to be employed, and employed only for the peak season. I think it will go to possibly sixty or seventy employees, people in the plant, and it is certainly needed up there, appreciated up there because we have now for the first time in a long while some unemployment in the area.

So it is a trial, they say, but if the conditions remain as they are now, that we cannot catch it, the fish is there and the fish are going to grow old and die without being caught, I cannot see why it would not extend into another season.

In the meantime I agree with the resolution that there should be a study of it to make certain that there are not any adverse effects now or in the future. But as I see it now it is to our benefit that the fish are being landed in Newfoundland at the moment. The arguments as to why we cannot catch it or what we can do to harvest that fish later on well it is another question. But for the present time it is a benefit to Newfoundland, I do not

MR. CANNING: see any adverse effects it can take on now or future markets that we may have or may obtain.

I support the resolution that there should be a study perhaps to make certain that this joint venture does not continue to adversely affect our industry in the future.

MR. WOODROW: I adjourn the debate, Mr. Speaker.

MR. SPEAKER: The hon. gentleman moves the adjournment of the debate. Is it agreed that it be called six o'clock? Agreed. It being six o'clock I adjourn the House until tomorrow, Thursday at 3:00 P.M. This House stands adjourned until Thursday at 3:00 P.M.

I N D E X

ANSWERS TO QUESTIONS

TABLED

APRIL 27, 1977

Answer to Question # 214 asked by Mr. Stephen Neary (LaPoile), directed to the Honourable the Minister of Public Works and Services appearing on the Order Paper dated March 17, 1977.

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QUESTION:

1. List all buildings, premises and property owned directly or indirectly by the Province where security services are being covered by Metropolitan Investigation and Security (Canada) Limited including all public buildings, hospitals, etc.
2. Were public tenders called for such security work? If not, why not?

ANSWER:

1. Howley Building, Higgins Line
  2. Tenders were invited by letter from four firms. Metropolitan submitted the lowest tender.
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ANSWER TO QUESTION NO. 211 ASKED BY MR. STEPHEN NEARY (LAPOILE) DIRECTED TO THE MINISTER OF PUBLIC WORKS AND SERVICES APPEARING ON ORDER PAPER DATED MARCH 15, 1977.

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- QUESTION:
1. List names of consulting and engineering firms who have been hired to do design and preparatory work in connection with proposed hospitals at -
    - (a) Clarendville
    - (b) Channel - Port aux Basques
    - (c) Burin Peninsula
  2. Amounts paid to each firm
  3. WERE public tenders called for each contract awarded?  
If no public tenders were called in allocating this work, indicate reason for not following the provincial tendering procedure.
  4. When will design and other detailed work be completed on these three hospitals?
  5. Has the site been selected and land acquired for these hospitals?

ANSWER See attached sheets

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CLARENVILLE HOSPITAL

1. Project Co-Ordinators, Designers, Consultants, Hospital Programmers.

A. Project Architect - Dove Whitten & Associates

Fees \$80,500.

B. Hospital Consultants - Agnew Peckham

Fees 20,000.

Expenses 1,835.08

C. Project Co-Ordinator - Comanec

Fees 20,252.25

Expenses 969.75

D. Site Consultant - Sheppard & Hedges

Fees 17,139.27

Expenses 87.60

E. Mechanical/Electrical Programmers - E.C.E. Group

Fees 3,384.16

Expenses 224.52

2. Preparatory Site Work Contractor

A. Contractor - L & C Excavating 19,380.00

3. Public tenders were called for all public work on this project.

4. Design for this project is scheduled to be completed in early 1978 in preparation for a possible tender call in 1978.

5. The site has been selected and the land acquired for this hospital.

CHANNEL HOSPITAL

1. Consultants, Architects, Surveys, etc.

A. Project Architect - Leslie R. Fairn & Assoc.

Fees	\$ 7,047.39
Expenses	3,514.14

B. Hospital Consultant - Paul N. Barry

Fees	11,950.
Expenses	1,849.81

C. Site Survey, Topographical Surveyer - Atlantic Surveys Limited

Fees	5,964.
Expenses	1,690.01

D. Geological & Sub-Surface Analysis - Geotechnical Assoc.

Fees	7,925.12
Expenses	1,974.91

2. There has been no public work done on this project to date.

3. The design is scheduled for completion in late 1977.

4. The site has been selected and the Department is in the process of acquiring the land for this hospital.

BURIN PENINSULA HOSPITAL

1. Consultant, Architect, Programmers, Hospital Consultant, Etc.
  - A. Hospital Consultant - Agnew Peckham

Fees	\$20,000.
Expenses	1,547.55
  - B. Project Co-Ordinator - Comanec

Fees	20,252.25
Expenses	969.75
  - C. Mechanical/Electrical Programmers - E.C.E. Group

Fees	3,446.67
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  - D. Preparatory Site Designer - Nfld. Design Associates

Fees	11,259.78
Expenses	1,608.65
  - E. Geological & Sub-Surface Investigators - Nolan White & Assoc.

Fees	1,064.25
Expenses	297.49
  - F. Topographical & Site Survey - E. C. Granter

Fees	5,780.
Expenses	759.00
  - G. Project Architects - Joint Venture Group

Fees	88,000.
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2. Preparatory Site Work
  - A. Burin Reddy Mix \$37,924.50
3. Public tenders were called for all public work
4. The design suitable for tender will be completed in 1978 so that tenders may be called during 1978.

BURIN PENINSULA HOSPITAL (CONTINUED)

N.B. An amount was paid to Grandys Carpenter Shop of \$2,223.99 for the supply and installation of the sign and supply and installation of the stand for the official sod-turning.

5. The site has been selected and the land acquired for this hospital.

ANSWER TO QUESTION NO. 185 ASKED BY MR. STEPHEN NEARY (LAPOILE) DIRECTED TO THE HONOURABLE THE MINISTER OF PUBLIC WORKS AND SERVICES APPEARING ON THE ORDER PAPER DATED MARCH 7, 1977.

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- QUESTION:
- (a) All contracts and agreements covering leasing, rentals, maintenance and servicing of the Regional College at Corner Brook
  - (b) Indicate in each case if public tenders were called, if so, was the contract awarded to the lowest bidder?
  - (a) Copies of the following documents are attached

- ANSWER:
- (i) Tender dated November 15, 1973 from Western REalties Limited.
  - (ii) Lease dated May 1974 of land between Memorial University of Newfoundland and the Minister of Public Works.
  - (iii) Agreement dated May 1, 1974 between the Minister of Public Works and Western REalties Limited.
  - (iv) Supplement Indenture dated May 1974 Western REalties Limited and the Minister of Public Works
  - (v) Agreement dated August 14, 1975 between Western REalties Limited and the Minister of Public Works.
  - (vi) Assignment of lease dated May 1, 1974 between Western REalties Limited and C.N.A. Investors Inc.
  - (vii) Mortgage of lease dated May 1974 between Western REalties Limited, C.N.A. Investors Inc. and Wesley K. Andrews.
  - (viii) Indenture dated May 1, 1974 between Western REalties Limited and the Minister of Public Works.
  - (b) Public tenders were called for this project and the agreements entered into was on the basis of the lowest proposal received, namely that of Western REalties Limited.
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Build-Lease Regional College Accommodation  
Tender Documents  
Tender Form (Offer)

Section A  
Page 1 of 5

Build-Lease Accommodation for Regional College Accommodation

Location Corner Brook

I/We WESTERN REALTIES LIMITED  
(Official Name of Bidder)

sometimes herein referred to as the Landlord, in accordance with the Instructions to Bidders and the Conditions of the Build-Lease Tender dated September 15th, 1973 hereby offer to construct or otherwise provide for lease to Her Majesty the Queen, in Right of Newfoundland, sometimes herein referred to as the Tenant, represented by the Minister of Public Works and Services, the Regional College Accommodation shown on the plot plan of that parcel of land described as -(plans and descriptions enclosed)- (Insert deed or legal survey description)

1. I/We will, during the sixty-day period provided for consideration of bids, if requested by the Tenant, prepare and submit at my/our own cost such additional drawings of the proposed work as required by the Tenant, together with a schedule of intended progress and furnish any information needed to assess my/our ability and financial capacity to complete my/our undertakings.
2. I/We will commence the project immediately after I/we am/are notified of the acceptance of my/our offer and will adhere to the drawings, specifications and work schedule as approved so that construction will be completed and the premises ready in all respects for occupancy within sixteen months from the date of acceptance of this offer. approximately June, 1975
3. I/We agree completion and readiness for occupancy is a matter which, failing mutual agreement, shall be determined by the Tenant.
4. I/We will ensure that representatives of the Tenant may have full access to the land and work for carrying out such inspection and testing as they may require.
5. I/We agree that this offer is irrevocable for sixty (60) days from the tender closing date.

6. Security Requirement:

.1 With "Offer"

.1.1 I/We herewith enclose security in the form of either

.1.1.1 A Bid Bond from a company whose bonds are acceptable, in an amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00)

OR

.1.1.2 A Security Deposit in an amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00). The Security Deposit must be either a certified cheque drawn on a bank to which the Bank Act or the Quebec Savings Bank Act applies, payable to the Newfoundland Exchequer Account.

.1.2 I/We agree that, if I/we revoke my/our offer within sixty (60) days from the Tender closing date or refuse or fail to execute and deliver a valid lease in registerable form in favour of Her Majesty within fourteen (14) days after being called upon to do so by the Tenant,

the full amount of the bid bond shall be paid to the Tenant by the Surety Company if my/our security is in the form and amount described in .1.1.1,

OR

My/our security deposit will be forfeited if my/our security is in the form of a certified cheque as described in .1.1.2,

at the Tenant's discretion.

.1.3 I/We understand that if the security furnished is not in the form as described herein my/our tender is subject to disqualification.

.2 Upon Acceptance of the "Offer"

.2.1 Acceptance of the Offer by the Department shall act as a binding agreement upon the Tenant and the Landlord until such time as all terms and conditions of this document are fulfilled.

6. Cont'd.

- .2.2 Upon acceptance of my/our Offer, I/we agree to provide the Department with security in the form of either:
- .2.2.1 A Performance Bond from a company whose bonds are acceptable in an amount of \$ ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) and including a guarantee of project completion within the time agreed in this "Offer"
- OR
- .2.2.2 An additional Security Deposit in an amount of \$ ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) and in the form described in .1.1.2 if the Security Deposit with my/our offer is in the amount and form described in .1.1.2.
- .2.3 The Security Deposit submitted by the successful bidder with his offer together with the additional Security Deposit required under .2.2.2 will forthwith be deposited as performance security into the Consolidated Revenue Fund and, if certified cheques or cash, interest will be paid on the amount at the prevailing rate of interest under Government Contract Regulations.
- .2.4 Interest (if applicable) will be allowed from the date the security is deposited into the Consolidated Revenue Fund until the return of the security i.e., within two weeks after the date established by the Department as the official occupancy date of the leased accommodation.
- .2.5 I/We agree that, if I/we fail to adhere to the approved drawings, specifications and work schedule or if I/we fail to complete construction and have the premises ready for occupancy by the Tenant within sixteen months months after notification of acceptance of this offer,

the full amount of the performance bond shall be paid to the Tenant by the Surety Company if my/our security is in the form and amount described in .2.2.1,

OR

my/our performance security deposit will be forfeited in this security as in the form described in .2.2.2,

At the Tenant's discretion without prejudice to any other rights that the Tenant may have under the terms of this Offer or at law.

7. I/We will lease the premises and land shown on the plot plan for a term of thirty (30) years at an annual rental of \$ .959,249.00..... and I/we will, at the request of the Tenant, execute and deliver to the Tenant a valid registerable lease in the form attached and I/we undertake that if the lease is not in a registerable form I/we will execute and deliver such further deed as may be necessary to give the Tenant a valid registerable lease on the same terms and conditions.
8. I/we will, at the option of the Tenant, lease the premises and land shown on the plot plan for a term of ..... years at an annual rental of \$..... or for a term of ..... years at an annual rental of \$..... and I/we will, at the request of the Tenant execute and deliver to the Tenant a valid registerable lease in the form attached for the term of years selected by the Tenant and I/we understand that if the lease is not in registerable form I/we will execute and deliver such further deed as may be necessary to give the Tenant a valid registerable lease on the same terms and conditions.
9. I/we agree that at the election of the Tenant, the term of the lease shall be extended by one period of five years on the same terms and conditions for an annual rental to be negotiated.
- tions 10. I/we agree that the Tenant shall have the option, exercisable on thirty (30) days prior notice in writing to purchase the demised premises described in the lease at the end of the fifth year of the term granted in the lease at the price of \$ .10,519,500.00.. and the further option exercisable on thirty (30) days prior notice in writing, to purchase the said demised premises at the end of the fifteenth year of the said term at the price of \$ .9,018,500.00....
- tch 11. I/we agree to give the Tenant a reasonable opportunity, not being less than thirty days, of matching any bid I/we am/are prepared to accept for the premises during the term of the lease.
12. I/we will obtain at my/our own cost all approvals, permits and licences from competent authorities and will secure from mortgagees and others having priority of interest all necessary consents to the giving of the lease and options.
13. I/we will be responsible for all maintenance and upkeep to the exterior of buildings and ~~outdoor equipment~~,\* except broken glass, and for all structural deficiencies in the Regional College accommodations.

\* "exterior utility services"

*Work from*

14. I/we agree that the Lessor will observe and fulfill the lawful provisions, requirements of all Statutes, By-Laws, Rules and Regulations, municipal, provincial or federal, relating to the demised premises and, in particular, and without limiting the generality of the foregoing, the electrical wiring equipment and apparatus and fire protection devices now installed or required to be installed from time to time by the above-mentioned authorities in and for the demised premises up to the time of final acceptance by the tenant.

15. My/our address for acceptance of this offer and service of notices will be:

..... WESTERN REALTIES LIMITED.....  
..... P.O. BOX 1798.....  
..... ST. JOHN'S, NEWFOUNDLAND.....

16. Signed, sealed and delivered this ...15th... day of November..... 1973

by the said .... Mr. Wesley K. Andrews.....

in the presence of: Mr. Ronald Noseworthy  
*[Signature]*.....

WESTERN REALTIES LIMITED

*[Signature]* Seal  
(Signature of Tenderer)

If a corporation makes the offer, the seal should be impressed in the presence of two authorized officers who should indicate status.

17. Accepted by the Minister this .....day of ..... 197 subject to receipt by the Minister of final plans and specifications as prepared by the Bidder's Architects and acceptance and approval in writing by the Minister of those plans and specifications.



1

THIS INDENTURE made at St. John's in the Province of Newfoundland  
as of the 1st day of May Anno Domini One thousand  
nine hundred and seventy-four

BETWEEN Memorial University of Newfoundland, a body  
politic and corporate established under Section  
3 of The Memorial University Act, Chapter 231  
of The Revised Statutes of Newfoundland, 1970,  
(hereinafter the "Vendor") of the one part

AND

Her Majesty the Queen in right of Newfoundland  
as represented by the Honourable the Minister  
of Public Works and Services (hereinafter the  
"Purchaser") of the other part.

WITNESSETH that for and in consideration of the sum of one  
dollar (\$1.00) and other good and valuable consideration now  
paid by the Purchaser to the Vendor, the receipt of which is  
hereby acknowledged, the Vendor as beneficial owner hereby  
assigns and conveys unto the Purchaser ALL THAT certain lot,  
piece or parcel of land situate lying and being on the Southern  
side of a road reserve being the extension of Mount Bernard  
Avenue, in the City of Corner Brook, Province of Newfoundland,  
being bounded and described as follows, that is to say:

BEGINNING at a starting point which can be found by running  
along the centreline of the Watson's Brook transmission line  
North fifty-five degrees thirty-two minutes thirty-seven  
seconds West ( $N 55^{\circ} - 32' - 37'' W$ ) ninety-five and forty-five  
hundredths (95.45) feet from the centre of a strain tower on  
the said line East of the Corner Brook Arts and Culture Centre;  
thence South thirty-four degrees twenty-seven minutes twenty-  
three seconds West ( $S 34^{\circ} - 27' - 23'' W$ ) three hundred thirty-  
nine and seventy-five hundredths (339.75) feet;



THENCE from the above described starting point along property owned by the Bay of Island-St. George's Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West ( $S 34^{\circ} - 27' - 23'' W$ ) seven hundred ninety-seven and fifteen hundredths (797.15) feet;

THENCE by land of the Vendor South fifty-five degrees thirty-two minutes thirty-seven seconds East ( $S 55^{\circ} - 32' - 37'' E$ ) one thousand (1,000.00) feet;

THENCE North thirty-four degrees twenty-seven minutes twenty-three seconds East ( $N 34^{\circ} - 27' - 23'' E$ ) seven hundred ninety-seven and fifteen hundredths (797.15) feet;

THENCE by land of the Vendor and a road reservation fifty (50') wide North fifty-five degrees thirty-two minutes thirty-seven seconds West ( $N 55^{\circ} - 32' - 37'' W$ ) one thousand (1,000.00) feet to the starting point.

The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian.

TOGETHER WITH all buildings and erections thereon TO HAVE AND TO HOLD unto the Purchaser FOREVER.

In Witness Whereof the Vendor has executed these presents in accordance with its rules and regulations and as of the day and year first above written

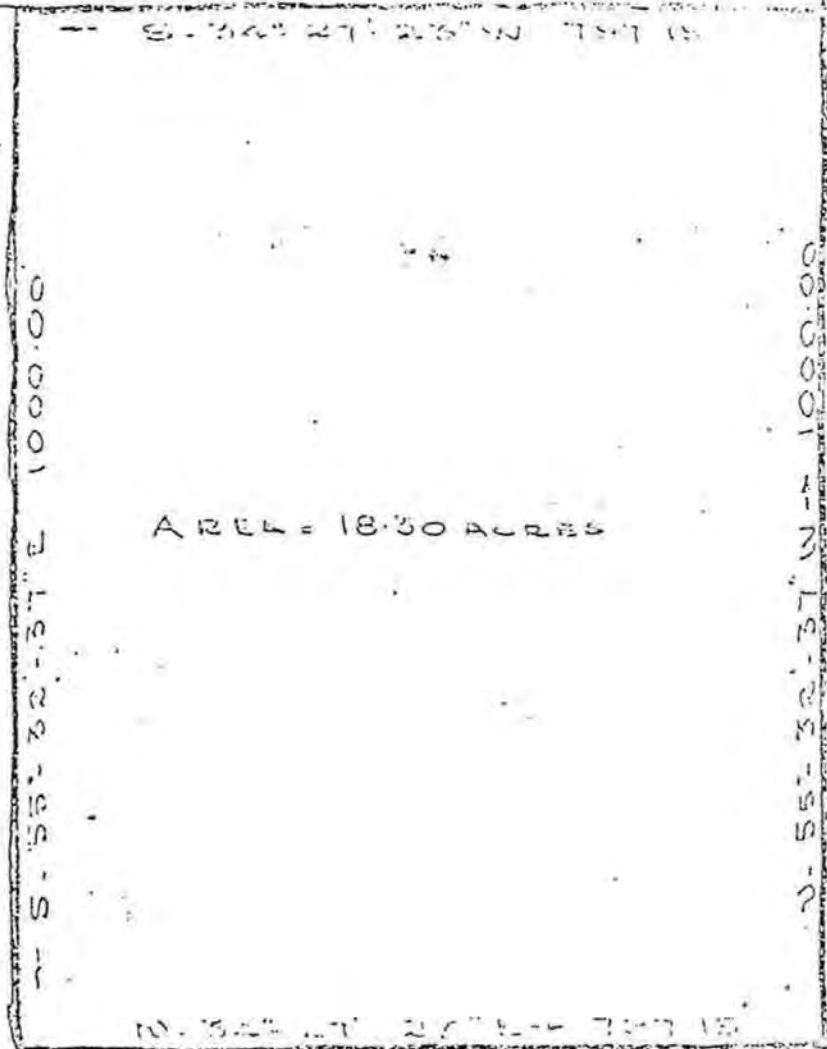
The Corporate Seal of  
Memorial University of  
Newfoundland was hereunto  
signed by its proper  
officers and the Corporate  
Seal of the said University  
was hereunto affixed in the  
presence of:

CE 2/11  
*Bois*

*[Signature]*  
Chairman, Board of Regents,  
Memorial University of New-  
foundland

*[Signature]*  
Burser, Memorial University  
of Newfoundland

MEMORIAL UNIVERSITY OF NEWFOUNDLAND



AREA = 18.30 ACRES

ROAD RESERVE 50 FT

CITY OF CORNER BROOK

MEMORIAL UNIVERSITY OF NEWFOUNDLAND



ENTRANCE DRIVE 12374 ...

2800(2)

L E A S E

THIS INDENTURE made in quadruplicate as of the 1st day of May, 1974.

B E T W E E N:

HER MAJESTY THE QUEEN in right of Newfoundland, represented herein by the Minister of Public Works and Services for the Province of Newfoundland,

hereinafter called the "Landlord"

OF THE FIRST PART;

- and -

WESTERN REALTIES LIMITED, a Company incorporated under the laws of the Province of Newfoundland, having its head office in the City of St. John's in the Province of Newfoundland,

hereinafter called the "Tenant"

OF THE SECOND PART;

WHEREAS Minute of Executive Council of the Government of Newfoundland, Number 434 of 1974 dated the 6th. day of May, 1974 authorized the Landlord herein to lease the lands herein being demised unto the Tenant herein.

AND WHEREAS by Indenture dated as of May 1st, 1974 Western Realities Limited will demise and lease unto Her Majesty the Queen in right of Newfoundland as represented therein by the Minister of Public Works and Services for the Province of Newfoundland, ALL AND SINGULAR that certain parcel or tract of land and premises set out and described in Schedule "A" annexed hereto for a term commencing September 1st, 1975 and from thenceforth next ensuing and fully to be completed on August 31st, 2005 (which Indenture is hereinafter referred to as the "Building Lease"):

NOW THEREFORE WITNESSETH that in consideration of the sum of One dollar (\$1.00) receipt whereof is hereby acknowledged and for other good and valuable consideration as hereinafter set forth the parties hereto hereby agree as follows:

ARTICLE I

THE DEMISE

1.01 In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord has demised and leased and by these presents does demise and lease unto the Tenant ALL AND SINGULAR that certain parcel or tract of land and premises as set out and described in Schedule "A" annexed hereto. TO HAVE AND TO HOLD THE Demised Lands for and during the term commencing on the 1st. day of May, 1974, and from thenceforth next ensuing and fully to be completed on September 1, 2005.

ARTICLE II

DEFINITIONS

2.01 In this Indenture unless there is something in the context inconsistent therewith, the terms defined in this Section 2.01 shall have, for all purposes of this lease and of all indentures, leases or other instruments supplemental hereto or confirmatory or amendatory hereof now or hereafter entered into, the meanings herein specified;

- (a) "Building" shall mean the Building referred to in Article IV of this lease.
- (b) "Lease" or "this lease" shall mean this Indenture including all Schedules hereto annexed as originally executed and delivered or if amended or supplemented as so amended or supplemented.
- (c) "Demised lands" or "demised lands" shall mean the land described in Article 1.01 herein.
- (d) "Herein", "hereof", "hereby", "hereunder", "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.

2.02 All of the provisions of this lease shall be deemed and construed to be covenants as though the words importing such covenants were used in each separate provision 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.

2.03 The title of Articles appearing in this lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this lease or any provision hereof.

ARTICLE III

PAYMENT OF RENT

3.01 The Tenant covenants and agrees to pay to the Landlord, her successors and assigns, as rent the sum One and 00/100 Dollar (\$1.00) per annum to be paid in advance on the 1st day of May, in each and every year during the currency of this lease, if demanded in writing and notice thereof in writing is delivered to the holder(s) of the Leasehold Mortgage(s).

ARTICLE IV

THE BUILDING

4.01 As part of the consideration of this lease, the Tenant covenants and agrees with the Landlord to erect on the demised lands, a Regional College in accordance with the outline specifications and drawings, and final plans and specifications, approved by the Landlord, such Regional College being referred to in this lease as the "Building".



ARTICLE V

LEASEHOLD MORTGAGES

5.01 The Tenant shall have the right from time to time to mortgage or charge this lease and the leasehold interest of the Tenant created by it, and the Building or buildings now situate or to be erected thereon, such mortgage or charge being herein called the Leasehold Mortgage(s), and the mortgagees of such mortgage or charge being herein called the "holder(s) of the Leasehold Mortgage(s)", or a "Leasehold Mortgagee."

5.02 Notwithstanding clause 15.01 or any other terms provisos or conditions herein contained, nothing contained in this lease will prohibit or restrict the Tenant from entering into a Leasehold Mortgage(s) by way of sublease, assignment or otherwise.

5.03 No forfeiture or termination of this lease before its stated expiration date by the Landlord shall be valid against the holder(s) of any Leasehold Mortgage(s) unless the Landlord shall first have given to the holder(s) of such Leasehold Mortgage(s) notice of the default or contingency entitling the Landlord to so forfeit this lease or to so cause this lease to be terminated before its stated expiration date, and of the Landlord's intention to take such proceedings requiring the holder(s) of such Leasehold Mortgage(s) to cure the default. The holder(s) of such Leasehold Mortgage(s) shall thereafter have reasonable time to cure such default with the application of due diligence, but such time to cure such default shall not be less than the longer of a) Ninety days or b) the time period given to the Tenant to cure defaults under clause 11.01 hereunder, and during that time the holder(s) of such Leasehold Mortgage(s) shall be permitted access to the lands and buildings for that purpose. If the default is cured within the period specified, the holder(s) of such Leasehold Mortgage(s) shall be entitled to continue as Tenant for the balance of the term remaining at the date of the notice of default, provided that he attorn as Tenant to the Landlord and undertakes to be bound by and to perform the covenants in this lease. Any notice herein required to be given to the holder(s) of such Leasehold Mortgage(s) shall be in writing and shall be deemed to have been sufficiently and effectually given if signed by or on behalf of the Landlord and forwarded to the holder(s) of such Leasehold Mortgage(s) by prepaid registered mail to his (its) head office or principal place of residence.

5.04 The notice provided for in 5.03 above shall be deemed to have been sufficiently and effectually given if forwarded by prepaid registered mail to a trustee of such holder(s) of such Leasehold Mortgage(s) if the holder(s) of such Leasehold Mortgage(s) shall have first advised the Landlord in writing of the name and address of such trustee and of the fact that such notice may be forwarded to such trustee at the address contained in the above-mentioned writing.

5.05 If any default by the Tenant under this lease is not curable by the holder(s) of any Leasehold Mortgage(s) so as to bring this lease back into good standing, then if the holder(s) of such Leasehold Mortgage(s), after receiving written notice as provided in clause 5.03 above, promptly institutes foreclosure proceedings with the time period allowed for the curing of defaults as provided in clause 5.03 above and proceeds with due diligence to prosecute such foreclosure proceedings to a conclusion the Landlord hereby expressly agrees that the Landlord will not terminate



or cause to be terminated this lease before the holder(s) of such Leasehold Mortgage(s) has obtained a final order of foreclosure, and has registered the same, if during such period the holder(s) of such Leasehold Mortgage(s) continues rental payments and discharges all other obligations under this lease.

5.06 Notwithstanding anything herein contained to the contrary, the Landlord covenants that in the event that this lease is terminated before the end of the term herein demised for any reason whatsoever, the Landlord shall give to the holder(s) of any Leasehold Mortgage(s) notice thereof, and the holder(s) of any first Leasehold Mortgage(s) will have the option thereafter of requiring the Landlord to enter into a new lease with the holder(s) of such first Leasehold Mortgage(s) on the same terms and conditions as set out in this lease for the remainder of the term herein demised. The holder(s) of such first Leasehold Mortgage(s) shall have 30 days from the date of notice as herein provided within which to exercise his option to cause the Landlord to enter into a new lease, and the Landlord shall forthwith enter into such new lease after the holder(s) of such first Leasehold Mortgage(s) has exercised such option. The Tenant shall require that any subtenants under this lease shall attorn as Tenant to the holder(s) of such first Leasehold Mortgage's under such new lease.

5.07 And it is further hereby expressly agreed that the notice as provided in clause 5.06 above shall be deemed to have been sufficiently and effectually given if forwarded by prepaid registered mail to a trustee of such holder(s) of such Leasehold Mortgage(s) if the holder(s) of such Leasehold Mortgage(s) shall have first advised the Landlord in writing of the name and address of such trustee and of the fact that such notice may be forwarded to such trustee at the address contained in the above-mentioned writing.

5.08 The Landlord hereby consents to the assignment by the Tenant to any holder(s) of any Leasehold Mortgage(s) of any of the Tenant's rights and privileges hereunder and of any right to receive expropriation awards and take part in arbitration proceedings, and the Landlord further hereby consents to any such holder(s) of such Leasehold Mortgage(s) appearing and taking part in any expropriation proceedings affecting the lands and buildings which are the subject of this lease, and further agrees that any holder(s) of such Leasehold Mortgage(s) shall have the first right to any proceeds devolving from expropriation proceedings up to the amount of the Leasehold Mortgage debt then outstanding.

5.09 The Landlord covenants that the Landlord will at any time and from time to time upon not less than 10 days prior written request by the Tenant or any holder(s) of any Leasehold Mortgage(s) execute, acknowledge and deliver to the Tenant or any holder(s) of such Leasehold Mortgage(s) a statement in writing certifying that this lease is unmodified and in full force and effect (or, if there have been modifications, then that the lease is in full force and effect as modified and stating particulars with regard to these modifications) and the dates to which the rent and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this clause may be relied upon by prospective purchasers of the Tenant's interest or by any holder(s) of such Leasehold Mortgage(s) or assignees of any holder(s) of such Leasehold Mortgage(s) of the Tenant's interest in the demised land and premises.

5.10 None of the terms, conditions or provisions of this lease shall be modified or amended in any way whatsoever without the prior written consent of the holder(s) of any Leasehold Mortgage(s). Any such modifications or amendments shall be void ab initio without the prior written consent of any such holder(s) of such Leasehold Mortgage(s).

5.11 No surrender of this lease will be valid without the prior written consent of the holder(s) of the Leasehold Mortgage(s).

## ARTICLE VI

### INSURANCE

6.01 From the commencement of the term under this lease up to and including the date upon which the Project Architect (as referred to in the Building Lease) has issued his certificate of substantial completion pursuant to the provisions contained in the said Building Lease:

- (a) The Tenant shall, at its own cost and expense, insure and keep insured or cause to be insured and keep insured the Building in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of the Leasehold Mortgage(s) and the Tenant in the sum of not less than its full replacement value (excluding the replacement value of foundations and architectural fees relating to such foundations), against loss or damage by fire and other perils now or hereafter from time to time embraced by or defined in a standard fire insurance extended coverage or additional perils supplemental contract. The policy or policies of insurance required to be placed by this Article shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Tenant or the Landlord.
- (b) The Tenant shall, at its own expense, procure and carry or cause to be procured and carried and paid for full Workmen's Compensation coverage in or upon any work, non-payments of which Workmen's Compensation coverage would create a lien on the demised land or the Building.
- (c) The Tenant shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of negligence in the construction, maintenance, and operation of the Building indemnifying and protecting the Landlord, Tenant, and the holder(s) of the Leasehold Mortgage(s) from time to time. Any and all policies of such insurance shall be for the mutual benefit of the Landlord, Tenant, and holder(s) of such Leasehold Mortgage(s).

- (d) The Tenant shall pay all the premiums under the aforesaid policies as they become due and payable.
- (e) All policies of insurance (or certificates thereof) or other evidence of continuity of insurance shall be delivered to the Landlord, and certified copies thereof shall be delivered to the holder(s) of any Leasehold Mortgage(s), accompanied by a copy of the receipted premium account indicating that the premiums thereon have been paid not less than fifteen (15) days prior to the expiration of any then current policy, provided that if there is a Leasehold Mortgage the said policies will be made payable to the Tenant and the holder(s) of such Leasehold Mortgage(s) as their interests may appear, and certified copies of the said policies or other evidence of continuity of insurance will be held by the said holder(s) of the Leasehold Mortgage subject to all the provisions of this lease.

6.02 From the date upon which the Project Architect (as referred to in the Building Lease) has issued his certificate of substantial completion pursuant to the provisions contained in the said Building Lease up to and including the date upon which the term of the said Building Lease expires, as determined under the provisions of the said Building Lease:

- (a) The Landlord shall, at its own cost and expense insure and keep insured or cause to be insured and keep insured the Building in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of the Leasehold Mortgage(s) and the Tenant in the sum of not less than its full replacement value (excluding the replacement value of foundations and architectural fees relating to such foundations), against loss or damage by fire and other perils now or hereafter from time to time embraced by or defined in a standard fire insurance extended coverage or additional perils supplemental contract. The policy or policies of insurance required to be placed by this Article shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Tenant or the Landlord.
- (b) The Landlord shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) and the Tenant comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of negligence in the maintenance and operation of the Building indemnifying and protecting the Tenant and the holder(s) of the Leasehold Mortgage(s) from time to time. Any and all policies of such insurance shall be for the mutual benefit of the Tenant and the holder(s) of such Leasehold Mortgage(s).
- (c) The Landlord shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to



the Tenant and the holder(s) of the Leasehold Mortgage(s), Rental Income Insurance with a twelve month period of indemnity, provided that the provisions of this sub-article shall not apply while the Landlord herein is the Tenant under the Building Lease.

- (d) The Landlord shall pay all the premiums under the aforesaid policies as they become due and payable.
- (e) All policies of insurance (or certificate thereof) or other evidence of continuity of insurance shall be delivered to the Tenant, and certified copies thereof shall be delivered to the holder(s) of any Leasehold Mortgage(s), accompanied by a copy of the receipted premium account indicating that the premiums thereon have been paid not less than fifteen (15) days prior to the expiration of any then current policy, provided that if there is a Leasehold Mortgage the said policies will be made payable to the holder(s) of such Leasehold Mortgage(s), the Landlord and the Tenant as their interests may appear, and certified copies of the said policies or other evidence of continuity of insurance will be held by the said holder(s) of the Leasehold Mortgage(s), subject to all the provisions of this lease and the Tenant shall be provided with originals thereof.

## ARTICLE VII

### CHANGES AND ALTERATIONS

7.01 Except as hereinafter provided or as may be required by the Tenant's covenants in this lease, the Tenant shall not make or permit to be made any repairs, replacements, alterations, additions, changes, substitutions or improvements affecting the structure of the Building, the exterior appearance of the Building or the operation of mechanical systems in or connected with the Building without first obtaining the written approval of the Landlord and the holder(s) of the Leasehold Mortgage(s) thereto, which the Landlord and the holder(s) of the Leasehold Mortgage(s) agree not to withhold unreasonably, provided the Tenant has fully complied with the terms, covenants and conditions of this lease, and provided that such repairs, replacements, alterations, additions, changes, substitutions, or improvements will not result in any diminution of value of the Building.

7.02 Before requesting the approvals referred to in clause 7.01. the Tenant shall submit or cause to be submitted to the Landlord and the holder(s) of the Leasehold Mortgage(s) detailed plans, drawings and elevations (where applicable), specifications (including materials to be used), locations (where applicable) and cost estimates of such proposed repairs, replacements, alterations, additions, changes, substitutions or improvements, which plans and other material may be retained by the Landlord and the holder(s) of the Leasehold Mortgage(s). Such repairs, replacements, alterations, additions, changes, substitutions or improvements shall meet the requirements of all municipal, provincial, federal and other governmental or other authorities of the fire insurance underwriters and of the holder(s) of the Leasehold Mortgage(s).

7.03 The Tenant covenants and agrees that any repairs, replacements, alterations, additions, changes, substitutions or improvements or other work once begun shall be prosecuted with reasonable diligence to completion, free and clear of any and all mechanics' liens or other liens, conditional sales contracts, chattel mortgages or similar claims or encumbrances against the demised lands, the Building, the Landlord or the holder(s) of the Leasehold Mortgage(s), and performed in all respects in accordance with the law.

#### ARTICLE VIII

##### DAMAGE OR DESTRUCTION

8.01 The partial destruction or damage or complete destruction by fire or other casualty of the Building shall not terminate this lease nor entitle the Tenant to surrender possession of the Demised Lands nor to demand any abatement or reduction of the rent or additional rent or other charges payable under this lease, any law or statute now or in the future to the contrary notwithstanding.

8.02 As to the amount of any loss payable under the policies of insurance referred to in Section 6.02 (a) the same shall be paid to the holder(s) of any Leasehold Mortgage(s) and the Tenant as their respective interests may appear, to be held by them in trust and to be paid over to the Landlord upon completion by the Landlord of the restoration, reconstruction or replacement of the loss or damage in respect of which such insurance moneys were paid and upon payment by the Landlord of all costs and expenses incidental thereto. Provided that the holder(s) of any Leasehold Mortgage(s) and the Tenant shall, if requested by the Landlord, pay any such insurance moneys in instalments during the period of, and for costs already incurred for such restoration, reconstruction, or replacement, against certificates of the architect in charge of such restoration, reconstruction or replacement, and after receiving such other certificates, evidence and opinions as they shall require for the purpose of being satisfied that such restoration, reconstruction or replacement is being properly proceeded with.

8.03 Any replacement, repair or reconstruction of the Building or any part thereof pursuant to the provisions of this Article VIII shall be made or done in compliance with the provisions of Article IX hereof.

8.04 Any holder(s) of any Leasehold Mortgage(s) is hereby authorized, at his sole expense, to proceed with the work of restoration, reconstruction or replacement, as the case may be, provided it is done in full compliance with all of the provisions of this lease. The holder(s) of such Leasehold Mortgage(s) so restoring, reconstructing or replacing shall be subrogated to the rights of the Tenant to the whole amount of insurance moneys payable as a result of a loss payable under the policies of insurance referred to in Section 6.02 (a).

8.05 The holder(s) of any Leasehold Mortgage(s) shall in no event be responsible for the collection of any insurance moneys with respect to any loss under any of the policies referred to in Article VI.

ARTICLE IX

OBSERVANCE OF LAWS AND REGULATIONS

9.01 The Tenant covenants that it will comply with or cause to be complied with all provisions of law, including without limiting the generality of the foregoing, federal and provincial legislative enactments, zoning and building by-laws and any other governmental or municipal regulations which relate to construction and erection of the Building, to the equipment, maintenance, operation and use of the Building, and to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Building or any part thereof.

9.02 The Tenant covenants that it will pay all taxes, levies, local improvement rates, charges, duties and assessments charged against the demised lands from the commencement of the term of this lease up to that date upon which the Project Architect (as referred to in the Building Lease) has issued his certificate of substantial completion pursuant to the provisions contained in the said Building Lease.

ARTICLE X

IMPOSSIBILITY OF PERFORMANCE

10.01 It is understood and agreed that whenever and to the extent that the Tenant shall be unable to fulfill, or shall be delayed or restricted, in the fulfillment of any obligation hereunder, in respect of the supply or provision of any service or utility or the doing of any work or the making of any repairs by reason of any Acts of God, any Acts of the Queen's enemies, strikes, lockouts, riot, insurrection, civil strife, or by reason of any statute, law or order-in-council, or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board, or any governmental department or officer, or other authority, or by reason of not being able to obtain any permission or authority required, the Tenant shall be relieved from the fulfillment of such obligation to the extent that the Tenant shall have been unable to fulfill or shall have been delayed or restricted in the fulfillment of any such obligation and the Landlord shall not be entitled to terminate this lease or to receive compensation for any inconvenience, nuisance or discomfort thereby occasioned, provided that the Tenant shall in all instances give adequate notice of its requirements to approving authorities.

ARTICLE XI

NOTICE OF DEFAULT

11.01 Whenever the Tenant shall default or fail in the payment of rent or observance of any of the covenants, agreements or provisions, conditions or provisos contained in this Lease on the part of the Tenant to be performed or observed, or if the term hereby granted shall be taken in execution or attachment, then the Landlord shall give written notice thereof to the Tenant and the Tenant shall have sixty days next after the giving of such notice to cure such failure or default, and the Landlord shall not cause this lease to be terminated before the end of the term herein demised if the Tenant shall within the sixty days after the receipt of such notice cure such failure or default. If the condition complained of reasonably requires more time to cure than the sixty-day period aforesaid, the Tenant shall be deemed to have complied with the remedying or curing of such condition within the said sixty-day period, if it has commenced the remedying or curing of such condition and diligently thereafter completed the same.



ARTICLE XII

RIGHTS OF LANDLORD OR SUBLESSEE

12.01 All rights and benefits and all obligations of the Landlord under this lease shall be rights, benefits and obligations of the Landlord under this lease and shall not derogate from the rights, benefits and obligations of the Landlord as a sublessee from the Tenant of the Building or any portion thereof.

ARTICLE XIII

EXPROPRIATION PROCEEDINGS

13.01 Notwithstanding anything herein contained or any statute or rule of law, in the event of any expropriation proceedings, the Landlord will not consent to any awards pursuant to expropriation of the lands and buildings herein demised without the prior written consent of the Tenant and the holder(s) of the Leasehold Mortgages.

ARTICLE XIV

INDEMNITY

14.01 The Tenant shall indemnify and save harmless the Landlord from any and all manner of actions, causes of action, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to and arising during the said term out of any breach, violations or non-performance of any covenant, condition or agreement in this lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed or performed.

14.02 While the Building is under construction the Tenant shall indemnify and save harmless the Landlord from any and all manner of actions, causes of action, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to and arising during the said term out of:

- (a) Any injury to person or persons including death resulting at any time therefrom occurring in or about the demised lands or the Building or on the sidewalks adjacent thereto.
- (b) Any damage to property of the Tenant, any subtenant, licensee and all persons claiming through or under it, them or any of them, or damage to any other property howsoever occasioned by the use and occupation of the demised lands and the Building or the sidewalks adjacent thereto.

Provided, however, that this clause shall not operate to exempt the Landlord from liability of responsibility for loss or damage arising out of its own negligence or the negligence of its servants or employees.

ARTICLE XV

ASSIGNING AND SUBLETTING

15.01 Except as herein provided, neither the Tenant nor any sublessee or assignee of the Tenant shall assign or sublet without the consent of the Landlord and the Leasehold Mortgagee, which consent shall not be unreasonably withheld.

ARTICLE XVI

BANKRUPTCY

16.01 If the term hereby granted shall at any time be seized or taken in execution by any creditor of the Tenant or if the Tenant shall make a general assignment for the benefit of creditors or if it shall institute proceedings to subject itself to the Winding Up Act or to be adjudicated a bankrupt or insolvent or shall consent to the institutions of bankruptcy or insolvency proceedings against it or shall file an application or petition or answer or consent seeking reorganization or re-adjustment of its indebtedness under the Bankruptcy Act or the Companies Creditors' Arrangement Act or any law of Canada or any province thereof relating to bankruptcy or insolvency, or shall consent to the filing of any such application or petition, or shall consent to the appointment of a receiver, or if the Tenant or its directors shall pass any resolution authorizing the dissolution or winding up of the company, or if a receiver, interim receiver, trustee or liquidator of all or substantially all of its property shall be appointed or applied for by it, or if a judgment, decree or order shall be entered by a Court of competent jurisdiction adjudging it a bankrupt or insolvent, or subject to the provisions of the Winding Up Act or Bankruptcy Act, or determining that proceedings for reorganization, arrangement, adjustment, composition, liquidation, dissolution or winding up, or any similar relief under the Bankruptcy Act or the Companies Creditors' Arrangement Act or any law of Canada or any province thereof relating to bankruptcy or insolvency have been properly instituted otherwise than by the Tenant, the lease shall at the option of the Landlord immediately become terminated. However, notwithstanding anything contained herein, if the leasehold mortgagee, shall as against the Tenant take possession and control of the lands and buildings, assume this lease and covenant with the Landlord to perform all of the obligations of the Tenant under it, then the Landlord shall not have the option of terminating this lease as aforesaid.

ARTICLE XVII

DEFAULT

17.01 No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of the Landlord'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 herein 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 save only express waiver in writing. All rights and remedies of the Landlord in this lease contained shall be cumulative and not alternative.

17.02 No condoning, excusing or overlooking by the Tenant of any default, breach or non-observance by the Landlord at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of 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 anyway the rights of 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 Tenant save only express waiver in writing. All rights and remedies of the Tenant in this lease contained shall be cumulative and not alternative.

ARTICLE XVIII

QUIET ENJOYMENT

18.01 If the Tenant pays the rent hereby reserved and the other charges and performs the covenants hereinbefore on its part contained, it shall and may peaceably enjoy and possess the demised lands for the term hereby granted without any interruption or disturbance whatsoever from the Landlord or any other person, persons, firm or corporation lawfully claiming from or under the Landlord.

ARTICLE XIX

SURRENDER

19.01 At the end of the term hereby granted whether by forfeiture, default, lapse of time or otherwise, the Tenant shall surrender the demised premises and the Building and other improvements and the equipment, machinery and other facilities related thereto the Landlord without compensation or consideration being paid by the Landlord to the Tenant, free of all encumbrances. The Tenant shall, if requested to do so, execute a quit claim deed in a form satisfactory to the Landlord and such other documents as may be requested by the Landlord to effect the release of the Tenant's interest in the demised lands, building and other improvements and the equipment, machinery and other facilities related thereto.

ARTICLE XX

NOTICE

20.01 Unless otherwise provided herein, any notice, statement or request herein required or permitted to be given by either party to the other shall be in writing and shall be deemed to have been sufficiently and effectually given if signed by or on behalf of the party giving the notice and mailed by prepaid registered post in the case of the Landlord addressed to the Minister of Public Works and Services, Confederation Building, St. John's, Newfoundland, and in the case of the Tenant addressed to the Tenant, c/o Newfoundland Brokerage Limited, Water Street West, St. John's Newfoundland, or at such other address as the Tenant from time to time requests and in the case of the holder(s) of the Leasehold Mortgage(s) to CMA Investors Inc., 65 Queen Street West, Suite 900, Toronto, Ontario. Any such notice given as aforesaid shall be conclusively deemed to have been given or received on the second day after the date on which it shall have been so mailed.



20.02 Notwithstanding anything herein contained to the contrary, all provisions contained in this lease requiring the Landlord to give notice to the holder(s) of any Leasehold Mortgage(s) shall become effective only upon the Tenant or the holder(s) or proposed holder(s) of any Leasehold Mortgage(s) giving to the Landlord notice that such holder(s) or proposed holder(s) of such Leasehold Mortgage(s) have become or will presently become the holder(s) of a Leasehold Mortgage(s) along with an address to which notices may be forwarded pursuant to Article 20.01, and the Landlord expressly agrees to give to such holder(s) of any Leasehold Mortgage(s) all notices required to be given to the holder(s) of any Leasehold Mortgage(s) pursuant to the provisions of this lease.

20.03 The Landlord hereby acknowledges receipt of notice that CNA Investors Inc. is presently or will presently become the holder of a Leasehold Mortgage and hereby expressly agrees to give to CNA Investors Inc., at its above recited address all notices required to be given to the holder(s) of any Leasehold Mortgage(s) as herein provided.

ARTICLE XXI

MISCELLANEOUS

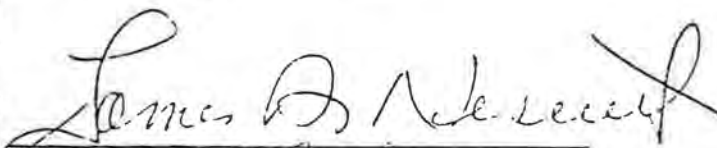
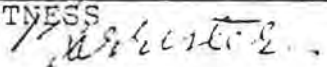
21.01 It is understood and agreed that nothing contained in the lease nor in any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of the Landlord and the Tenant.

21.02 Time shall be of the essence of this lease and save as herein otherwise specified.

21.03 This Indenture and everything herein contained shall enure to the benefit of and be binding upon the respective heirs, executors, administrators and assigns and successors and other legal representatives, as the case may be, of such and every of the parties hereto subject to the granting of any necessary consent by the Landlord as provided in Article XV to any assignment or sub-lease, and every reference herein to any party hereto shall include the heirs, executors, administrators, successors, assigns and other legal representatives of such party and this Indenture shall be interpreted according to the laws of the Province of Newfoundland.

IN WITNESS WHEREOF the Minister of Public Works and Services has hereunto subscribed his hand and the Seal of the Department of Public Works and Services has been hereunto affixed and the Common Seal of WESTERN REALTIES LIMITED has been hereunto affixed in the presence of its duly authorized officers in that behalf and in accordance with its rules and regulations as of the day and year first before written.

SIGNED by the Minister of Public Works and Services and the Seal of the Department of Public Works and Services was hereunto affixed this 3rd day of July, 1974 in the presence of-

  
WITNESS  


  
MINISTER OF PUBLIC WORKS  
AND SERVICES

The Common Seal of

WESTERN REALTIES LIMITED

was hereunto affixed this

3<sup>rd</sup> day of June.

1974 in the presence of:



WITNESS *Samota*

WESTERN REALTIES LIMITED

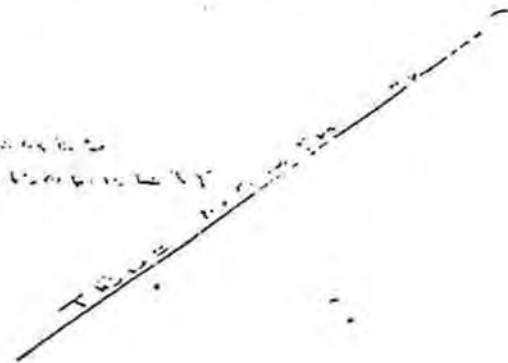
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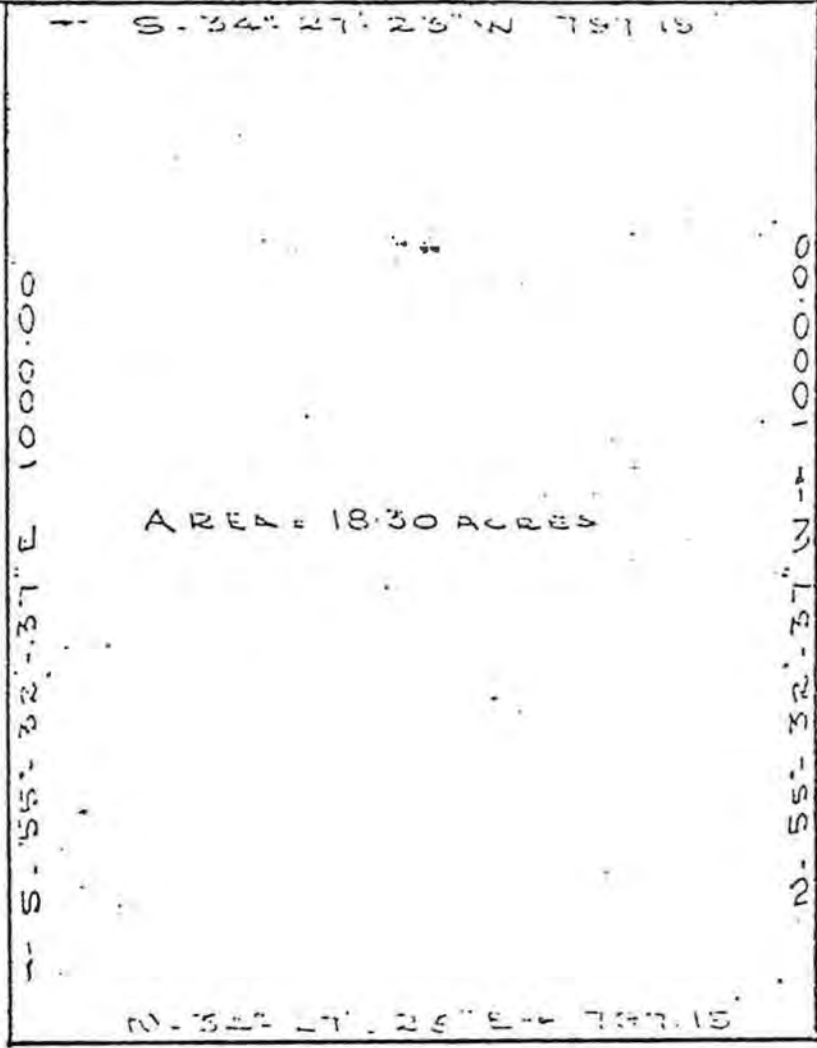
SCHEDULE "A"

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Southern side of a road reserve being the extension of Mount Bernard Avenue, in the City of Corner Brook, Province of Newfoundland, being bounded and described as follows, that is to say: The starting point can be found by running along the centerline of the Watson's Brook transmission line North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) ninety-five and forty-five hundredths (95.45') feet from the center of a strain tower on the said line East of the Corner Brook Arts and Culture Centre, thence South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) three hundred thirty-nine and seventy-five hundredths (339.75') feet thence from the above described starting point along property owned by the Bay of Islands-St. George's Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) seven hundred ninety-seven and fifteen hundredths (797.15') feet, thence by land of Memorial University of Newfoundland as follows: South fifty-five degrees thirty-two minutes thirty-seven seconds East (S 55° 32' 37" E) one thousand (1000.00) feet North thirty-four degrees twenty-seven minutes twenty-three seconds East (N 34° 27' 23" E) seven hundred ninety-seven and fifteen hundredths (797.15) feet, thence by land of Memorial University of Newfoundland and a road reservation fifty (50.00) feet wide North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) one thousand (1000.00) feet to the starting point. The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian. RESERVING NEVERTHELESS all mines, minerals, quarry materials, coal, oil, natural gas and salt.

MEMORIAL UNIVERSITY OF NEWFOUNDLAND



MEMORIAL UNIVERSITY OF NEWFOUNDLAND



MOUNT BERNARD  
CORNER  
CITY AND COUNTRY  
CENTER  
MOUNT BERNARD

ROAD RESERVE 50 FT

CITY OF COUNCIL BOOK

TOWER

MEMORIAL UNIVERSITY OF NEWFOUNDLAND



MEMORIAL UNIVERSITY OF NEWFOUNDLAND

DATED: May 1st, 1974

HER MAJESTY THE QUEEN in right of  
Newfoundland represented herein by  
the Minister of Public Works and  
Services for the Province of New-  
foundland

-and-

WESTERN REALTIES LIMITED, a  
Company incorporated under the  
laws of the Province of New-  
foundland, having its head  
office in the City of Saint  
John's in the Province of  
Newfoundland

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J  
L E A S E

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ROSENFELD, SCHWARTZ, MALCOLMSON,  
LAMPKIN AND LEVINE  
Barristers and Solicitors  
65 Queen Street West  
Toronto, Ontario

THIS SUPPLEMENTARY INSTRUMENT made as of the 1st day of May,  
A.D. 1974

BETWEEN

Western Realities Limited, a  
company incorporated under the  
laws of the Province of New-  
foundland, having its head  
office in St. John's in the  
Province of Newfoundland  
(hereinafter the "Landlord")  
of the one part;

AND

Her Majesty, the Queen, in  
right of Newfoundland represented  
herein by the Minister of Public  
Works and Services for the Pro-  
vince of Newfoundland (hereinafter  
the "Tenant") of the second part.

WHEREAS an Indenture of even date made between the parties  
herein contains a reference in Clause 5 (o) 5 (r) and 5 (g)  
on pages 5 and 6 of the said Indenture commonly referred to  
as the build lease that the Tenant therein shall provide  
insurance "at all times during the said term";

AND WHEREAS under the terms of an Indenture of even date  
between the parties hereto commonly referred to as the  
ground lease the Tenant herein is only required to carry  
insurance on the premises as from the date of the issuance

of a certificate of substantial completion by the Project Architect;

AND FURTHER the parties are in agreement as hereinafter provided.

NOW THIS INDENTURE WITNESSETH, that for and in consideration of the sum of One dollar (\$1.00) and these Presents it is hereby mutually agreed by and between the parties hereto that the commencement date in the reference to the "term" in the said Build Lease is a reference to the date of the issuance of the certificate of substantial completion by the Project Architect

IN WITNESS WHEREOF this Indenture was executed by the parties hereto in accordance with their respective rules and regulations as of the day and year first above written.

The Common Seal of Western  
Realties Limited was herewith  
affixed in the presence of:

\_\_\_\_\_  
Witness

SIGNED by the Minister of Public  
Works and Services and the Seal of  
the Department of Public Works and  
Services was herewith affixed in  
the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Public Works and  
Services



2800(3)

THIS INDENTURE made as of the 11 day of November  
Anno Domini One Thousand Nine Hundred and  
seventy-five

BETWEEN

WESTERN REALTIES LIMITED, a company duly  
incorporated under the laws of the Province  
of Newfoundland, having its head office in  
the City of St. John's, in the Province of  
Newfoundland,

(hereinafter called the "Landlord")

OF THE FIRST PART:

AND

HER MAJESTY THE QUEEN in right of Newfoundland,  
represented herein by the Minister of Public  
Works and Services for the Province of New-  
foundland,

(hereinafter called the "Tenant")

OF THE SECOND PART:

WHEREAS by an Indenture dated as of the 1st day of May,  
A.D. 1974 and Registered in the Registry of Deeds for Newfoundland,  
Volume 1622, Folio 390, Her Majesty the Queen in right of Newfound-  
land, represented therein by the Minister of Public Works and  
Services for the Province of Newfoundland, did demise and lease  
unto Western Realities Limited ALL AND SINGULAR that certain parcel  
or tract of land and premises set out and described in Schedule A  
annexed thereto for a term commencing on the 1st day of May, A.D.  
1974 and from thenceforth next ensuing and fully to be completed on  
the 1st day of September, A.D., 2005, (which Indenture is here-  
after referred to as the "Ground Lease");

AND WHEREAS by an Indenture dated as of the 1st day  
of May, A.D., 1974 and registered in the Registry of Deeds for

Newfoundland, Volume 1622, Folio 435, Western Realities Limited demised and leased unto Her Majesty The Queen in right of Newfoundland as represented therein by the Minister of Public Works and Services for the Province of Newfoundland, ALL AND SINGULAR that certain parcel or tract of land and premises set out and described in Schedule A annexed thereto for a term commencing the 1st day of September, A.D. 1975, and from thenceforth next ensuing and fully to be completed on the 31st day of August, A.D. 2005, (which Indenture is hereinafter referred to as the "Building Lease");

AND WHEREAS the Project Architect issued the Certificate of Substantial Completion on the 17th day of June A.D. 1975.

NOW THEREFORE THIS INDENTURE WITNESSETH that for and in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord does demise and lease unto the Tenant the lands and premises set out and described in Schedule A annexed hereto and all rights and appurtenances thereunto appertaining TO HAVE AND TO HOLD the demised premises, unless such terms shall sooner terminate as hereinafter provided, from and inclusive of the 17th day of June A.D. 1975 and from thenceforth next ensuing and fully to be completed and ended on the 31st day of August A.D. 1975, YIELDING AND PAYING THEREFORE during the said term unto the Landlord, its successors and assigns the sum of \$203,352.91 of lawful money of Canada, to be payable in full on the 1st day of August A.D. 1975.

AND FURTHER WITNESSETH that this Agreement of Lease is made upon the foregoing and the following covenants and conditions which the Landlord and Tenant respectively covenant and agree to keep and perform to the extent that the same are binding or expressed to be binding upon them.

AND THE PARTIES HERETO AGREE that the terms and conditions contained in the Building Lease shall apply mutatis mutandis to these Presents;

AND THE LANDLORD COVENANTS that the Landlord shall comply with the terms and conditions of all Agreements hereinbefore entered into between the Landlord and other parties in any way relating to the lands and premises set out and described in Schedule A.

IN WITNESS WHEREOF the Minister of Public Works and Services has hereunto subscribed his hand and the Seal of the Department of Public Works and Services has been hereunto affixed and the Common Seal of WESTERN REALTIES LIMITED has been hereunto affixed in the presence of its duly authorized officers in that behalf and in accordance with its rules and regulations as of the day and year first before written.

SIGNED by the Minister of Public Works and Services and the Seal of the Department of Public Works and Services was hereunto affixed this 14 day of AUGUST, 1975 in the presence of:

\_\_\_\_\_  
Witness

*[Handwritten signature]*  
for Minister of Public Works and Services.

The Common Seal of  
WESTERN REALTIES LIMITED  
was hereunto affixed this

14 day of August  
1975 in the presence of:

*[Signature]*

WESTERN REALTIES LIMITED

PER *[Signature]*

SCHEDULE "A"

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Southern side of a road reserve being the extension of Mount Bernard Avenue, in the City of Corner Brook, Province of Newfoundland, being bounded and described as follows; that is to say: The starting point can be found by running along the centerline of the Watson's Brook transmission line North fifty-five degrees thirty-two minutes thirty-seven seconds West ( $N55^{\circ} 32' 37'' W$ ) ninety-five and forty-five hundredths (95.45') feet from the center of a strain tower on the said line East of the Corner Brook Arts and Culture Centre, thence South thirty-four degrees twenty-seven minutes twenty-three seconds West ( $S 34^{\circ} 27' 23'' W$ ) three hundred and thirty-nine and seventy-five hundredths (339.75') feet thence from the above described starting point along property owned by the Bay of Islands-St. George's Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West ( $S 34^{\circ} 27' 23'' W$ ) seven hundred ninety-seven and fifteen hundredths (797.15') feet, thence by land of Memorial University of Newfoundland as follows: South fifty-five degrees thirty-two minutes thirty-seven seconds East ( $S 55^{\circ} 32' 37'' E$ ) one thousand (1000.00) feet North thirty-four degrees twenty-seven minutes twenty-three seconds East ( $N 34^{\circ} 27' 23'' E$ ) seven hundred and ninety-seven and fifteen hundredths feet (797.15) feet, thence by land of Memorial University of Newfoundland and a road reservation fifty (50.00) feet wide North fifty-five degrees thirty-two minutes thirty-seven seconds West ( $N55^{\circ} 32' 37'' W$ ) one thousand (1000.00) feet to the starting point. The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian. RESERVING NEVERTHELESS all mines, minerals, quarry materials, coal, oil, natural gas and salt.



ASSIGNMENT OF LEASE

THIS INDENTURE made in duplicate as of the 1st day of  
May, 1974.

B E T W E E N:

WESTERN REALTIES LIMITED, a Company duly  
incorporated in accordance with the laws  
of the Province of Newfoundland and having  
its head office in the City of St. John's  
in the Province of Newfoundland,

hereinafter called the "Assignor"

OF THE FIRST PART;

- AND -

CNA INVESTORS INC., a Company duly  
incorporated in accordance with the laws  
of the Province of Ontario and having  
its head office in the City of Toronto  
in the Municipality of Metropolitan  
Toronto,

hereinafter called the "Assignee"

OF THE SECOND PART;

WHEREAS by a lease dated as of the 1st day of May, -  
1974 HER MAJESTY THE QUEEN in right of Newfoundland, represented  
therein by the Minister of Public Works and Services for the Province  
of Newfoundland (hereinafter referred to as the "Ground Lessor"), as  
Landlord, leased to the Assignor the lands and premises set out and  
described in Schedule "A" annexed hereto (hereinafter called the  
"leasehold lands and premises"), for and during the term commencing  
on and including the 1st day of May, 1974 and from thenceforth next  
ensuing and fully to be completed on the 1st day of September, 2005  
(which lease is hereinafter referred to as the "Ground Lease").

AND WHEREAS by a Charge dated as of the 1st day of  
May, 1974 (hereinafter called the "Leaschold Charge"), the  
Assignor charged his interest in the Ground Lease to the Assignee  
to secure the repayment of \$8,700,000.00 and interest thereon, as

more particularly provided for therein;

AND WHEREAS it was the intention of the Ground Lessor and the Assignor that the Assignor construct a building on the leasehold lands and premises (as more particularly described in the Ground Lease) and to lease the leasehold lands and premises back to the Ground Lessor;

AND WHEREAS by a lease dated as of the 1st day of May, 1974 the Assignor as Landlord leased the leasehold lands and premises together with the building to be built thereon back to the Ground Lessor for a term commencing on the 1st day of September, 1975 and from thenceforth next ensuing and to be fully completed and ended on August 31st, 2005, which lease is hereinafter called the "Building Lease";

AND WHEREAS the Assignor and the Assignee agreed during the negotiations for the Leasehold Charge that the Assignor should assign the Building Lease to the Assignee on the terms herein appearing.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of and as an inducement to the making by the Assignee to the Assignor of the Loan secured by the Leasehold Charge, and of the premises and of the sum of ONE (\$1.00) DOLLAR now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged by the Assignor), the Assignor doth hereby grant, transfer, assign and set over unto the Assignee all its rights, title and interest in the Building Lease, a copy of which is attached hereto as Schedule "B", and all monies and rents payable thereunder and the benefit of all covenants, stipulations and provisions therein contained.

(1) TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns as further and collateral security for the indebtedness secured by the Leasehold Charge and other loan documents, until:

(a) payment of the indebtedness evidenced by the Leasehold Charge and other loan documents together with interest on said indebtedness;

(b) payment of all other sums, with interest thereon, to become due and payable to the Assignee under the provisions of the Leasehold Charge and the other loan documents:

(c) performance and discharge of each and every obligation, covenant and agreement of the Assignor contained herein, and in the Leasehold Charge and other loan documents.

(2) THE ASSIGNOR AGREES that it will not, without the written consent of the Assignee:

(a) permit or bring about the extinguishment of said Building Lease whether by cancellation, surrender, merger or otherwise;

(b) modify the terms of said Building Lease in any manner whatsoever either orally or in writing;

(c) consent to an assignment of the Ground Lessor's interest under its Building Lease which will relieve the Ground Lessor from payment of rent or performance of its obligations thereunder;

(d) assign, sublease, pledge or otherwise dispose of its interest in the said Building Lease,

and any of the above acts if done without such written consent of Assignee shall be null and void.

(3) ALTHOUGH it is the intention of the parties that this instrument shall be a present assignment it is expressly understood and agreed anything to the contrary herein notwithstanding that until a default shall occur in the performance or observance of the Assignor's covenants and obligations in the said Leasehold Charge or in the making of the payments provided for therein, Assignor may receive, collect and enjoy the rents, issues and profits accruing under the said Building Lease: but Assignor expressly agrees that in the event of any such default

Assignee may at its option receive and collect all the said rents, issues and profits and in such event Assignor expressly authorizes Assignee to enter into possession of the charged leasehold lands and premises by its officers, agents or employees for the operation and maintenance thereof and for the collection of the said rents, issues and profits, and further constitutes Assignor its agent to perform all acts necessary for the operation and maintenance of the said leasehold lands and premises in the same manner and to the same extent as Assignee might reasonably act. Moreover this assignment shall and does constitute an irrevocable direction and full authority to the said Ground Lessor to pay all rents and other amounts due under said Building Lease to Assignee upon demand and without the necessity of any further consent by Assignor.

(4) Assignee shall, after payment of all proper charges and expenses, including taxes, credit the net amount of income which it may receive by virtue of this assignment and from the charged leasehold lands and premises in satisfaction of the indebtedness secured by the said Leasehold Charge. The manner of application of such net income and the items which shall be credited therewith shall be within the sole discretion of Assignee.

(5) Assignor hereby covenants and warrants to Assignee that it has not executed any prior assignment or pledge of said Building Lease or rents, that no default exists on the part of said Ground Lessor or Assignor as Landlord in the performance of their respective covenants and obligations thereunder, that the Ground Lessor has no right of set-off against Assignor, that Assignor has not granted any modification whatsoever of said Building Lease, that said Building Lease is valid and enforceable in accordance with its original terms and that no rent has been paid in advance under said Building Lease save as required by the terms thereof.

(6) The acceptance by Assignee of this assignment and the collection of any rents, issues and profits under the Building Lease assigned shall be without prejudice to and shall not constitute a waiver of any rights of Assignee under the terms of said Leasehold Charge and no variation of said terms of extension



of time for payment thereunder or release of part or parts of the charged leasehold lands and premises shall in any way impair or prejudice this assignment.

(7) Failure on the part of Assignor to observe and perform any of its covenants and agreements hereunder shall be deemed and shall constitute a default under said Leasehold Charge, entitling Assignee to demand immediate payment in full of the unpaid balance of the indebtedness secured thereby and further entitling Assignee to exercise all rights and remedies herein and therein contained.

(8) Prior to actual entry and taking possession of the premises by Assignee, this assignment shall not operate to place responsibility for the control, care, management or repair of said leasehold lands and premises upon Assignee, nor for the carrying out of any of the terms and provisions of said Building Lease. Provided that Assignee may in its discretion carry out any such terms or provisions without being thereby deemed to have assumed any such responsibility.

(9) Assignor will indemnify Assignee in respect of, and save it harmless from any and all claims, liability, loss, damage or expense whatsoever which may be incurred by or asserted against Assignee under said Building Lease or by virtue of this assignment.

(10) This assignment shall include any extensions or renewals of said Building Lease together with agreed modifications thereof, and any reference herein to said Building Lease shall be construed as including any such extensions, renewals or modifications.

(11) All the covenants and agreements herein contained on the part of either party shall be binding upon and enure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns.

(12) Where the context so requires, words importing the singular number only shall include the plural, and vice versa, and words importing the neuter gender shall include the masculine and feminine gender.



(13) The Assignee may waive any default or breach of covenant hereunder but any such waiver will be void unless in writing by the Assignee, but any such waiver shall not extend to any subsequent default or breach of covenants.

IN WITNESS WHEREOF the Assignor has hereunto affixed its corporate seal in accordance with its rules and regulations in that regard as of the day and year first before written.

The Common Seal of  
WESTERN REALTIES LIMITED  
was hereunto affixed this  
day of  
1974, in the presence of:

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WITNESS

WESTERN REALTIES LIMITED

PER *[Signature]*

CONSENT

HER MAJESTY THE QUEEN in right of Newfoundland, represented therein by the Minister of Public Works and Services for the Province of Newfoundland, the Tenant under the herein described Building Lease (hereinbefore referred to as the Ground Lessor), hereby consents to the within assignment, all of its terms conditions and provisos.

IN WITNESS WHEREOF the Minister of Public Works and Services has hereunto subscribed his hand and the Seal of the Department of Public Works and Services has been hereunto affixed as of the day and year first before written.

SIGNED by the Minister of Public Works and Services and the Seal of the Department of Public Works and Services was hereunto affixed this 3<sup>rd</sup> day of June 1974, in the presence of:

Samuel A. Nescent  
WITNESS *Nescent*

J. S. Fournier Jr.  
MINISTER OF PUBLIC WORKS AND SERVICES

SCHEDULE "A"

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Southern side of a road reserve being the extension of Mount Bernard Avenue, in the City of Corner Brook, Province of Newfoundland, being bounded and described as follows, that is to say: The starting point can be found by running along the centerline of the Watson's Brook transmission line North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) ninety-five and forty-five hundredths (95.45') feet from the center of a strain tower on the said line East of the Corner Brook Arts and Culture Centre, thence South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) three hundred thirty-nine and seventy-five hundredths (339.75') feet thence from the above described starting point along property owned by the Bay of Islands-St. George's Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) seven hundred ninety-seven and fifteen hundredths (797.15') feet, thence by land of Memorial University of Newfoundland as follows: South fifty-five degrees thirty-two minutes thirty-seven seconds East (S 55° 32' 37" E) one thousand (1000.00) feet North thirty-four degrees twenty-seven minutes twenty-three seconds East (N 34° 27' 23" E) seven hundred ninety-seven and fifteen hundredths (797.15) feet, thence by land of Memorial University of Newfoundland and a road reservation fifty (50.00) feet wide North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) one thousand (1000.00) feet to the starting point. The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian. RESERVING NEVERTHELESS all mines, minerals, quarry materials, coal, oil, natural gas and salt.



B

*Wally* *15/5* *JH*  
*[Signature]*

THIS INDENTURE made as of the 1st. day of May, 1974.

B E T W E E N :

WESTERN REALTIES LIMITED, a company incorporated under the laws of the Province of Newfoundland, having its head office in the City of St. John's in the Province of Newfoundland,

hereinafter called "the Landlord",

OF THE FIRST PART;

- and -

HER MAJESTY THE QUEEN in right of Newfoundland, represented herein by the Minister of Public Works and Services for the Province of Newfoundland,

hereinafter called "the Tenant",

OF THE SECOND PART;

WHEREAS by Indenture dated as of May 1st, 1974 Her Majesty the Queen in right of Newfoundland, represented therein by the Minister of Public Works and Services for the Province of Newfoundland, did demise and lease unto Western Realities Limited ALL AND SINGULAR that certain parcel or tract of land and premises set out and described in Schedule "A" annexed hereto for a term commencing September 1st, 1975, and from thenceforth next ensuing and fully to be completed on September 1st, 2005, (which Indenture is hereinafter referred to as "the Ground Lease"):

AND WHEREAS it is a term and condition of the Ground Lease that Western Realities Limited shall have the right from time to time to mortgage or charge the Ground Lease and the leasehold interest of Western Realities Limited (the Landlord herein) created by it, and the building or buildings now situate or to be erected thereon (hereinafter referred to as "the Building"), which mortgage or charge is therein and hereinafter referred to as "the Leasehold Mortgage(s)".



NOW THEREFORE THIS INDENTURE WITNESSETH:

1. That in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord doth demise and lease unto the Tenant the lands and premises set out and described in Schedule "A" annexed hereto, and all rights and appurtenances thereunto appertaining, the said lands and premises and the said rights and appurtenances being hereinafter sometimes collectively referred to as "the demised premises".

2. TO HAVE AND TO HOLD the demised premises, unless such term shall be sooner terminated as hereinafter provided, from and inclusive of the 1st day of September, 1975, and from thenceforth next ensuing and fully to be completed and ended on August 31st, 2005.

3. (a) YIELDING AND PAYING THEREFOR yearly and every year during the said term unto the Landlord, its successors and assigns the sum of NINE HUNDRED EIGHTY NINE THOUSAND, TWO HUNDRED AND EIGHTY TWO DOLLARS (\$989,282.00) of lawful money of Canada, to be payable in monthly instalments of EIGHTY TWO THOUSAND, FOUR HUNDRED and FORTY DOLLARS and seventeen cents (\$82,440.17) each in advance on the following days and times, that is to say on the first day of each and every month, from and including the first day of September, 1975, to and including the 1st day of August, 2005.

(b) PROVIDED THAT NOTWITHSTANDING anything to the contrary therein contained, it is agreed and understood that while rent accrues hereunder from the 1st. day of September, 1975 if the Project Architect has not issued the certificate of substantial completion of the Building on or before said date rent for the period from the 1st. day of September, 1975 to the date of issuance of said certificate of substantial completion together with rent for the period from the date of issuance of said certificate of substantial completion to the first date of the month next following the date of issuance of said certificate of substantial completion shall be payable on the last mentioned date.

4. ALL payments required to be made by the Tenant under or in respect to this Lease shall be made to the Landlord at the Landlord's office in St. John's, or to such agent or agents of the Landlord or at such other place as the Landlord shall hereafter from time to time direct in writing to the Tenant.

5. THE TENANT covenants with the said Landlord:

(a) To pay rent, hereby reserved, on the days and in the manner aforesaid without any deduction or defalcation or abatement thereof or out of any part thereof.

(b) That the Tenant will, as additional rent, in each and every year during the said term, pay and discharge all taxes (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the said premises or any part thereof, and, without limiting the generality of the foregoing, every other tax, charge rate, assessment or payment which may become a charge or encumbrance upon or levied or collected upon or in respect of the demised premises or any part thereof, as the same become due respectively, whether charged by any municipal, parliamentary or other body during the term hereby demised. The Tenant shall pay, as the same become due respectively, all charges for public utilities, including water, gas, electrical power or energy, steam or hot water used upon or in respect of the demised premises and for fittings, machines, apparatus, meters or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities.

The Tenant shall have the right to contest by appropriate legal proceedings the validity of any tax, rate, including local improvement rates, assessment or other charges referred to in this paragraph; and if the payment of any such tax, rate, local improvement rates, assessment or other charges may legally be held in abeyance without subjecting the Landlord or the Tenant to any liability of whatever nature for failure to so pay, the Tenant may postpone such payment until the final determination of any such proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch;

(c) That the Tenant, at its own expense, shall maintain and keep the demised premises and every part thereof and all fixtures in good order and condition, and promptly make all needed repairs and replacements, save and except reasonable wear and tear and damage by fire, lightning, tempest and the Queen's enemies, and, without limiting the foregoing, the Tenant shall keep the demised premises well painted, clean and in such condition as a prudent owner would do;

(d) That it shall be lawful for the Landlord and its agents, at all reasonable times during the said term, to enter the demised premises to inspect the condition thereof. Where an inspection reveals repairs are necessary, the Landlord shall give the Tenant notice in writing, and thereupon the Tenant will, within three (3) calendar months from the date of delivery of the notice, make the necessary repairs in a good and

workmanlike manner and if the Tenant does not within ten days after service of such notice commence and proceed diligently with the execution of the repairs and works mentioned in such notice it shall be lawful for the Landlord to enter upon the demised premises and execute such repairs and works and to recover the cost thereof as a debt due from the Tenant to the Landlord;

(e) To report to the Landlord any and all damage at any time caused to the demised premises, its fixtures equipment and contents by fire, storm tempest explosion or any other cause whatsoever whether of a like or of a different kind promptly after the happening of such damage;

(f) To keep the interior of the demised premises all fittings and fixtures therein and all glass in the windows thereof and the sanitary and plumbing fixtures thereof in good and tenantable repair and condition reasonable wear and tear and repairs agreed to be done by the Landlord and damage or destruction by fire, storm, tempest, explosion, the Queen's enemies or other casualty excepted;

(g) To protect and preserve the heating and plumbing fixtures and facilities in the demised premises from freezing at all times and to be responsible for any damage caused by its failure to do so and to effect and pay for all necessary repairs and replacements caused by such failure both as regards the heating and plumbing fixtures and facilities and as regards any other portion of the demised premises its fixtures, equipment.

(h) Not to make or permit to be made any structural alterations in the demised premises or any part thereof without the consent of the Landlord, it being understood and agreed that the Tenant may make such structural alterations as are necessary to enable heat, water and electricity to be supplied to the demised premises, the design and nature of the proposed alterations to be first approved by the Landlord whose approval shall not be unreasonably withheld, it being further understood and agreed that at the termination of the lease, the Tenant, if requested by the Landlord, will restore the demised premises to their original conditions;

(i) To attorn as tenant to the holder(s) of the Leasehold Mortgage(s) if the said holder(s) of the Leasehold Mortgage(s) becomes the Tenant under the Ground Lease, or if the holder(s) of the Leasehold Mortgage(s) becomes the Tenant under a new ground lease pursuant to Clause 5:06 of the hereinbefore recited Ground Lease, and the Tenant is hereby deemed to have knowledge of the contents of Clause 5:06 of the said Ground Lease.

(j) To heat the said premises in a reasonable manner at its own expense;

(k) That it will promptly comply with all requirements of the local Board of Health, Police or Fire Department and all governmental and municipal authorities having jurisdiction over the said premises respecting the manner in which it



uses or maintains the said premises;

(l) AND will not assign or sublet without leave, from both the Landlord and holder(s) of the Leasehold Mortgage(s), provided such leave shall not be unreasonably withheld. The Tenant shall furnish to the Landlord copies of any assignments or subleases made hereunder it being distinctly understood and agreed that the Tenant may sublet parts of the demised premises to others so long as the Tenant remains in control of the demised premises, and the Tenant agrees to provide the Landlord and the holder(s) of the Leasehold Mortgage(s), true copies of any such subleases, forthwith after their execution;

(m) At the expiration or previous determination of the term of this lease peaceably and quietly to yield and deliver up possession of the demised premises to the Landlord;

(n) That it will not do or omit to do or permit to be done or omitted anything upon or in respect of the demised premises, the doing or omission of which (as the case may be) shall be or result in a nuisance;

(o) At all times during the said term, the Tenant shall, at its own cost and expense, insure and keep insured or cause to be insured and keep insured the Building in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of the Leasehold Mortgage(s) and the Landlord, in the sum of not less than its full replacement value (excluding the replacement value of foundations and architectural fees relating to such foundations), against loss or damage by fire and other perils, now or hereafter from time to time embraced by or defined in a standard fire insurance extended coverage or additional perils supplemental contract. The policy or policies of insurance required to be placed by this Lease shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Tenant or the Landlord;

(p) At all times during the said term, the Tenant shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) and the Landlord comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of negligence in the maintenance and operations of the Building indemnifying and protecting the Landlord and the holder(s) of the Leasehold Mortgage(s) from time to time. Any and all policies of such insurance shall be for the mutual benefit of the Tenant and the holder(s) of such Leasehold Mortgage(s);

(q) At all times during the said term, the Tenant shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) and the Landlord

Rental Income Insurance with a twelve (12) month period of indemnity, provided that the provisions of this subparagraph shall not apply while the Tenant hereunder is Her Majesty the Queen in right of Newfoundland;

(r) The Tenant shall pay all the premiums under the aforesaid policies as they become due and payable;

(s) The Landlord, Tenant and the holder(s) of any Leasehold Mortgage(s) shall be named as the insured on all policies of insurance with all losses payable under the said policies to the said parties as their interest may appear. All such policies shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Landlord or the Tenant, and all such policies shall contain the standard Mortgagee's clause;

(t) All policies of insurance (or certificate thereof) or other evidence of continuity of insurance shall be delivered to the Landlord, and certified copies thereof to the holder(s) of any Leasehold Mortgage(s) accompanied by a copy of the receipted premium account indicating that the premiums thereon have been paid not less than fifteen (15) days prior to the expiration of any then current policy;

6. AND the Landlord hereby covenants to and with the Tenant that the Tenant paying the rent hereby reserved on the days and in the manner hereinbefore limited and appointed for payment thereof and observing and performing and fulfilling and keeping all and singular the covenants and agreements herein contained which on the Tenant's part ought to be observed, performed, fulfilled and kept, shall and may peaceably and quietly have, hold, occupy and possess, and enjoy the demised premises with the appurtenances thereto belonging for and during the term hereby created without any intervention or hindrance of or by the Landlord or any person lawfully claiming or to claim by, from, under or in trust for the Landlord.

7. (a) The partial or total destruction or damage or complete destruction by fire or other casualty of the Building shall not terminate this lease nor entitle the Tenant to surrender possession of the demised lands nor to demand any abatement or reduction of the rent or additional rent or other charges payable under this lease, any law or statute now or in the future to the contrary notwithstanding;

(b) As to the amount of any loss payable under any of the policies of insurance referred to in this lease, the same shall be paid to the Landlord and the holder(s) of any Leasehold Mortgage(s) as their interest may appear, to be held in trust by the Landlord and the holder(s) of any Leasehold Mortgage(s) and paid over to the Tenant upon completion by the Tenant of the restoration, reconstruction or replacement of the



and upon payment by the Tenant of all costs and expenses incidental thereto. Provided that the Landlord and the holder(s) of any Leasehold Mortgage(s) shall, if requested by the Tenant, pay any such insurance monies in instalments during the period of and for costs already incurred for such restoration, reconstruction or replacement, against certificates of the architect in charge of such restoration, reconstruction or replacement, and after receiving such other certificates, evidence and opinions as they shall require for the purpose of being satisfied that such restoration, reconstruction or replacement is being properly proceeded with;

(c) Any replacement, repair or reconstruction of the Building or any part thereof pursuant to the provisions of this Lease shall be made or done in compliance with the Ground Lease;

(d) Any holder(s) of any Leasehold Mortgage(s) is hereby authorized, at his sole expense and absolute discretion, to proceed with the work of restoration, reconstruction or replacement, as the case may be, provided it is done in full compliance with the hereinbefore referred to Ground Lease. The holder(s) of such Leasehold Mortgage(s) so restoring, reconstructing or replacing shall be subrogated to the rights of the Landlord and Tenant to the whole amount of insurance monies payable as a result of a loss payable under any of the policies of insurance referred to herein. It is expressly understood that nothing contained herein shall obligate the holder(s) of any Leasehold Mortgage(s) to proceed with the work of such restoration, reconstruction or replacement.

8. PROVIDED AND IT IS HEREBY EXPRESSLY AGREED THAT DURING THE TERM OF THIS LEASE:

(a) The Landlord shall be responsible for the maintenance and upkeep to the exterior of the buildings (except broken glass) and to the exterior utility services located underground and for all structural deficiencies; it being understood and agreed the term "exterior of the buildings" as hereinbefore used shall mean roofs, foundations and exterior walls provided that notwithstanding the general intent to the contrary, the Landlord's obligations in respect of the roofs shall extend only for a period of ten years commencing from the date of the issuance of the hereinbefore mentioned certificate of substantial completion of the Project Architect and thereafter the obligations in respect of such roofs shall be those of the Tenant. The Tenant agrees to immediately notify the Landlord of the necessity for any repairs of which the Tenant may have knowledge for which the Landlord may be responsible under the provisions of this subparagraph.

(b) That notwithstanding the benefit of any present future statute taking away or limiting the Landlord's

on the demised premises at any time during the said term shall be exempt from levy by distress for rent in arrears;

(c) That the Landlord shall not in any event whatsoever be liable or responsible in any way for any personal injury or death that may be suffered or sustained by the Tenant or any employee of the Tenant or any other person who may be upon the demised premises or for any loss of or damage or injury to any property belonging to the Tenant or to its employees or to any other person while such property is on the demised premises, and in particular (but without limiting the generality of the foregoing), the Landlord shall not be liable for any damage to any such property caused by steam, water, rain or snow which may leak into, issue or flow from any part of the said building or adjoining premises, or from the water, steam, sprinkler or drainage pipes or plumbing works of the same, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electrical or other wiring, or for any damage caused by anything done or omitted to be done by any tenant; AND the Tenant hereby agrees to indemnify and hold the Landlord free and harmless from and against any loss, cost, liability or expense (including but not limited to reasonable solicitors' fees) resulting from such loss, damage or injury;

(d) That the Tenant will not bring upon the demised premises, or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use might damage the demised premises, and that if any damage is caused to the demised premises by any machinery, equipment, article or thing or by overloading or by any act, neglect or misuse on the part of the Tenant, or any of its servants, agents or employees, or any person having business with the Tenant, the Tenant will forthwith repair the same or pay to the Landlord the cost of making good the same;

(e) That the Tenant will indemnify and save harmless the Landlord of and from all liabilities, fines, suits, claims, demands, and action of any kind or nature to which the Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provisions hereof or by reason of any injury or death resulting from, occasioned to or suffered by any person or persons or any property by reason of any act, neglect or default on the part of the Tenant or any of its agents or employees; such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death occurring during the term of the Lease shall survive any termination of this Lease, anything in this Lease to the contrary notwithstanding;

(f) That in the event of the Tenant failing to pay any taxes, rates, insurance premiums or charges which it



has herein covenanted to pay, the Landlord may pay the same and shall be entitled to charge the sums so paid to the Tenant, who shall pay them forthwith on demand; and the Landlord, in addition to any other rights, shall have the same remedies and may take the same steps for the recovery of all such sums as it might have and take for the recovery of rent in arrears under the terms of this Lease; all arrears of rent and any monies paid by the Landlord hereunder shall bear interest at the rate of 10% per centum per annum from the time such arrears become due until paid to the Landlord;

(g) That the Tenant will keep the demised premises and every part thereof in a clean and tidy condition and will not willingly and knowingly permit wastepaper, garbage, ashes or waste or objectionable material to accumulate thereon;

(h) Whenever in this Lease reference is made to the demised premises, it shall include all structures, improvements and erections in or upon the demised premises or any part thereof from time to time;

(i) The Tenant shall from time to time at the request of the Landlord produce to the Landlord satisfactory evidence of the due payment by the Tenant of all payments required to be made by the Tenant under this Lease;

9. (a) PROVIDED that the Tenant may remove all fixtures installed by the Tenant; PROVIDED FURTHER that the Tenant shall not remove or carry away from the said premises any building or any plumbing, heating or ventilation plant or equipment or other building services. AND PROVIDED FURTHER that any equipment or machinery installed by the Tenant necessarily bolted to or affixed to the Building as part thereof shall be considered under the terms of this Lease as personal property, and, except where otherwise specifically stated, shall be removable by the Tenant as the Tenant's fixtures upon expiration or other termination of this Lease, and without limiting the generality of the foregoing, to include overhead cranes, transformers, presses and heavy machinery; IT BEING UNDERSTOOD, however, that the Tenant shall forthwith repair any damages to the premises resulting from the removal of such Tenant's fixtures, and that if the Tenant does not make such repairs promptly the same may be made by the Landlord for the account of the Tenant. The Tenant may, however, lease the said fixtures in or upon the premises with the permission of the Landlord and the Holder(s) of the Leasehold Mortgage(s) and such permission shall be deemed to have been granted where the said permission has been requested in writing by the Tenant at least sixty (60) days prior to the termination of this lease or renewal thereof and the Land and the Holder(s) of the Leasehold Mortgage(s) have not within a period of sixty (60) days from the receipt of the said request refused in writing to grant

granted, the Tenant shall not be liable to pay compensation or make any other payment to the Landlord in respect to the said fixtures.

(b) In this section "alterations" shall mean all changes, alterations, additions, repairs and improvements to the demised premises; where alterations have been made by the Tenant with the written approval of the Landlord and the holder(s) of the Leasehold Mortgage(s) the Tenant will not be required to restore the premises to the state which existed at the commencement of this lease but the Tenant shall yield up the premises to the Landlord together with the alterations in good and tenantable repair, accident and damage to the building from fire, storm, tempest and reasonable wear and tear only excepted and the Tenant shall not be liable to pay compensation or to make any other payment to the Landlord in respect of restoration or of any loss or damage to the demised premises resulting from or occasioned by the said alterations or any other loss or damage arising out of or incidental to the said alterations;

10. That in case the said rent hereby reserved or any part thereof shall be at any time in arrears or unpaid for the space of 30 days after the due date whether demanded by the Landlord or not or in case default shall be made by the Tenant in the observance or performance of any covenant or agreement by it to be observed and performed then and in any of such cases and from thenceforth it shall be lawful to and for the Landlord into and upon the demised premises or any part thereof in the name of the whole to re-enter and thereupon at the option of the Landlord this tenancy shall absolutely determine but without prejudice to the right of action of the Landlord in respect of any breach of the Tenant's covenants and agreements herein contained.

11. That the Landlord shall not be liable for any damage to the fixtures or equipment of the Tenant, except damage caused by the negligence of the Landlord or the servants, agents or workmen of the Landlord.

12. Notwithstanding the Tenant's covenant to repair or to the Landlord's continuing obligation under Paragraph 8(a) above, the Landlord hereby further covenants and agrees that for a period of fifteen months from the date of the issuance of the hereinbefore mentioned certificate of substantial completion by the Project Architect that the Landlord shall be responsible for all repairs necessary to be made to the demised premises resulting from any and all defects which can be attributable to faulty workmanship or materials or by reason of not complying with the strict requirements of the plans and specifications as contained in the tender documents and Landlord

repair or replace such defects or deficiencies. It shall be upon Notice and at no cost to the Tenant.

13. Option to Purchase - The Landlord hereby agrees that the Tenant shall and is hereby granted the option exercisable on thirty (30) days prior notice in writing to the Landlord and to the holder(s) of the Leasehold Mortgage(s) to purchase the demised premises described in the Lease as follows:

(a) at the end of the fifth year of the term granted at the price of \$10,775,000.00 to be adjusted by deducting therefrom the amount of the then outstanding conventional mortgage(s) which mortgage(s) shall thereupon be assumed by Tenant;

(b) at the end of the fifteenth year of the term granted at the price of \$9,375,000.00 to be adjusted by deducting therefrom the amount of the then outstanding conventional mortgage(s) which mortgage(s) shall thereupon be assumed by Tenant;

14. IT IS the intention of this Lease that the said rentals herein provided to be paid shall be net to the Landlord and clear of all taxes (except the Landlord's Income and Corporations Taxes), costs and charges arising from or relating to the demised premises, and that subject to Landlord's obligations herein set forth the Tenant shall pay all charges, impositions, expenses of every nature and kind relating to the demised premises, and the Tenant covenants with the Landlord accordingly.

15. The Landlord covenants with the Tenant for quiet enjoyment.

16. PROVIDED that during the term hereby created any person or persons may inspect the said premises and all parts thereof at all reasonable times on producing a written order to that effect signed by the Landlord or its agents.

17. Subject to Paragraph 13 this Lease cannot be modified so as to:

- (a) reduce the rent as provided herein;
- (b) change any renewal privileges;
- (c) shorten the term of this Lease;
- (d) allow any prepayment of rent;

without the consent of the holder(s) of the Leasehold Mortgage(s) and any such modification without the consent of the holder(s) of the Leasehold Mortgage(s) will be void as against the said holder(s) of the Leasehold Mortgage(s), it being intended that the terms, conditions and provisos contained in this Lease are being relied upon by holder(s) of the Leasehold Mortgage(s) and their assignees and prospective purchasers of the Landlord's interest herein.



18. ANY building, erection or improvement placed or erected upon the demised premises shall become a part thereof and shall not be removed, and shall be subject to all the provisions of this Lease. No building, erection or improvement shall be erected upon the demised premises without the written prior consent of the Landlord, and the holder(s) of the Leasehold Mortgage(s).

19. The Landlord declares that it may assign its rights under this Lease to the holder(s) of any Leasehold Mortgage(s) as collateral security for a loan to the Landlord, and in the event that such an assignment is given and executed by the Landlord, IT IS EXPRESSLY AGREED between the Landlord and the Tenant that this Lease shall not be cancelled or modified for any reason whatsoever except as provided for, anticipated or permitted by the terms of this Lease or by law, without the consent in writing of such holder(s) of any Leasehold Mortgage(s).

20. The Tenant covenants and agrees with the Landlord that it will, if and whenever reasonably required by the Landlord and at the Landlord's expense, consent to any instrument relating to this Lease or amendments thereto which may be required by or on behalf of any purchaser, financial institution or mortgagee from time to time of the said premises; PROVIDED always that the rights of the Tenant as hereinbefore set out be not altered or varied by the terms of such instrument or document.

21. The Tenant shall have the right from time to time during the term hereby granted to erect, paint, display, maintain, alter, change or remove advertising signs on the exterior and interior of the walls and on the roof of the said building. All such signs shall be dignified in appearance and shall comply with the lawful requirements of municipal and governmental authorities. They shall remain the property of the Tenant. Upon the removal of any such signs, the demised premises shall be restored to their original condition, except for reasonable wear and tear. The Tenant shall indemnify the Landlord against any loss or damage caused to any person or thing as a result of the placing or use of any sign on the demised premises.

22. PROVIDED that if, due to the failure of the Landlord to complete construction or to make available the services which the Landlord is hereby obliged to furnish, the demised premises or any part thereof are not ready for occupancy on the date of commencement of the term, no part of the rent, notwithstanding that the Tenant may

for the period before the date when the entire demised premises are ready for occupancy as evidenced by the certificate of substantial completion of the Project Architect and the full rent shall become payable at the time provided for in Clause 3 (b).

23. NO condoning, excusing or overlooking by either party hereto of any default, breach or non-observance by the other party in respect of any covenants, provisos or conditions herein contained shall operate as a waiver in respect of any continuing or subsequent default, breach or non-observance.

24. IF, at any time during the term of this Lease, the Landlord receives a bona fide offer to purchase its interest in the premises, the Landlord shall provide to the Tenant a copy of such bona fide offer and the Tenant will be given the first right to match the said offer provided the Tenant must exercise this option within thirty (30) days of receipt by Tenant of a copy of said offer. The Landlord shall not dispose of its interest in the premises without first obtaining the consent of the Tenant and the holder(s) of any Leasehold Mortgage(s). Such consent shall not be unreasonably withheld.

25. In the event of expropriation, each of the parties hereto and the holder(s) of the Leasehold Mortgage's, if any, are to be entitled to be represented in negotiations, proceedings, etc., and in due course to receive payment out of the proceeds of the expropriations in accordance with their interests as set out in this document.

26. Notwithstanding anything herein contained to the contrary, any notice required to be given to the Tenant shall be deemed sufficiently given if sent by registered mail to the Tenant at the said premises with a copy to the Deputy Minister of Public Works and Services, Confederation Building, St. John's Newfoundland and such notice shall be deemed to have been received by the Tenant on the second business day after the date on which it shall have been so mailed.

Any notice to be given to the Landlord shall be deemed sufficiently given only if sent by registered mail to the Landlord at its head office in St. John's, Newfoundland and to the head office of any assignee of the Landlord's interest hereunder and to the head office of the holder(s) of the Leasehold Mortgage(s), and such notice shall be deemed to have been received by the Landlord and by any assignees of the Landlord's interest hereunder, and by the holder(s) of the Leasehold Mortgage(s) on the second business day after the date on which it shall have been so mailed.

Any notice to be given to the holder(s) of the Leasehold Mortgage(s) shall be deemed sufficiently given if sent by registered mail to the holder(s) of the Leasehold

Mortgage(s) at their head office, and such notice shall be deemed to have been received on the second business day following the date on which it shall have been so mailed.

Notwithstanding anything to the contrary herein contained, it is agreed and understood that all provisions of this Lease requiring the Tenant to give notice to holder(s) of any Leasehold Mortgage(s) or any assignee(s) of the Landlord's interest hereunder shall become effective only upon the Landlord or the holder(s) or proposed holder(s) of any Leasehold Mortgage(s) or any assignee(s) or proposed assignee(s) of Landlord's interest hereunder giving to the Tenant notice that they have become or intend to become holder(s) of Leasehold Mortgage(s) or assignee(s) of Landlord's interest hereunder together with an address to which notices may be forwarded pursuant to the requirements of this Lease and the Tenant expressly agrees to give to such holder(s) or proposed holder(s) of Leasehold Mortgage(s) and such assignee(s) or proposed assignee(s) of Landlord's interest hereunder all notices required to be given to such parties pursuant to the provisions of this Lease.

Either the Landlord or the Tenant or the holder(s) of any Leasehold Mortgage(s) may at any time give notice in writing to the other or others of any change of address of the party giving such notice and from and after the giving of such notice, the address of such party for the giving of such notices thereafter shall be the changed address.

27. No termination of this Lease without the prior written consent of the holder(s) of any Leasehold Mortgage(s) prior to its unexpired term shall be valid unless all monies then outstanding under any Leasehold Mortgage(s) have been paid and until the holder(s) of the Leasehold Mortgage(s) have acknowledged in writing to the Landlord and the Tenant the fact that all monies outstanding under the said Leasehold Mortgage(s) have been paid.

28. INDEMNIFICATION OF LANDLORD

The Tenant shall indemnify and save harmless the Landlord from any and all liabilities, damages, costs, claims, suits or actions (provided that such liabilities, damages, costs, claims, suits or actions do not result as a result of the negligence of the Landlord or its servants or agents) growing out of:

Violations of the Lease

(a) Any breach, violation or non-performance of any covenants, condition or agreement in this Lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed or performed;

Property Damage

(b) Any damage to property of the Tenant, any



subtenant, licensee and all persons claiming through or under it, them or any of them or damage to any other property howsoever occasioned by the use and occupation of the demised premises and the Building and other improvements thereon; and

Public Liability

(c) Any injury to person or persons including death, resulting at any time therefrom occurring in or about the demised premises and/or the sidewalks adjacent to the same.

29.

ESTOPPEL CERTIFICATE

The Tenant agrees that it will, at any time and from time to time, upon not less than fifteen (15) days prior notice, execute and deliver to the Landlord and the holder(s) of any Leasehold Mortgage(s) a statement in writing certifying that this Lease is unmodified, and is in full force and effect (or if modified, stating the modifications, and that the same is in full force and effect as modified), the amount of the annual rental then being paid hereunder, the dates to which the same, by instalments or otherwise, and other charges hereunder have been paid, particulars of any monies or securities deposited hereunder with the Landlord of which the Tenant has notice, and the Landlord agrees that it will, at any time and from time to time, upon not less than fifteen (15) days prior notice, execute and deliver to the Tenant and the holder(s) of any Leasehold Mortgage(s) a similar statement stating in addition whether or not there is any existing default on the part of the Tenant of which the Landlord has notice, whether or not it has approved any plans and specifications for any major structural repairs, replacements or rebuilding, or for any demolition of existing structures and/or the Building or new building, and if the same have been completed in a manner satisfactory to it, the particulars and amounts of insurance policies on the demised premises in which its interest is noted, and of monies or securities it may have on hand to pay, or amounts outstanding to it hereunder, the amount of annual rent then being paid hereunder, the dates to which the same, by instalments or otherwise and other charges hereunder have been paid, and the amount of arrears of rent or sums recoverable as if arrears of rent, if any; and it is hereby agreed that any such statement delivered pursuant to the provisions of this clause may be conclusively relied upon by any purchaser or prospective purchaser, or the holder(s) of the Leasehold Mortgage(s), or assignees thereof. If either party fails to give such statement within fifteen (15) days after the receipt of notice requesting the same, then the other party may sign such statement as attorney for the party failing to give such notice and the contents of such statement shall be binding on the defaulting party, it being intended that any such statement delivered pursuant to this clause may be relied on by the holder(s) of the Leasehold Mortgage(s), or assignees thereof.

or assignees or sub-lessees of this Lease.

30. Notwithstanding the generality of paragraph 8 (a) herein it is expressly understood and agreed that if the exterior of the buildings as hereinbefore defined, including the exterior utility services located underground, become damaged or destroyed through any act, negligence, carelessness or misuse of any person other than the Landlord, its servants or agents, then the Tenant shall repair such damage and replace all or any part of the building which may be so destroyed.

31. Except as herein provided, no surrender of this Lease by the Tenant shall be valid unless accepted in writing by the Landlord and the holder(s) of any Leasehold Mortgage(s).

32. Any condoning, excusing, or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenants, proviso or condition contained in this document shall not operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, nor so as to defeat or affect in any way the rights of the Landlord hereunder in respect of any such continuing or subsequent default, breach or non-observance, and all rights and remedies herein contained to the Landlord shall be deemed to be cumulative and not alternative.

33. The Landlord and Tenant agree that all of the provisions of this document are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof.

34. WORDS importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations, and vice versa.

35. THIS INDENTURE and everything herein contained shall extend to and bind and enure to the benefit of the respective heirs, executors, administrators, successors and assigns (as the case may be), of each and every of the parties



hereto, subject to the consent of the landlord and holder(s) of any Leasehold Mortgage(s) being obtained, as hereinbefore provided to any assignment or sub-lease by the Tenant, and, where there is more than one Landlord or Tenant, or where the Landlord or Tenant is a male, female or a corporation, the provisions herein shall be read with all grammatical changes thereby rendered necessary. All covenants herein contained shall be deemed joint and several, and all rights and powers reserved to the Landlord may be exercised by either the Landlord or its agents or representatives.

IN WITNESS WHEREOF the Minister of Public Works and Services has hereunto subscribed his hand and the Seal of the Department of Public Works and Services has been hereunto affixed and the Common Seal of WESTERN REALTIES LIMITED has been hereunto affixed in the presence of its duly authorized officers in that behalf and in accordance with its rules and regulations as of the day and year first before written.

SIGNED by the Minister of Public Works and Services and the Seal of the Department of Public Works and Services was hereunto affixed this 3<sup>rd</sup> day of June, 1974 in the presence of-

James D. Nescent  
WITNESS Batista

J. L. Lussseau  
MINISTER OF PUBLIC WORKS AND SERVICES

The Common Seal of WESTERN REALTIES LIMITED was hereunto affixed this 3 day of June, 1974 in the presence of:

James D. Nescent  
B. Batista

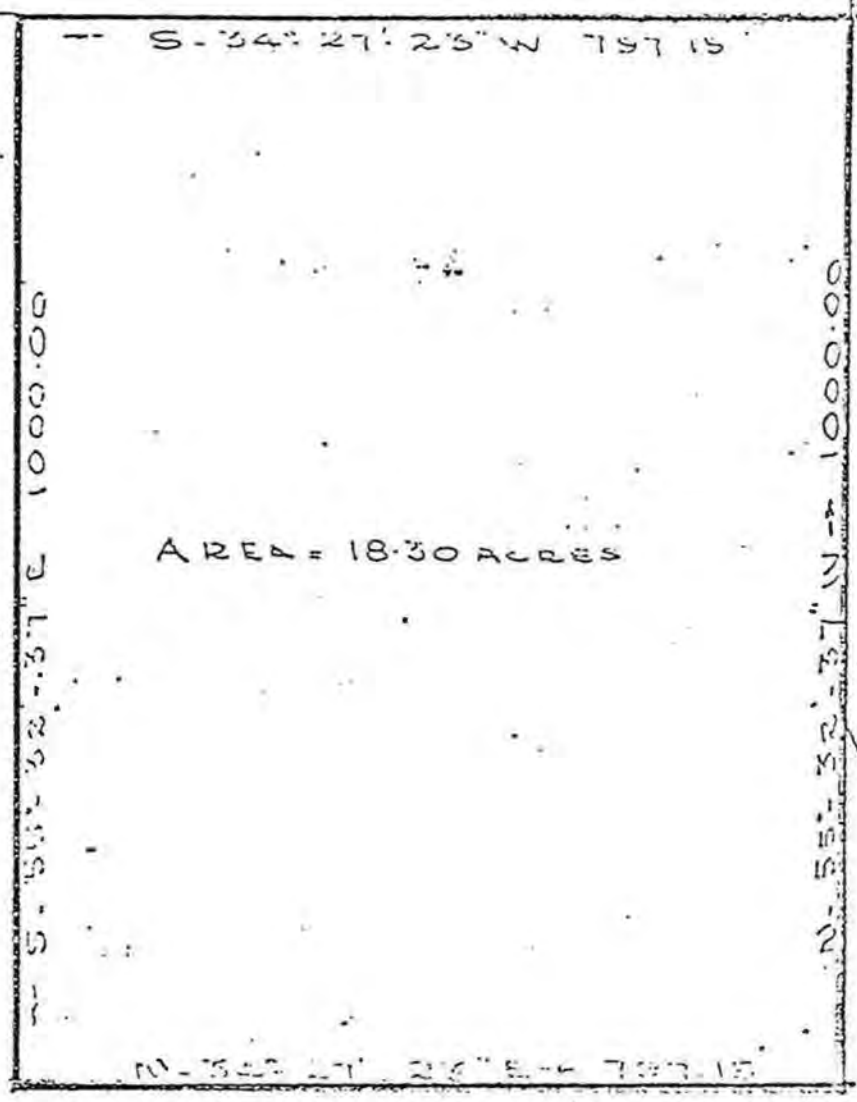
WESTERN REALTIES LIMITED  
PER: [Signature]

SCHEDULE "A"

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Southern side of a road reserve being the extension of Mount Bernard Avenue, in the City of Corner Brook, Province of Newfoundland, being bounded and described as follows, that is to say: The starting point can be found by running along the centerline of the Watson's Brook transmission line North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) ninety-five and forty-five hundredths (95.45') feet from the center of a strain tower on the said line East of the Corner Brook Arts and Culture Centre, thence South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) three hundred thirty-nine and seventy-five hundredths (339.75') feet thence from the above described starting point along property owned by the Bay of Islands-St. George's Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) seven hundred ninety-seven and fifteen hundredths (797.15') feet, thence by land of Memorial University of Newfoundland as follows: South fifty-five degrees thirty-two minutes thirty-seven seconds East (S 55° 32' 37" E) one thousand (1000.00) feet North thirty-four degrees twenty-seven minutes twenty-three seconds East (N 34° 27' 23" E) seven hundred ninety-seven and fifteen hundredths (797.15) feet, thence by land of Memorial University of Newfoundland and a road reservation fifty (50.00) feet wide North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) one thousand (1000.00) feet to the starting point. The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian. RESERVING NEVERTHELESS all mines, minerals, quarry materials, coal, oil, natural gas and salt.

of the...  
-CATTLE SCHOOL PROPERTY-

TOUR ROUTE



AREA = 18.30 ACRES

MOUNT WASHINGTON  
 CORNER OF  
 ARTS AND CRAFTS  
 CENTER  
 VICTORIA STREET  
 THROUGH THE

ROAD RESERVE 50 FT

N. 51° 32' 31\"/>

CITY OF CHARLES TOWN

MEMORIAL UNIVERSITY OF NEWFOUNDLAND



ROAD RESERVE 12.374... 1957

DATED: May 1, 1974.

WESTERN REALTIES LIMITED

-and-

CNA INVESTORS INC.  
65 Queen Street West  
Toronto, Ontario

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ASSIGNMENT OF LEASE

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ROSENFELD, SCHWARTZ, MALCOLM-  
SON, LAMPKIN & LEVINE  
65 Queen Street West  
Toronto, Ontario

DATED: May 1st, 1974.

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WESTERN REALTIES LIMITED

- and -

HER MAJESTY THE QUEEN in right  
of Newfoundland, represented  
herein by the Minister of Public  
Works and Services for the  
Province of Newfoundland

---

L E A S E

---



MORTGAGE OF LEASE

THIS INDENTURE made as of the 1st day of May, in the year of Our Lord One thousand Nine hundred and Seventy-four

B E T W E E N:

WESTERN REALTIES LIMITED, a Company incorporated under the laws of the Province of Newfoundland having its head office at the City of St. John's in the Province of Newfoundland,

hereinafter called the "Mortgagor"

OF THE FIRST PART;

- AND -

CNA INVESTORS INC., a Company incorporated under the laws of the Province of Ontario having its head office in the City of Toronto in the Province of Ontario,

hereinafter called the "Mortgagee"

OF THE SECOND PART;

- AND -

WESLEY K. ANDREWS, of the City of St. John's, in the Province of Newfoundland, Gentleman,

hereinafter called the "Covenantor"

OF THE THIRD PART;

WHEREAS in and by a certain indenture of lease bearing date herewith (hereinafter referred to as the "Ground Lease" HER MAJESTY THE QUEEN in right of Newfoundland, represented therein by the Minister of Public Works and Services for the Province of Newfoundland (hereinafter referred to as the "Lessor"), did demise and lease unto the Mortgagor the lands and premises as hereinafter described, to hold the same for a term commencing on and including the 1st day of May, 1974 and from thenceforth next ensuing and fully to be completed on the 1st. day of September, 2005, subject to the rent reserved and the agreements, covenants, conditions and provisos as therein set out;

AND WHEREAS the Mortgagor has applied to the Mortgagee for a loan of Eight Million, Seven hundred Thousand dollars (\$8,700,000.00) upon the security of a first charge against the said leasehold lands and premises and term of years.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the sum of Eight Million, Seven hundred thousand (\$8,700,000.00) dollars of lawful money of Canada now paid by the Mortgagee to the Mortgagor (the receipt whereof is hereby acknowledged) the Mortgagor, as and by way of first Charge, doth demise, mortgage, charge and sublease unto the Mortgagee ALL AND SINGULAR that certain parcel or tract of land and premises set out and described in Schedule "A" annexed hereto, together with the buildings erected or to be erected thereon and the appurtenances and all other premises comprised in and demised by the said Ground Lease, or to be comprised in and demised by the said Ground Lease, the said lands, buildings and other premises being hereinafter called the "leasehold lands and premises".

AND THE MORTGAGOR for and in consideration as aforesaid doth also Grant, Demise, Charge and Sublease unto the Mortgagee any right, title and interest of the Mortgagor in and to the leasehold lands and premises now owned or hereafter acquired by the Mortgagor, except the last day under the Ground Lease.

2. TO HAVE AND TO HOLD the same unto the Mortgagee for a term commencing on the 1st. day of May, 1974, and terminating one day before the expiration of the said term of the Ground Lease, YIELDING AND PAYING therefor yearly on each and every anniversary of the date of the within Charge and in each and every year during the term hereby demised the sum of One dollar (\$1.00) if lawfully demanded, subject to the provisions for redemption hereinafter contained, on condition that until default by the Mortgagor hereunder the Mortgagor may remain in possession of the leasehold lands and premises and have quiet possession thereof.

3. THE AMOUNT of principal money advanced under and secured by the within Charge is the sum of EIGHT MILLION, SEVEN HUNDRED THOUSAND DOLLARS (\$8,700,000.00) of lawful money of Canada paid to the Mortgagor as aforesaid, and the rate of interest chargeable thereon is as set forth in Paragraph 4 next following.

4. (a) PROVIDED THIS MORTGAGE TO BE VOID upon payment to the Mortgagee at its Head Office in Toronto, Ontario, or at such other place as the Mortgagee may from time to time designate, of \$8,700,000.00 of lawful money of Canada, with interest at either the per annum rate, calculated monthly, not in advance, adjusted daily, which is four (4) percentage points in excess of the Prime Interest Rate (or if at any time there is more than one Prime Interest Rate, then the highest Prime Interest Rate) published or established from time to time by the Bank of Montreal, a Chartered Bank under the Bank Act of Canada, for loans made in Canadian funds to commercial borrowers, or 13½ per cent per annum, calculated monthly, not in advance, whichever is greater; And provided, however, that if at any time or from time to time the Bank of Montreal shall not publish or establish a Prime Interest Rate (or Prime Interest Rates) for loans made in Canadian funds to commercial borrowers, or if for any reason the aforesaid Prime Interest Rate (or Prime Interest Rates) shall not be determinable, then interest during any such period shall be at the rate of 14 per cent per annum, calculated monthly, not in advance, as follows:-----  
The whole of the said principal sum of \$8,700,000.00 shall become due and payable on the 1st day of May, 1977; and interest shall become due and payable monthly at the said rate as well after as before maturity and both before and after default on such portion of the principal as remains from time to time unpaid on the first day of each and every month in each and every year until the principal is fully paid: the first payment of interest to be computed from the 1st day of May, 1974, upon the whole amount of principal hereby secured and advanced from time to time, to become due and payable on the 1st day of June next 1974;

And taxes and observance and performance of all provisions and conditions herein contained.

(b) The payment when due of any and all other monies which may be secured hereby and the performance of all covenants and agreements herein contained on the part of the Mortgagor to be observed and performed.

And it is hereby agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest



shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid, and in case the interest and compound interest are not paid in one month from the time of default, a rest shall be made and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity and so on from time to time, and all such interest and compound interest shall be a charge upon the said leasehold lands and premises.

5. UNTIL the within Charge has been fully paid and satisfied the Mortgagee may, at its option, from time to time estimate the sums necessary to pay property taxes assessed against the charged leasehold lands and premises, water rates, premiums for hazard insurance and liability insurance and other similar charges affecting the charged leasehold lands and premises and the Mortgagor agrees to pay the said sum or sums to the Mortgagee so estimated by monthly instalments so that, in each case, there will be adequate funds in the hands of the Mortgagee to pay any such charge at least thirty days before the same falls due. Should the said sums so received by the Mortgagee be less than the amount so required to make payment as herein provided, the Mortgagor shall, on demand, pay to the Mortgagee whatever sum is necessary to make up the deficiency. The Mortgagee agrees to apply all such sums received accordingly; provided, however, that it may apply the same in or towards the payment of any arrears under this Charge, and any excess shall be returned to the Mortgagor. Any amounts paid to the Mortgagee pursuant to the provisions of this Paragraph shall bear no interest. The Mortgagor agrees to transmit to the Mortgagee all tax bills, receipts, assessments and other notices affecting the imposition of taxes or rates as well as all premium notices for insurance forthwith after receipt of the same.

6. IT IS AGREED AND PROVIDED by the parties hereto that neither the execution nor registration of the within Charge nor the

advancing of any part of the Charge money shall bind the Mortgagee to advance the Charge money or any portion thereof, but that the advance of such money or any portion thereof shall be in the sole discretion of the Mortgagee; but nevertheless the estate hereby conveyed shall take effect forthwith upon the execution of these presents by the Mortgagor and the expenses of the examination of the title and of this Charge are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be charged hereby upon the leasehold lands and premises, and shall be without demand payable forthwith with interest at the rate provided for in the within Charge, and on default the Mortgagee's power of sale hereby given and all other remedies hereunder shall be exercisable.

7. THE MORTGAGOR covenants with the Mortgagee as follows:
- (a) That the Mortgagor will pay the principal money and interest aforesaid as provided in the foregoing proviso and observe and perform all other covenants herein and on default the Mortgagee may enter and have quiet enjoyment of the leasehold lands and premises and of any other rights and interest hereby charged;
  - (b) That the Mortgagor will pay all rent reserved and payable under the Ground Lease and will observe and perform all covenants contained in the Ground Lease;
  - (c) That the said Lessor under the Ground Lease is the beneficial owner of the lands and premises set out and described in Schedule "A" annexed hereto, and the Ground Lease is a valid, enforceable and subsisting lease, and that the Mortgagor is not in default thereunder, nor has it done or permitted anything to be done to encumber the interest thereby conveyed, and that the Mortgagor has the capacity and right to grant the within Charge and carry out all the obligations assumed hereunder and will procure such further assurance as may reasonably be required;



(d) At all times during the continuance of the within Charge the Mortgagor shall, at its own cost and expense, insure and keep insured or cause to be insured and keep insured each and every building on the Leasehold lands and premises or which may hereafter be brought or erected thereon in accordance with policy terms and conditions and in one or more companies satisfactory to the Mortgagee in the sum of not less than their full replacement value (excluding the replacement value of foundations and architectural fees relating to such foundations), against loss or damage by fire and other perils now or hereafter from time to time embraced by or defined in a standard fire insurance extended coverage or additional perils supplemental contract. The policy or policies of insurance required to be placed by this Charge shall provided that the interest of the Mortgagee shall not be prejudiced by any act of the Mortgagor. Such policy or policies of insurance shall include the broadest extended coverage endorsements available for the type of improvement, or improvements, building or buildings now on or to be erected on the leasehold lands and premises, and, if required by the Mortgagee, the Mortgagor will also insure against loss or damage by plate-glass breakage, boiler explosion, and such other insurable risks or hazards, including loss of rental income, when required from the landlord under the Ground Lease, with a twelve(12)-month period of indemnity, as the Mortgagee may designate. In default thereof, the Mortgagee may effect such insurance and charge it against the within Charge. The Mortgagor will not do, or omit or suffer anything to be done or omitted, whereby such policy or policies of insurance may be voided or become void; and will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due. At all times during the said term the Mortgagor shall, at its own expense, procure and carry or cause to be procured and carried

and paid for full Workmen's Compensation coverage in respect of all workmen, employees, servants and others engaged in or upon any work, non-payment of which workmen's compensation coverage would create a lien on the leasehold lands and premises. At all times during the said term the Mortgagor shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the Mortgagee comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of negligence in the construction of any Buildings erected or to be erected on the leasehold lands and premises indemnifying and protecting Mortgagor and the Mortgagee from time to time. Any and all policies of such insurance shall be for the mutual benefit of the Mortgagor and the Mortgagee. In default thereof, the Mortgagee may effect such insurance and charge it against the within Charge. The Mortgagor will not do, or omit or suffer anything to be done or omitted whereby such policy or policies of insurance may be voided or become void; and will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due. All policies of insurance (or certificates thereof) or other evidence of continuity of insurance, together with a copy of the receipted premium account, indicating that the premiums thereon have been paid not less than fifteen (15) days prior to the expiration of any then current policy will be delivered to and held by the Mortgagee and all such policies of insurance (or certificates thereof) or other evidence of continuity of insurance will be made payable to the Mortgagee as its interest appear. As to the amount of any loss payable under any of the policies of insurance hereinbefore referred to, the same shall be paid to the Mortgagee to be held by the Mortgagee and paid over to the

Mortgagor upon completion by the Mortgagor of the the restoration, reconstruction or replacement of the loss or damage in respect of which such insurance moneys were paid and upon payment by the Mortgagor of all costs and expenses incidental thereto. Provided that the Mortgagee shall, if requested by the Mortgagor pay any such insurance moneys in instalments during the period of, and for costs already incurred for such restoration, reconstruction or replacement, against certificates of the architect in charge of such restoration, reconstruction or replacement, and after receiving such other certificates, evidence and opinions as they shall require for the purpose of being satisfied that such restoration reconstruction or replacement is being properly proceeded with. Any balance of insurance moneys remaining in the hands of the Mortgagee upon completion of the restoration, reconstruction or replacement shall be turned over to the Mortgagor provided the Mortgagor be not then in default under the Ground Lease and this charge and provided the Mortgagee is satisfied that the cost of restoration, reconstruction or replacement has been paid in full or will be paid in full at the time of delivery of such balance. Any replacement, repair or reconstruction of the Building now located on or to be erected on the leasehold lands and premises or any part thereof pursuant to the provisions of this Charge shall be made or done in compliance with the provisions of the Ground Lease. The Mortgagee is hereby authorized, at its sole expense, to proceed with the work of restoration, reconstruction or replacement, as the case may be, provided it is done in full compliance with all of the provisions of the Ground Lease. The Mortgagee so restoring,

reconstructing or replacing shall be subrogated to the rights of the Mortgagor to the whole amount of insurance moneys payable as a result of a loss payable under any of the policies of insurance referred to herein.

The Mortgagee shall in no event be responsible for the collection of any insurance moneys with respect to any loss under any of the policies referred to herein.

(e) That it will keep the leasehold lands and premises, and all buildings, erections and improvements now thereon or hereafter brought or erected thereon in good condition and repair according to the nature and description thereof respectively, and after all or any part of the monies hereby secured have been advanced, then the Mortgagee may whenever it deems necessary by its agent enter upon and inspect the said charged leasehold lands and premises, and the reasonable cost of such inspection shall be added to the Charge debt, and if the Mortgagor neglect to keep the said premises in good condition and repair or commits or permits any act of waste on the said leasehold lands and premises (as to which the Mortgagee shall be sole judge) or makes default as to any of the covenants or provisos herein or upon discovery by the Mortgagee that any covenant is untrue or upon registration of any Mechanics' Lien against the said leasehold lands and premises or upon the Mortgagor allowing any buildings erected upon the said leasehold lands and premises to remain unfinished or without any work being done thereon for ten days (but not including delays which are caused by strikes and lockouts which are not reasonably within the control of the Mortgagor) the principal money hereby secured shall, at the option of the Mortgagee, forthwith become due and payable and in default of payment thereof with interest, as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given it may be exercised forthwith and the Mortgagee may make such



repairs as it deems necessary, and the cost thereof shall be payable forthwith and shall be a charge upon the said leasehold lands and premises prior to all claims thereon subsequent to these presents and shall bear interest at the rate aforesaid until paid;

(f) That the Mortgagor will from time to time and at all times hereafter at the request of the Mortgagee make, do and execute or cause and procure to be made, done and executed, all such further acts, deeds, assignments and assurances in the law for more effectually demising and assuring or securing the leasehold lands and premises to the Mortgagee according to the true intent and meaning of these premises as by the Mortgagee or its counsel in the law shall be reasonably advised or required; and

(g) That the Mortgagor will hold the remainder of the term of the Ground Lease in trust to assign the Ground Lease and all its rights thereunder to the purchaser of the term hereby sublet in any foreclosure proceedings or proceedings instituted under the power of sale hereinafter provided by the Mortgagee. The Mortgagor hereby irrevocably appoints the Mortgagee its true and lawful attorney to execute such assignment or assignments in its name or on its behalf as the purchaser thereof may deem necessary.

8. AND THAT for the consideration aforesaid the Mortgagor will henceforth stand possessed of the said leasehold lands and premises for the residue of the term granted by the Ground Lease in trust for the Mortgagee, and will assign and dispose thereof as the Mortgagee may direct, but subject to the same right of redemption as is hereby given to the Mortgagor with respect to the derivative term hereby granted; the Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's substitute to be the Mortgagor's attorney during the continuance of this security and for and on behalf of the Mortgagor to assign the Ground Lease and convey the leasehold lands and premises and the said reversion as the Mortgagee shall at any time direct, and in particular, but without limiting the generality of the foregoing, upon any sale or foreclosure made by the Mortgagee under the said power of



power of sale herein contained, to assign the Ground Lease and convey the leasehold lands and premises and the said reversion to the purchaser; and it is hereby declared that the Mortgagee or other person for the time being entitled to the money hereby secured may at any time, by deed, remove the Mortgagor or any other person from being a trustee of the Ground Lease under the declaration of trust hereinbefore declared and on the removal of the Mortgagor, or any future trustee of the Ground Lease, may, by deed, appoint a new trustee or trustees in the Mortgagor's place.

9. AND THAT the Mortgagor will, with respect to the Ground Lease, at the request of the Mortgagee but at the cost, charge and expense of the Mortgagor, grant and assign unto the Mortgagee or whom it may appoint the last day of the said term hereinbefore excepted, or any renewal or substituted term; and further that, in the event of the Mortgagee making any sale under the power of sale herein contained or upon any sale or foreclosure made by the Mortgagee under the statutory powers, the Mortgagor shall stand seized and possessed of the said leasehold lands and premises for the last day of the said term hereinbefore excepted, and of any renewal or substituted term, and of all rights of renewal in trust for the purchaser or purchasers, its or their heirs, executors, administrators, successors, and assigns.

10. AND THE MORTGAGOR FURTHER COVENANTS with the Mortgagee that if the Mortgagor shall refuse or neglect to renew the said Ground Lease or any renewals thereof to be hereafter granted, and to pay the fees, costs, charges and expenses incidental to and payable upon such renewals, then, and as often as it shall happen, the Mortgagee may, if it thinks proper, effect such renewals in its own name or otherwise, and in that case every such new lease and the lands and buildings thereby demised shall remain and be a security to the Mortgagee as well for the payment of all money paid to it for such renewal and its costs, charges and expenses, as for any other sums that may be due by virtue of this indenture.

11. PROVIDED THAT on default of payment of any part of the interest hereby secured, or of any instalments of principal promptly

charges, assessments, premiums of insurance or other payments, or on breach of any covenant or proviso herein contained, the whole of the monies hereby secured shall, at the option of the Mortgagee, without notice or demand, immediately become due and payable, and all powers in the Mortgagee by this Charge conferred or conferred by any other documentation evidencing or securing the subject loan, shall become immediately exercisable.

12. PROVIDED FURTHER THAT if the leasehold lands and premises shall become vacant, or unoccupied, or on default of payment of any of the monies or interest hereby secured for 15 days, the Mortgagee may, on thirty-five days' notice (it being hereby agreed that such notice may be effectually given either by mailing the same in a registered letter addressed to the Mortgagor at the Mortgagor's last known address, or by publishing the same once in some newspaper published in the district in which the registered office of the company is situated and shall be sufficient although not addressed to any person by name or designation and notwithstanding that any person to be affected thereby may be unborn, unascertained or under disability) without any further consent or concurrence of the Mortgagor, enter into possession of the said leasehold lands and premises for the then residue of the term of years hereby demised, and obtain the renewal or renewals thereof, if any, for its own use and benefits, without the let, suit, hindrance, interruption or denial of the Mortgagor or of any person whatsoever; and receive and take the rents, issues and profits thereof, and whether in or out of possession make any such sublease as it shall think fit and may also sell and absolutely dispose of the said leasehold lands and premises and the then unexpired term of years demised by the said Ground Lease and the rights of renewal therein, or any part or parts thereof, on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can be reasonably obtained therefor by public auction or private contract or partly by one and partly by the other, and may withdraw from sale or buy in and re-sell, or vary or rescind any

contract of sale without being responsible for any loss, costs, or deficiency thereby occasioned, and may make such terms and conditions of sale and agreements as to title, price and all other matters whatsoever as it may deem expedient and may convey, assign, and assure the said leasehold premises, when so sold, to the purchaser or purchasers, his or their heirs, executors, administrators or assigns;

PROVIDED that the Mortgagee shall stand possessed of the said leasehold lands and premises and the rents and profits thereof until sale, and then hold the proceeds of sale in trust, first, to pay all costs of getting and keeping possession of the said leasehold lands and premises and of and about leasing and selling thereof, and rents and taxes thereof, and costs of making such repairs as it shall deem necessary; secondly, to pay all monies and interest hereby secured; and lastly, to pay the surplus (if any) to the Mortgagor and to reconvey to the Mortgagor the said leasehold lands and premises or so much thereof (if any) as shall remain unsold; and in the case of a sale on credit, the Mortgagee shall be bound to pay to the Mortgagor only such monies as have been actually received from the purchasers after the satisfaction of the claims of the Mortgagee; AND that any purchaser or lessee shall not be bound to see to the propriety or regularity of sale or sublease, or to be affected by express notice that any sale or lease is improper; AND that no want of notice or publication when required hereby shall invalidate any sale or sublease hereunder; AND that the Mortgagee shall be freely and clearly acquitted, exonerated, and discharged, or otherwise by and at the expense of the Mortgagor, and well and effectually saved, defended and kept harmless of, from, and against all former and other gifts, grants, bargains, sales, leases, and other encumbrances whatsoever.

13. IT IS FURTHER AGREED AND PROVIDED that all sums realized by any sale or sales of the leasehold lands and premises by the Mortgagee or under any policy of insurance payable to the Mortgagee shall be applied firstly to the payment of all expenses incurred in recovering or realizing the same and interest thereon at the aforesaid rate and the balance shall be applied so far as may be



required by the Mortgagee to the satisfaction of the debt and other amounts secured hereby whether then due or not. In case of any deficiency upon a sale of the leasehold lands and premises by the Mortgagee, the amount of such deficiency and interest to the date of payment shall be payable forthwith by the Mortgagor to the Mortgagee.

14. PROVIDED that the Mortgagee may at any time or times after any default as aforesaid waive its right to call in the monies hereby secured, and shall not thereby be debarred from subsequently asserting and exercising its right to call in the monies secured hereby by reason of such waiver or by reason of any future default.

15. AND PROVIDED that if the Mortgagor shall make default in payment of any instalment, or any part thereof, or of any interest, at any of the days or times hereinbefore limited for the payment thereof, it shall be lawful for the Mortgagee to distrain therefore upon the leasehold lands and premises, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of a demise of the leasehold lands and premises, so much of the said instalments or interest as shall from time to time be or remain in arrears and unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent; the within proviso shall not be deemed to conflict in any way with the attornment clause following, and the power incident to both clauses may be exercised either separately or together.

16. THE MORTGAGOR does hereby attorn and become a tenant from year to year to the Mortgagee from the day of the execution hereof at a monthly rental equivalent to, applicable in satisfaction of, and payable at, the same times as the instalments hereinbefore provided to be paid, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor; but it is agreed that neither the existence of this clause nor anything done by virtue thereof shall render the Mortgagee a mortgagee in possession, so as to be accountable for any monies except those actually received.

17. AND the Mortgagor, subject to the proviso for defeasance hereinbefore set forth, doth assign and set over unto the Mortgagee all rents payable from time to time under all leases, agreements to lease or occupancy agreements of the leasehold lands and premises, or any part thereof, whether presently existing or arising in the future, together with the benefit of all covenants and guarantees contained in such leases in favour of the Mortgagor and for the purpose of enabling the Mortgagee to enforce payment of the said rents the Mortgagor doth covenant and agree that it will forthwith after making any lease upon the leasehold lands and premises, or any part thereof, grant and assign to the Mortgagee the reversion of such lease; provided that nothing herein contained shall be deemed to make the Mortgagee responsible for the collection of such rents or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease, and that the Mortgagee shall not by virtue of these presents be deemed a mortgagee in possession of the leasehold lands and premises; and provided further that the Mortgagee shall be liable to account for only such monies as may actually come into its hand by virtue of these presents less proper collection charges and that such monies when so received by the Mortgagee shall be applied on account of the Charge debt; and provided further that the Mortgagee will not cause the tenants under the said leases or any of them to pay rent to the Mortgagee unless and until default has occurred in the performance of any covenant contained in this Charge; and the Mortgagor doth covenant with the Mortgagee to perform all of the landlord's covenants and obligations contained in the said leases or any of them. And the Mortgagor doth covenant with the Mortgagee to execute such further documents as the Mortgagee may from time to time deem requisite for the purpose of giving full effect to the assignment of rents hereinbefore contained and of enabling the Mortgagee to enforce payment of such rents.

18. IT IS MUTUALLY UNDERSTOOD, AGREED, DECLARED AND PROVIDED between the Mortgagor and the Mortgagee as follows:

(a) That the Mortgagee may pay the amount of any encumbrance, lien or charge now or hereafter existing



or to arise, or to be claimed upon the leasehold lands and premises, having priority over the within Charge, including any arrears of taxes or other rates on the leasehold lands and premises or any part thereof, and may pay all cost, charges and expenses which may be incurred in taking, recovering, and keeping possession of the leasehold lands and premises and all solicitors' charges or commissions for or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Mortgagor hereunder, as between solicitor and client, whether any action or other judicial proceeding to enforce such payment has been taken or not, and the amounts so paid shall be added to the debt hereby secured, and be a charge on the leasehold lands and premises, and shall bear interest at the same rate, and shall be forthwith payable by the Mortgagor to the Mortgagee, and the non-payment of such amount shall entitle the Mortgagee to exercise the powers exercisable for breach of covenant hereinbefore contained. In the event of the Mortgagee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the within Charge or otherwise, it shall be entitled to all the rights, equities and securities held by the person or persons, company, corporation or governments so paid off;

(b) That the taking of any judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times herein provided and further that such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the judgment shall have been fully paid and satisfied;

(c) That the Mortgagee may at its discretion at all times release any part or parts of the leasehold lands and premises or any other rights or interest or any other

security or surety for the monies hereby secured either with or without any consideration therefor without being accountable for the value thereof or for the monies except those actually received by the Mortgagee and without thereby releasing any person from the within Charge or from any of the covenants herein contained and no such release shall diminish or prejudice this security as against the leasehold lands and premises or other rights and interests remaining unreleased; and no person shall have the right to require the Charge monies to be apportioned;

(d) That the remedies given to the Mortgagee shall be in addition to and not in substitution for the remedies given by law and all and any remedies may be exercised consecutively or concurrently as the Mortgagee may determine;

(e) That any relaxation or indulgence granted by the Mortgagee to the Mortgagor in respect to any of the covenants or provisions hereof, or any waiver of the right of the Mortgagee, shall in no way prejudice the right of the Mortgagee to require strict compliance with all or any of the terms hereof or be taken or regarded as a precedent or permission for any further default in, or violation of, such covenants or provisions; and

(f) That the word "Mortgagor" used in these presents shall include the successors and assigns of the Mortgagor; the word "Mortgagee" shall include the successors and assigns of the Mortgagee; and the word "Covenantor" shall include the respective heirs, executors, administrators and assigns of the Covenantor; and the words in the singular shall include the plural and words in the plural shall include the singular, and words importing the masculine gender include the feminine and neuter genders where the context so requires; AND FURTHER that all covenants, liabilities and obligations entered into or imposed hereunder upon the Mortgagee

and/or the Covenantor shall be joint and several.

19. PROVIDED FURTHER that, in addition to all other acts constituting default under this Indenture, the security hereby constituted shall, without notice or demand and at the option of the Mortgagee, become enforceable, and the whole of the principal plus accrued interest and all monies secured hereby shall, at the option of the Mortgagee, forthwith become due and payable; and all powers in the Mortgagee herein conferred or conferred by any other documentation evidencing or securing the subject loan, shall become immediately exercisable:

(a) if the Mortgagor becomes bankrupt or insolvent or shall be subjected to the provisions of the Winding Up Act, the Bankruptcy Act, the Companies' Creditors Arrangement Act, or any other Act for the benefit of creditors, or go into liquidation either voluntarily or under an Order of a Court of competent jurisdiction, or make a general assignment for the benefit of the Mortgagor's creditors, or otherwise acknowledge the Mortgagor's insolvency;

(b) if an encumbrancer takes possession of the leasehold lands and premises or any part thereof, or if a liquidator or receiver be appointed to the Mortgagor;

(c) if the Mortgagor shall attempt to sell or dispose of or in any way part with the possession of the leasehold lands and premises;

(d) if there should be any default under any mortgage, chattel mortgage or other security held by the Mortgagee as security for the Mortgagor's indebtedness to the Mortgagee;

(e) upon default by the Mortgagor under any of the terms, provisions or conditions contained in the said Ground Lease.

20. THIS MORTGAGE is a building mortgage, and it is the intention of the Mortgagor and the Mortgagee that the full amount of the monies hereby secured is to be advanced from time to time in the discretion of the Mortgagee in accordance with the provisions



the building or buildings being erected or to be erected on the said lands.

21. IT IS FURTHER understood and agreed between the parties hereto that all the terms and conditions of the certain loan application dated the 26th day of February, 1973 and entered into between the parties hereto shall be an integral part of this Indenture of leasehold Charge to the intent that any default under the terms of the said loan application shall constitute and be deemed a default under this leasehold Charge.

22. NOTWITHSTANDING anything herein contained, it is agreed that at any time and from time to time when there shall be default under this Charge, and whether or not the principal has been accelerated, the Mortgagee may, with or without entry into possession of the charged leasehold lands and premises or any part thereof, and whether or not there has been such entry, by writing under its hand appoint a receiver of the charged leasehold lands and premises or any part thereof and of the rents and profits thereof, or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in his stead and that in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor. Upon the appointment of a receiver, the following provisions shall apply:

- (a) A statutory declaration of the Mortgagee as to default under this Charge shall be conclusive evidence thereof for the purposes of the appointment of such receiver;
- (b) Every such receiver shall be the agent or attorney of the Mortgagor, whose appointment is irrevocable by the Mortgagor, for the collection of all rents or other monies receivable in respect of the charged leasehold lands and premises or any part thereof;
- (c) The Mortgagee may, in its discretion, by written instrument vest the receiver with all or any of the powers or discretions of the Mortgagee;
- (d) The Mortgagor may from time to time in writing fix the remuneration of the receiver;

(c) The receiver shall so far as concerns responsibility for his acts or omissions be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee;

(f) The appointment of a receiver by the Mortgagee shall not incur or create any liability on the part of the Mortgagee to the receiver in any respect, and such appointment or anything which may be done by the receiver or the removal of the receiver or the termination of the receivership shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the charged leasehold lands and premises, or any part thereof;

(g) The receiver shall have the power to rent or license for use any part of the charged leasehold lands and premises which may become vacant for such term and subject to such provisions as he may deem advisable or expedient, and in doing so the receiver shall act as the attorney or agent of the Mortgagor and shall have authority to execute under seal any lease or sublease in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever the receiver may do in connection with the charged leasehold lands and premises;

(h) The receiver shall have power to construct or complete any unfinished construction upon the charged leasehold lands and premises so that the charged leasehold lands and premises, and more particularly the buildings thereon completed shall be a complete structure;

(i) The receiver shall have power to manage, operate, amend, repair, alter or extend the charged leasehold lands and premises or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the charged leasehold lands and premises or any part thereof;

(j) The receiver shall not be liable to the Mortgagor to account for money or damages other than the money actually received by him in respect of the charged leasehold lands and premises or any part thereof, and out of such money so received, the receiver shall, subject to other written directions from the Mortgagee, pay or make reasonable reserves for payment in the following order:

(i) his remuneration aforesaid;



- (ii) all obligations incurred by him in connection with the management, operation, amendment, repair, alteration or extension or construction or completion of the charged leasehold lands and premises, or any part thereof;
- (iii) interest, principal and other money which may from time to time be or become charged upon the charged leasehold lands and premises in priority to this Charge, and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the charged leasehold lands and premises or any part thereof;
- (iv) to the Mortgagee all amounts due under this Charge and, to the extent elected by the Mortgagee, amounts owing but not yet due under this Charge;
- (v) and thereafter any surplus remaining in the hands of the receiver shall be payable to the Mortgagor;
- (k) The Mortgagee may at any time and from time to time terminate any such receivership by notice in writing under its hand to the Mortgagor and to the receiver, and if the Mortgagor ceases for two months to be in default under this Charge, the Mortgagee shall so terminate the receivership upon the request in writing of the Mortgagor;
- (l) Save as to surplus money payable to the Mortgagor, the Mortgagee releases and discharges the Mortgagee and the receiver from every claim of every nature, whether in damages or otherwise, arising by reason of anything done by the Mortgagee or the receiver under the provisions of this section, unless such claim be the direct and proximate result of dishonesty or gross neglect.

23. SHOULD THE MORTGAGOR, or any subsidiary, or any guarantor or Covenantor of the indebtedness secured by this Charge

- (i) apply for, or consent to, the appointment of a receiver, trustee, or liquidator for all, or a substantial part, of its assets; or
  - (ii) admit in writing its inability to pay its debts as they mature; or
  - (iii) make a general assignment for the benefit of its creditors;
- or

- (iv) be adjudicated a bankrupt, or insolvent; or
- (v) file a voluntary petition in bankruptcy, or a petition, or an answer, seeking reorganization or an arrangement with its creditors, or take advantage of any insolvency, or other similar law; or
- (vi) file an answer admitting the material allegations of a petition filed in any bankruptcy, reorganization or insolvency proceedings, or permit any such petition to remain undismissed for a period of thirty (30) days; or take any corporate action for the purpose of effecting any of the foregoing; or
- (vii) permit an order, judgment or decree to be entered with or without its application, approval or consent by any Court of competent jurisdiction approving a petition seeking its reorganization, or the appointment of a receiver, trustee or liquidator of all or any part of its assets; and if such order, judgment or decree is entered without its application, approval or consent, such order, judgment, or decree shall continue unstayed and in effect for a period of thirty (30) days;

the whole of the monies hereby secured remaining unpaid shall, at the option of the Mortgagee, without notice or demand become immediately due and payable and all powers in the Mortgagee by this Charge conferred, or conferred by any other documentation, evidencing or securing the subject loan, shall become immediately exercisable.

24. SHOULD THE MORTGAGOR at any time while this loan is outstanding, either voluntarily or by operation of law, transfer or convey its interest in the charged leasehold lands and premises or substantially change its legal or equitable ownership without first obtaining the written consent of the Mortgagee to the same, then, at the option of the Mortgagee, any and all sums outstanding under the said loan shall forthwith become due and payable.

25. AND the said Covenantor of the Third Part, in consideration of the Mortgagee making the mortgage loan hereunder to the Mortgagor and the sum of ONE DOLLAR (\$1.00) of lawful money of Canada now paid to him by the Mortgagee (the receipt whereof is hereby by him acknowledged), for himself, his heirs, assigns, and assigns, shall

successors and assigns, doth hereby covenant with the Mortgagee as principal debtor and not as surety that he will pay all monies payable hereunder when due and will duly observe, perform and keep all the covenants herein contained, and will indemnify and save harmless the Mortgagee from any loss, costs or damages arising from breach or non-performance of any of the said covenants, and does further agree that the Mortgagee may arrange with the Mortgagor or its respective successors and assigns to alter the terms of the within Charge in any manner whatsoever and/or may allow the Charge monies to be in arrears and/or may extend the time for payment of any Charge monies and/or deal with the charged security however as they may deem fit, and all without releasing the Covenantor from his obligations hereunder and without notice to him and the Mortgagee shall not be bound to exercise its remedies against the Mortgagor or any other person or against the charged leasehold lands and premises before requiring payment of monies or performance or covenants from the Covenantor.

26. PROVIDED that the Mortgagor, when not in default hereunder shall have the privilege of prepaying all of the principal hereby secured on any payment date after eighteen months from the date of the first advance of monies hereunder provided the Regional College being constructed on the subject lands has been substantially completed in the opinion of an architect appointed by the Mortgagee one month's prior written notice of such prepayment.

IN WITNESS WHEREOF the Mortgagor has caused its corporate seal to be hereunto affixed in accordance with its rules and regulations in that regard, and the Covenantor has hereunto set his hand and seal as of the day and year first above written.

The Common Seal of  
 WESTERN REALTIES LIMITED  
 was hereunto affixed this  
 3 day of June,  
 1974 in the presence of:

  
 WITNESS 

WESTERN REALTIES LIMITED

*Wesley K. Andrews*  
PER \_\_\_\_\_

SIGNED, SEALED AND DELIVERED

by Wesley K. Andrews this

3 day of *June*.

1974 in the presence of:

*[Signature]*  
\_\_\_\_\_  
WITNESS *[Signature]*

*Wesley K. Andrews*  
\_\_\_\_\_  
WESLEY K. ANDREWS



CONSENT OF LESSOR

IN CONSIDERATION of CNA INVESTORS INC. loaning \$8,700,000.00 to WESTERN REALTIES LIMITED on the security of the within Charge to finance the construction of a Regional College on the lands which are the subject of the within Charge, which lands will be subleased back to the Lessor; and in consideration of the sum of TEN (\$10.00) DOLLARS of lawful money of Canada, now paid by CNA Investors Inc. to the Lessor, receipt whereof is hereby acknowledged:

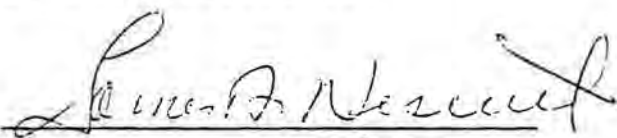
- (1) We hereby consent to the within Charge as written and confirm that the terms of the Ground Lease therein described are in full force and effect and have not been amended, and that the rent has been paid thereunder; and further that there are no breaches by the Tenant thereunder (the Mortgagor herein) of any of the terms of the Ground Lease.
- (2) We hereby acknowledge that the Mortgagee has relied upon the terms, conditions and provisions of the Ground Lease in entering into the within Charge, and we hereby agree to comply with all terms, conditions and provisions contained in the said Ground Lease which in any way affect the rights of the Mortgagee and the holder(s) of any Leasehold Mortgage(s).

IN WITNESS WHEREOF the Minister of Public Works and Services has hereunto subscribed his hand and the Seal of the Department of Public Works and Services has been hereunto affixed as of the day and year first before written.

SIGNED by the Minister of Public Works and Services and the Seal of the Department of Public Works and Services was hereunto affixed this

3<sup>rd</sup> day of June, 1974

in the presence of:

  
WITNESS *Frederic*

  
MINISTER OF PUBLIC WORKS AND SERVICES



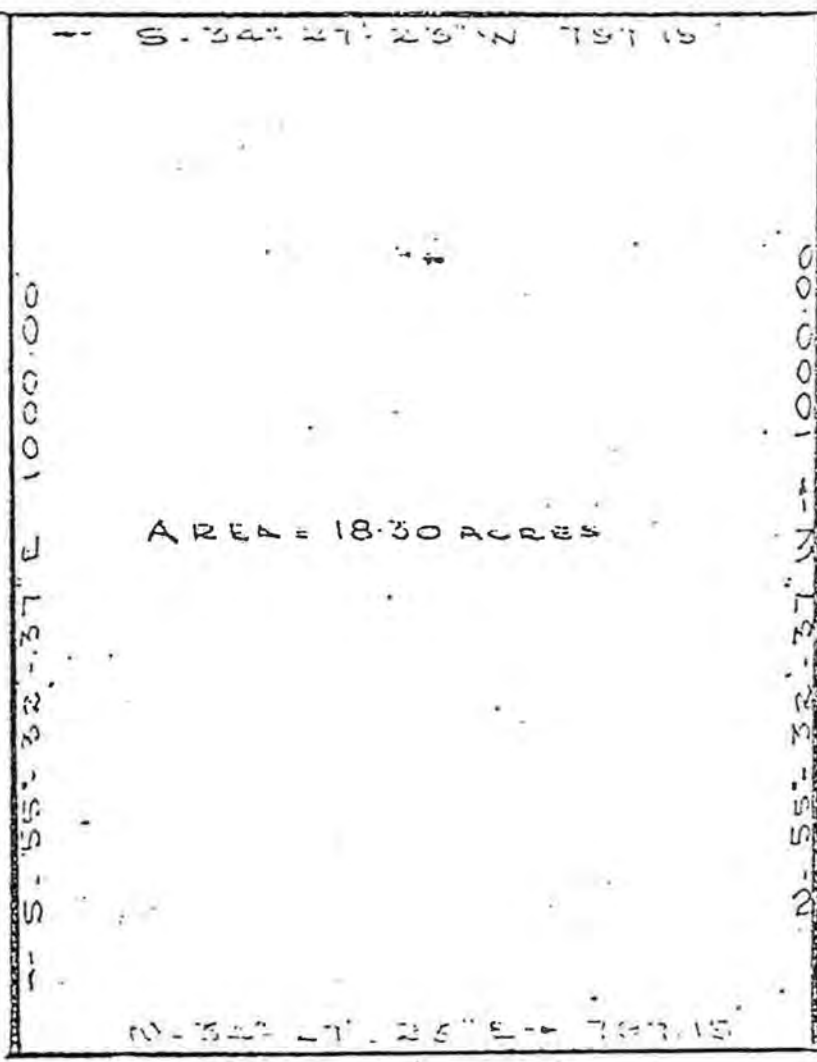
SCHEDULE "A"

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Southern side of a road reserve being the extension of Mount Bernard Avenue, in the City of Corner Brook, Province of Newfoundland, being bounded and described as follows, that is to say: The starting point can be found by running along the centerline of the Watson's Brook transmission line North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) ninety-five and forty-five hundredths (95.45') feet from the center of a strain tower on the said line East of the Corner Brook Arts and Culture Centre, thence South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) three hundred thirty-nine and seventy-five hundredths (339.75') feet thence from the above described starting point along property owned by the Bay of Islands-St. George's Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) seven hundred ninety-seven and fifteen hundredths (797.15') feet, thence by land of Memorial University of Newfoundland as follows: South fifty-five degrees thirty-two minutes thirty-seven seconds East (S 55° 32' 37" E) one thousand (1000.00) feet North thirty-four degrees twenty-seven minutes twenty-three seconds East (N 34° 27' 23" E) seven hundred ninety-seven and fifteen hundredths (797.15) feet, thence by land of Memorial University of Newfoundland and a road reservation fifty (50.00) feet wide North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) one thousand (1000.00) feet to the starting point. The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian. RESERVING NEVERTHELESS all mines, minerals, quarry materials, coal, oil, natural gas and salt.

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

TRAIL

MEMORIAL UNIVERSITY OF NEWFOUNDLAND



AREA = 18.30 ACRES

N. 55° 32' 37\"/>

ROAD RESERVE 50 FT

MOUNT RESERVE 50 FT

0000  
0000  
0000  
0000  
0000

CITY OF CONNER BROOK

2000

MEMORIAL UNIVERSITY OF NEWFOUNDLAND



MEMORIAL UNIVERSITY OF NEWFOUNDLAND

AFFIDAVIT OF SUBSCRIBING WITNESS

I,

of the

in the

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed

at by WESLEY K. ANDREWS

\*See footnote

I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

\*See footnote

SWORN before me at the

in the

this

day of

19



A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

\* Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters and "after the instrument had been read to him and he appeared fully to understand it" Where executed under a power of attorney insert "name of attorney as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

face of  
once insert  
private County,  
or, Regional  
signing, etc.

AFFIDAVIT OF SUBSCRIBING WITNESS

I,

of the

in the

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed

at by

See footnote

I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

See footnote

SWORN before me at the

in the

this

day of

19



A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

\* Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters and "after the instrument had been read to him and he appeared fully to understand it" Where executed under a power of attorney insert "name of attorney as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

AFFIDAVIT AS TO AGE AND MARITAL STATUS

I/~~WE~~ WESLEY K. ANDREWS  
of the City of Saint John's  
in the Province of Newfoundland

make oath and say: When I executed the attached instrument,

I/~~WE~~ was at least eighteen years old.

I was married ~~XXXXXXXXXXXXXXXXXXXX~~

~~XXXXXXXXXXXXXXXXXXXX~~

~~XXXXXXXXXXXXXXXXXXXX~~

~~XXXXXXXXXXXXXXXXXXXX~~

~~XXXXXXXXXXXX~~ SWORN before me at the

in the

this day of 19

*Wesley K. Andrews*  
WESLEY K. ANDREWS

AFFIDAVIT AS TO AGE AND MARITAL STATUS

I/WE

of the

in the

make oath and say: When executed the attached instrument,

I/WE at least eighteen years old,

I was married / divorced / widower,

was my wife / husband.

We were married to each other.

We held the land as Joint Tenants / Trustees / Partnership Property.

(SEVERALLY) SWORN before me at the

in the

this day of 19

DATED: March 1, 1974

WESTERN REALTIES LIMITED

-AND-

CNA INVESTORS INC.  
65 Queen Street West  
Toronto, Ontario  
M5H 2M5

---

---

MORTGAGE OF LEASE

---

---

ROSENFELD, SCHWARTZ, MALCOLM-  
SON, LAMPKIN & LEVINE  
Barristers and Solicitors  
65 Queen Street West  
Toronto, Ontario  
M5H 2M5



DATED: March 1, 1974

WESTERN REALTIES LIMITED

-AND-

CNA INVESTORS INC.  
65 Queen Street West  
Toronto, Ontario  
M5H 2N5

---

MORTGAGE OF LEASE

---

ROSENFELD, SCHWARTZ, MALCOLM-  
SON, LAMPKIN & LEVINE  
Barristers and Solicitors  
65 Queen Street West  
Toronto, Ontario  
M5H 2M5

THIS INDENTURE made as of the 1st. day of May, 1974.

B E T W E E N :

WESTERN REALTIES LIMITED, a company incorporated under the laws of the Province of Newfoundland, having its head office in the City of St. John's in the Province of Newfoundland,

hereinafter called "the Landlord",

OF THE FIRST PART;

- and -

HER MAJESTY THE QUEEN in right of Newfoundland, represented herein by the Minister of Public Works and Services for the Province of Newfoundland,

hereinafter called "the Tenant",

OF THE SECOND PART;

WHEREAS by Indenture dated as of May 1st, 1974 Her Majesty the Queen in right of Newfoundland, represented therein by the Minister of Public Works and Services for the Province of Newfoundland, did demise and lease unto Western Realities Limited ALL AND SINGULAR that certain parcel or tract of land and premises set out and described in Schedule "A" annexed hereto for a term commencing September 1st, 1975, and from thenceforth next ensuing and fully to be completed on September 1st, 2005, (which Indenture is hereinafter referred to as "the Ground Lease"):

AND WHEREAS it is a term and condition of the Ground Lease that Western Realities Limited shall have the right from time to time to mortgage or charge the Ground Lease and the leasehold interest of Western Realities Limited (the Landlord herein) created by it, and the building or buildings now situate or to be erected thereon (hereinafter referred to as "the Building"), which mortgage or charge is therein and hereinafter referred to as "the Leasehold Mortgage(s)".

NOW THEREFORE THIS INDENTURE WITNESSETH:

1. That in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord doth demise and lease unto the Tenant the lands and premises set out and described in Schedule "A" annexed hereto, and all rights and appurtenances thereunto appertaining, the said lands and premises and the said rights and appurtenances being hereinafter sometimes collectively referred to as "the demised premises".
2. TO HAVE AND TO HOLD the demised premises, unless such term shall be sooner terminated as hereinafter provided, from and inclusive of the 1st day of September, 1975, and from thenceforth next ensuing and fully to be completed and ended on August 31st, 2005.
3. (a) YIELDING AND PAYING THEREFOR yearly and every year during the said term unto the Landlord, its successors and assigns the sum of NINE HUNDRED EIGHTY NINE THOUSAND, TWO HUNDRED AND EIGHTY TWO DOLLARS (\$989,282.00) of lawful money of Canada, to be payable in monthly instalments of EIGHTY TWO THOUSAND, FOUR HUNDRED and FORTY DOLLARS and seventeen cents (\$82,440.17) each in advance on the following days and times: that is to say on the first day of each and every month, from and including the first day of September, 1975, to and including the 1st day of August, 2005.  
  
(b) PROVIDED THAT NOTWITHSTANDING anything to the contrary therein contained, it is agreed and understood that while rent accrues hereunder from the 1st. day of September, 1975 if the Project Architect has not issued the certificate of substantial completion of the Building on or before said date rent for the period from the 1st. day of September, 1975 to the date of issuance of said certificate of substantial completion together with rent for the period from the date of issuance of said certificate of substantial completion to the first date of the month next following the date of issuance of said certificate of substantial completion shall be payable on the last mentioned date.
4. ALL payments required to be made by the Tenant under or in respect to this Lease shall be made to the Landlord at the Landlord's office in St. John's, or to such agent or agents of the Landlord or at such other place as the Landlord shall hereafter from time to time direct in writing to the Tenant.

5. THE TENANT covenants with the said Landlord:

(a) To pay rent, hereby reserved, on the days and in the manner aforesaid without any deduction or defalcation or abatement thereof or out of any part thereof.

(b) That the Tenant will, as additional rent, in each and every year during the said term, pay and discharge all taxes (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the said premises or any part thereof, and, without limiting the generality of the foregoing, every other tax, charge, rate, assessment or payment which may become a charge or encumbrance upon or levied or collected upon or in respect of the demised premises or any part thereof, as the same become due respectively, whether charged by any municipal, parliamentary or other body during the term hereby demised. The Tenant shall pay, as the same become due respectively, all charges for public utilities, including water, gas, electrical power or energy, steam or hot water used upon or in respect of the demised premises and for fittings, machines, apparatus, meters or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities.

The Tenant shall have the right to contest by appropriate legal proceedings the validity of any tax, rate, including local improvement rates, assessment or other charges referred to in this paragraph; and if the payment of any such tax, rate, local improvement rates, assessment or other charges may legally be held in abeyance without subjecting the Landlord or the Tenant to any liability of whatever nature for failure to so pay, the Tenant may postpone such payment until the final determination of any such proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch;

(c) That the Tenant, at its own expense, shall maintain and keep the demised premises and every part thereof and all fixtures in good order and condition, and promptly make all needed repairs and replacements, save and except reasonable wear and tear and damage by fire, lightning, tempest and the Queen's enemies, and, without limiting the foregoing, the Tenant shall keep the demised premises well painted, clean and in such condition as a prudent owner would do;

(d) That it shall be lawful for the Landlord and its agents, at all reasonable times during the said term, to enter the demised premises to inspect the condition thereof. Where an inspection reveals repairs are necessary, the Landlord shall give the Tenant notice in writing, and thereupon the Tenant will, within three (3) calendar months from the date of delivery of the notice, make the necessary repairs in a good and



workmanlike manner and if the Tenant does not within ten days, after service of such notice commence and proceed diligently with the execution of the repairs and works mentioned in such notice it shall be lawful for the Landlord to enter upon the demised premises and execute such repairs and works and to recover the cost thereof as a debt due from the Tenant to the Landlord;

(e) To report to the Landlord any and all damage at any time caused to the demised premises, its fixtures equipment and contents by fire, storm tempest explosion or any other cause whatsoever whether of a like or of a different kind promptly after the happening of such damage;

(f) To keep the interior of the demised premises all fittings and fixtures therein and all glass in the windows thereof and the sanitary and plumbing fixtures thereof in good and tenantable repair and condition reasonable wear and tear and repairs agreed to be done by the Landlord and damage or destruction by fire, storm, tempest, explosion, the Queen's enemies or other casualty excepted;

(g) To protect and preserve the heating and plumbing fixtures and facilities in the demised premises from freezing at all times and to be responsible for any damage caused by its failure to do so and to effect and pay for all necessary repairs and replacements caused by such failure both as regards the heating and plumbing fixtures and facilities and as regards any other portion of the demised premises its fixtures, equipment.

(h) Not to make or permit to be made any structural alterations in the demised premises or any part thereof without the consent of the Landlord, it being understood and agreed that the Tenant may make such structural alterations as are necessary to enable heat, water and electricity to be supplied to the demised premises, the design and nature of the proposed alterations to be first approved by the Landlord whose approval shall not be unreasonably withheld, it being further understood and agreed that at the termination of the lease, the Tenant, if requested by the Landlord, will restore the demised premises to their original conditions;

(i) To attorn as tenant to the holder(s) of the Leasehold Mortgage(s) if the said holder(s) of the Leasehold Mortgage(s) becomes the Tenant under the Ground Lease, or if the holder(s) of the Leasehold Mortgage(s) becomes the Tenant under a new ground lease pursuant to Clause 5:06 of the hereinbefore recited Ground Lease, and the Tenant is hereby deemed to have knowledge of the contents of Clause 5:06 of the said Ground Lease.

(j) To heat the said premises in a reasonable manner at its own expense;

(k) That it will promptly comply with all requirements of the local Board of Health, Police or Fire Department and all governmental and municipal authorities having jurisdiction over the said premises respecting the manner in which it



uses or maintains the said premises;

(l) AND will not assign or sublet without leave, from both the Landlord and holder(s) of the Leasehold Mortgage(s), provided such leave shall not be unreasonably withheld. The Tenant shall furnish to the Landlord copies of any assignments or subleases made hereunder it being distinctly understood and agreed that the Tenant may sublet parts of the demised premises to others so long as the Tenant remains in control of the demised premises, and the Tenant agrees to provide the Landlord and the holder(s) of the Leasehold Mortgage(s), true copies of any such subleases, forthwith after their execution;

(m) At the expiration or previous determination of the term of this lease peaceably and quietly to yield and deliver up possession of the demised premises to the Landlord;

(n) That it will not do or omit to do or permit to be done or omitted anything upon or in respect of the demised premises, the doing or omission of which (as the case may be) shall be or result in a nuisance;

(o) At all times during the said term, the Tenant shall, at its own cost and expense, insure and keep insured or cause to be insured and keep insured the Building in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of the Leasehold Mortgage(s) and the Landlord, in the sum of not less than its full replacement value (excluding the replacement value of foundations and architectural fees relating to such foundations), against loss or damage by fire and other perils, now or hereafter from time to time embraced by or defined in a standard fire insurance extended coverage or additional perils supplemental contract. The policy or policies of insurance required to be placed by this Lease shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Tenant or the Landlord;

(p) At all times during the said term, the Tenant shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) and the Landlord comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of negligence in the maintenance and operations of the Building indemnifying and protecting the Landlord and the holder(s) of the Leasehold Mortgage(s) from time to time. Any and all policies of such insurance shall be for the mutual benefit of the Tenant and the holder(s) of such Leasehold Mortgage(s);

(q) At all times during the said term, the Tenant shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) and the Landlord

Rental Income Insurance with a twelve (12) month period of indemnity, provided that the provisions of this subparagraph shall not apply while the Tenant hereunder is Her Majesty the Queen in right of Newfoundland;

(r) The Tenant shall pay all the premiums under the aforesaid policies as they become due and payable;

(s) The Landlord, Tenant and the holder(s) of any Leasehold Mortgage(s) shall be named as the insured on all policies of insurance with all losses payable under the said policies to the said parties as their interest may appear. All such policies shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Landlord or the Tenant, and all such policies shall contain the standard Mortgagee's clause;

(t) All policies of insurance (or certificate thereof) or other evidence of continuity of insurance shall be delivered to the Landlord, and certified copies thereof to the holder(s) of any Leasehold Mortgage(s) accompanied by a copy of the receipted premium account indicating that the premiums thereon have been paid not less than fifteen (15) days prior to the expiration of any then current policy;

6. AND the Landlord hereby covenants to and with the Tenant that the Tenant paying the rent hereby reserved on the days and in the manner hereinbefore limited and appointed for payment thereof and observing and performing and fulfilling and keeping all and singular the covenants and agreements herein contained which on the Tenant's part ought to be observed, performed, fulfilled and kept, shall and may peaceably and quietly have, hold, occupy and possess, and enjoy the demised premises with the appurtenances thereto belonging for and during the term hereby created without any intervention or hindrance of or by the Landlord or any person lawfully claiming or to claim by, from, under or in trust for the Landlord.

7. (a) The partial or total destruction or damage or complete destruction by fire or other casualty of the Building shall not terminate this lease nor entitle the Tenant to surrender possession of the demised lands nor to demand any abatement or reduction of the rent or additional rent or other charges payable under this lease, any law or statute now or in the future to the contrary notwithstanding;

(b) As to the amount of any loss payable under any of the policies of insurance referred to in this lease, the same shall be paid to the Landlord and the holder(s) of any Leasehold Mortgage(s) as their interest may appear, to be held in trust by the Landlord and the holder(s) of any Leasehold Mortgage(s) and paid over to the Tenant upon completion by the Tenant of the restoration, reconstruction or replacement of the loss or damage in respect of which such insurance monies were paid



and upon payment by the Tenant of all costs and expenses incidental thereto. Provided that the Landlord and the holder(s) of any Leasehold Mortgage(s) shall, if requested by the Tenant, pay any such insurance monies in instalments during the period of and for costs already incurred for such restoration, reconstruction or replacement, against certificates of the architect in charge of such restoration, reconstruction or replacement, and after receiving such other certificates, evidence and opinions as they shall require for the purpose of being satisfied that such restoration, reconstruction or replacement is being properly proceeded with;

(c) Any replacement, repair or reconstruction of the Building or any part thereof pursuant to the provisions of this Lease shall be made or done in compliance with the Ground Lease;

(d) Any holder(s) of any Leasehold Mortgage(s) is hereby authorized, at his sole expense and absolute discretion, to proceed with the work of restoration, reconstruction or replacement, as the case may be, provided it is done in full compliance with the hereinbefore referred to Ground Lease. The holder(s) of such Leasehold Mortgage(s) so restoring, reconstructing or replacing shall be subrogated to the rights of the Landlord and Tenant to the whole amount of insurance monies payable as a result of a loss payable under any of the policies of insurance referred to herein. It is expressly understood that nothing contained herein shall obligate the holder(s) of any Leasehold Mortgage(s) to proceed with the work of such restoration, reconstruction or replacement.

8. PROVIDED AND IT IS HEREBY EXPRESSLY AGREED THAT DURING THE TERM OF THIS LEASE:

(a) The Landlord shall be responsible for the maintenance and upkeep to the exterior of the buildings (except broken glass) and to the exterior utility services located underground and for all structural deficiencies; it being understood and agreed the term "exterior of the buildings" as hereinbefore used shall mean roofs, foundations and exterior walls provided that notwithstanding the general intent to the contrary, the Landlord's obligations in respect of the roofs shall extend only for a period of ten years commencing from the date of the issuance of the hereinbefore mentioned certificate of substantial completion of the Project Architect and thereafter the obligations in respect of such roofs shall be those of the Tenant. The Tenant agrees to immediately notify the landlord of the necessity for any repairs of which the Tenant may have knowledge for which the Landlord may be responsible under the provisions of this subparagraph.

(b) That notwithstanding the benefit of any present future statute taking away or limiting the Landlord's right of distress, none of the goods and chattels of the Tenant

on the demised premises at any time during the said term shall be exempt from levy by distress for rent in arrears;

(c) That the Landlord shall not in any event whatsoever be liable or responsible in any way for any personal injury or death that may be suffered or sustained by the Tenant or any employee of the Tenant or any other person who may be upon the demised premises or for any loss of or damage or injury to any property belonging to the Tenant or to its employees or to any other person while such property is on the demised premises, and in particular (but without limiting the generality of the foregoing), the Landlord shall not be liable for any damage to any such property caused by steam, water, rain or snow which may leak into, issue or flow from any part of the said building or adjoining premises, or from the water, steam, sprinkler or drainage pipes or plumbing works of the same, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electrical or other wiring, or for any damage caused by anything done or omitted to be done by any tenant; AND the Tenant hereby agrees to indemnify and hold the Landlord free and harmless from and against any loss, cost, liability or expense (including but not limited to reasonable solicitors' fees) resulting from such loss, damage or injury;

(d) That the Tenant will not bring upon the demised premises, or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use might damage the demised premises, and that if any damage is caused to the demised premises by any machinery, equipment, article or thing or by overloading or by any act, neglect or misuse on the part of the Tenant, or any of its servants, agents or employees, or any person having business with the Tenant, the Tenant will forthwith repair the same or pay to the Landlord the cost of making good the same;

(e) That the Tenant will indemnify and save harmless the Landlord of and from all liabilities, fines, suits, claims, demands, and action of any kind or nature to which the Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provisions hereof or by reason of any injury or death resulting from, occasioned to or suffered by any person or persons or any property by reason of any act, neglect or default on the part of the Tenant or any of its agents or employees; such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death occurring during the term of the Lease shall survive any termination of this Lease, anything in this Lease to the contrary notwithstanding;

(f) That in the event of the Tenant failing to pay any taxes, rates, insurance premiums or charges which it



has herein covenanted to pay, the Landlord may pay the same and shall be entitled to charge the sums so paid to the Tenant, who shall pay them forthwith on demand; and the Landlord, in addition to any other rights, shall have the same remedies and may take the same steps for the recovery of all such sums as it might have and take for the recovery of rent in arrears under the terms of this Lease; all arrears of rent and any monies paid by the Landlord hereunder shall bear interest at the rate of 10% per centum per annum from the time such arrears become due until paid to the Landlord;

(g) That the Tenant will keep the demised premises and every part thereof in a clean and tidy condition and will not willingly and knowingly permit wastepaper, garbage, ashes or waste or objectionable material to accumulate thereon;

(h) Whenever in this Lease reference is made to the demised premises, it shall include all structures, improvements and erections in or upon the demised premises or any part thereof from time to time;

(i) The Tenant shall from time to time at the request of the Landlord produce to the Landlord satisfactory evidence of the due payment by the Tenant of all payments required to be made by the Tenant under this Lease;

9. (a) PROVIDED that the Tenant may remove all fixtures installed by the Tenant; PROVIDED FURTHER that the Tenant shall not remove or carry away from the said premises any building or any plumbing, heating or ventilation plant or equipment or other building services. AND PROVIDED FURTHER that any equipment or machinery installed by the Tenant necessarily bolted to or affixed to the Building as part thereof shall be considered under the terms of this Lease as personal property, and, except where otherwise specifically stated, shall be removable by the Tenant as the Tenant's fixtures upon expiration or other termination of this Lease, and without limiting the generality of the foregoing, to include overhead cranes, transformers, presses and heavy machinery; IT BEING UNDERSTOOD, however, that the Tenant shall forthwith repair any damages to the premises resulting from the removal of such Tenant's fixtures, and that if the Tenant does not make such repairs promptly the same may be made by the Landlord for the account of the Tenant. The Tenant may, however, lease the said fixtures in or upon the premises with the permission of the Landlord and the Holder(s) of the Leasehold Mortgage(s) and such permission shall be deemed to have been granted where the said permission has been requested in writing by the Tenant at least sixty (60) days prior to the termination of this lease or renewal thereof and the Land and the Holder(s) of the Leasehold Mortgage(s) have not within a period of sixty (60) days from the receipt of the said request refused in writing to grant the said permission and where the said permission has been



granted, the Tenant shall not be liable to pay compensation or make any other payment to the Landlord in respect to the said fixtures.

(b) In this section "alterations" shall mean all changes, alterations, additions, repairs and improvements to the demised premises; where alterations have been made by the Tenant with the written approval of the Landlord and the holder(s) of the Leasehold Mortgage(s) the Tenant will not be required to restore the premises to the state which existed at the commencement of this lease but the Tenant shall yield up the premises to the Landlord together with the alterations in good and tenantable repair, accident and damage to the building from fire, storm, tempest and reasonable wear and tear only excepted and the Tenant shall not be liable to pay compensation or to make any other payment to the Landlord in respect of restoration or of any loss or damage to the demised premises resulting from or occasioned by the said alterations or any other loss or damage arising out of or incidental to the said alterations;

10. That in case the said rent hereby reserved or any part thereof shall be at any time in arrears or unpaid for the space of 30 days after the due date whether demanded by the Landlord or not or in case default shall be made by the Tenant in the observance or performance of any covenant or agreement by it to be observed and performed then and in any of such cases and from thenceforth it shall be lawful to and for the Landlord into and upon the demised premises or any part thereof in the name of the whole to re-enter and thereupon at the option of the Landlord this tenancy shall absolutely determine but without prejudice to the right of action of the Landlord in respect of any breach of the Tenant's covenants and agreements herein contained.

11. That the Landlord shall not be liable for any damage to the fixtures or equipment of the Tenant, except damage caused by the negligence of the Landlord or the servants, agents or workmen of the Landlord.

12. Notwithstanding the Tenant's covenant to repair or to the Landlord's continuing obligation under Paragraph 8(a) above, the Landlord hereby further covenants and agrees that for a period of fifteen months from the date of the issuance of the hereinbefore mentioned certificate of substantial completion by the Project Architect that the Landlord shall be responsible for all repairs necessary to be made to the demised premises resulting from any and all defects which can be attributable to faulty workmanship or materials or by reason of not complying with the strict requirements of the plans and specifications as contained in the tender documents and Landlord covenants and agrees to

repair or replace such defects or deficiencies forthwith upon Notice and at no cost to the Tenant.

13. Option to Purchase - The Landlord hereby agrees that the Tenant shall and is hereby granted the option exercisable on thirty (30) days prior notice in writing to the Landlord and to the holder(s) of the Leasehold Mortgage(s) to purchase the demised premises described in the Lease as follows:

(a) at the end of the fifth year of the term granted at the price of \$10,775,000.00 to be adjusted by deducting therefrom the amount of the then outstanding conventional mortgage(s) which mortgage(s) shall thereupon be assumed by Tenant;

(b) at the end of the fifteenth year of the term granted at the price of \$9,375,000.00 to be adjusted by deducting therefrom the amount of the then outstanding conventional mortgage(s) which mortgage(s) shall thereupon be assumed by Tenant;

14. IT IS the intention of this Lease that the said rentals herein provided to be paid shall be net to the Landlord and clear of all taxes (except the Landlord's Income and Corporations Taxes), costs and charges arising from or relating to the demised premises, and that subject to Landlord's obligations herein set forth the Tenant shall pay all charges, impositions, expenses of every nature and kind relating to the demised premises, and the Tenant covenants with the Landlord accordingly.

15. The Landlord covenants with the Tenant for quiet enjoyment.

16. PROVIDED that during the term hereby created any person or persons may inspect the said premises and all parts thereof at all reasonable times on producing a written order to that effect signed by the Landlord or its agents.

17. Subject to Paragraph 13 this Lease cannot be modified so as to:

- (a) reduce the rent as provided herein;
- (b) change any renewal privileges;
- (c) shorten the term of this Lease;
- (d) allow any prepayment of rent;

without the consent of the holder(s) of the Leasehold Mortgage(s) and any such modification without the consent of the holder(s) of the Leasehold Mortgage(s) will be void as against the said holder(s) of the Leasehold Mortgage(s), it being intended that the terms, conditions and provisos contained in this Lease are being relied upon by holder(s) of the Leasehold Mortgage(s) and their assignees and prospective purchasers of the Landlord's interest herein.

18. ANY building, erection or improvement placed or erected upon the demised premises shall become a part thereof and shall not be removed, and shall be subject to all the provisions of this Lease. No building, erection or improvement shall be erected upon the demised premises without the written prior consent of the Landlord, and the holder(s) of the Leasehold Mortgage(s).

19. The Landlord declares that it may assign its rights under this Lease to the holder(s) of any Leasehold Mortgage(s) as collateral security for a loan to the Landlord, and in the event that such an assignment is given and executed by the Landlord, IT IS EXPRESSLY AGREED between the Landlord and the Tenant that this Lease shall not be cancelled or modified for any reason whatsoever except as provided for, anticipated or permitted by the terms of this Lease or by law, without the consent in writing of such holder(s) of any Leasehold Mortgage(s).

20. The Tenant covenants and agrees with the Landlord that it will, if and whenever reasonably required by the Landlord and at the Landlord's expense, consent to any instrument relating to this Lease or amendments thereto which may be required by or on behalf of any purchaser, financial institution or mortgagee from time to time of the said premises: PROVIDED always that the rights of the Tenant as hereinbefore set out be not altered or varied by the terms of such instrument or document.

21. The Tenant shall have the right from time to time during the term hereby granted to erect, paint, display, maintain, alter, change or remove advertising signs on the exterior and interior of the walls and on the roof of the said building. All such signs shall be dignified in appearance and shall comply with the lawful requirements of municipal and governmental authorities. They shall remain the property of the Tenant. Upon the removal of any such signs, the demised premises shall be restored to their original condition, except for reasonable wear and tear. The Tenant shall indemnify the Landlord against any loss or damage caused to any person or thing as a result of the placing or use of any sign on the demised premises.

22. PROVIDED that if, due to the failure of the Landlord to complete construction or to make available the services which the Landlord is hereby obliged to furnish, the demised premises or any part thereof are not ready for occupancy on the date of commencement of the term, no part of the rent, notwithstanding that the Tenant may occupy a part of the demised premises, shall be payable



for the period before the date when the entire demised premises are ready for occupancy as evidenced by the certificate of substantial completion of the Project Architect and the full rent shall become payable at the time provided for in Clause 3 (b).

23. NO condoning, excusing or overlooking by either party hereto of any default, breach or non-observance by the other party in respect of any covenants, provisos or conditions herein contained shall operate as a waiver in respect of any continuing or subsequent default, breach or non-observance.

24. IF, at any time during the term of this Lease, the Landlord receives a bona fide offer to purchase its interest in the premises, the Landlord shall provide to the Tenant a copy of such bona fide offer and the Tenant will be given the first right to match the said offer provided the Tenant must exercise this option within thirty (30) days of receipt by Tenant of a copy of said offer. The Landlord shall not dispose of its interest in the premises without first obtaining the consent of the Tenant and the holder(s) of any Leasehold Mortgage(s). Such consent shall not be unreasonably withheld.

25. In the event of expropriation, each of the parties hereto and the holder(s) of the Leasehold Mortgage(s) if any, are to be entitled to be represented in negotiations, proceedings, etc., and in due course to receive payment out of the proceeds of the expropriations in accordance with their interests as set out in this document.

26. Notwithstanding anything herein contained to the contrary, any notice required to be given to the Tenant shall be deemed sufficiently given if sent by registered mail to the Tenant at the said premises with a copy to the Deputy Minister of Public Works and Services, Confederation Building, St. John's Newfoundland and such notice shall be deemed to have been received by the Tenant on the second business day after the date on which it shall have been so mailed.

Any notice to be given to the Landlord shall be deemed sufficiently given only if sent by registered mail to the Landlord at its head office in St. John's, Newfoundland and to the head office of any assignee of the Landlord's interest hereunder and to the head office of the holder(s) of the Leasehold Mortgage(s), and such notice shall be deemed to have been received by the Landlord and by any assignees of the Landlord's interest hereunder, and by the holder(s) of the Leasehold Mortgage(s) on the second business day after the date on which it shall have been so mailed.

Any notice to be given to the holder(s) of the Leasehold Mortgage(s) shall be deemed sufficiently given if sent by registered mail to the holder(s) of the Leasehold

Mortgage(s) at their head office, and such notice shall be deemed to have been received on the second business day following the date on which it shall have been so mailed.

Notwithstanding anything to the contrary herein contained, it is agreed and understood that all provisions of this Lease requiring the Tenant to give notice to holder(s) of any Leasehold Mortgage(s) or any assignee(s) of the Landlord's interest hereunder shall become effective only upon the Landlord or the holder(s) or proposed holder(s) of any Leasehold Mortgage(s) or any assignee(s) or proposed assignee(s) of Landlord's interest hereunder giving to the Tenant notice that they have become or intend to become holder(s) of Leasehold Mortgage(s) or assignee(s) of Landlord's interest hereunder together with an address to which notices may be forwarded pursuant to the requirements of this Lease and the Tenant expressly agrees to give to such holder(s) or proposed holder(s) of Leasehold Mortgage(s) and such assignee(s) or proposed assignee(s) of Landlord's interest hereunder all notices required to be given to such parties pursuant to the provisions of this Lease.

Either the Landlord or the Tenant or the holder of any Leasehold Mortgage(s) may at any time give notice in writing to the other or others of any change of address of the party giving such notice and from and after the giving of such notice, the address of such party for the giving of such notices thereafter shall be the changed address.

27. No termination of this Lease without the prior written consent of the holder(s) of any Leasehold Mortgage(s) prior to its unexpired term shall be valid unless all monies then outstanding under any Leasehold Mortgage(s) have been paid and until the holder(s) of the Leasehold Mortgage(s) have acknowledged in writing to the Landlord and the Tenant the fact that all monies outstanding under the said Leasehold Mortgage(s) have been paid.

28. INDEMNIFICATION OF LANDLORD

The Tenant shall indemnify and save harmless the Landlord from any and all liabilities, damages, costs, claims, suits or actions (provided that such liabilities, damages, costs, claims, suits or actions do not result as a result of the negligence of the Landlord or its servants or agents) growing out of:

Violations of the Lease

(a) Any breach, violation or non-performance of any covenants, condition or agreement in this Lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed or performed;

Property Damage

(b) Any damage to property of the Tenant, any



subtenant, licensee and all persons claiming through or under it, them or any of them or damage to any other property howsoever occasioned by the use and occupation of the demised premises and the Building and other improvements thereon; and

Public Liability

(c) Any injury to person or persons including death, resulting at any time therefrom occurring in or about the demised premises and/or the sidewalks adjacent to the same.

29. ESTOPPEL CERTIFICATE

The Tenant agrees that it will, at any time and from time to time, upon not less than fifteen (15) days prior notice, execute and deliver to the Landlord and the holder(s) of any Leasehold Mortgage(s) a statement in writing certifying that this Lease is unmodified, and is in full force and effect (or if modified, stating the modifications, and that the same is in full force and effect as modified), the amount of the annual rental then being paid hereunder, the dates to which the same, by instalments or otherwise, and other charges hereunder have been paid, particulars of any monies or securities deposited hereunder with the Landlord of which the Tenant has notice, and the Landlord agrees that it will, at any time and from time to time, upon not less than fifteen (15) days prior notice, execute and deliver to the Tenant and the holder(s) of any Leasehold Mortgage(s) a similar statement stating in addition whether or not there is any existing default on the part of the Tenant of which the Landlord has notice, whether or not it has approved any plans and specifications for any major structural repairs, replacements or rebuilding, or for any demolition of existing structures and/or the Building or new building, and if the same have been completed in a manner satisfactory to it, the particulars and amounts of insurance policies on the demised premises in which its interest is noted, and of monies or securities it may have on hand to pay, or amounts outstanding to it hereunder, the amount of annual rent then being paid hereunder, the dates to which the same, by instalments or otherwise and other charges hereunder have been paid, and the amount of arrears of rent or sums recoverable as if arrears of rent, if any; and it is hereby agreed that any such statement delivered pursuant to the provisions of this clause may be conclusively relied upon by any purchaser or prospective purchaser, or the holder(s) of the Leasehold Mortgage(s), or assignees thereof. If either party fails to give such statement within fifteen (15) days after the receipt of notice requesting the same, then the other party may sign such statement as attorney for the party failing to give such notice and the contents of such statement shall be binding on the defaulting party, it being intended that any such statement delivered pursuant to this clause may be relied on by the holder(s) of the Leasehold Mortgage(s), or assignees thereof.

or assignees or sub-lessees of this Lease.

30. Notwithstanding the generality of paragraph 8 (a) herein it is expressly understood and agreed that if the exterior of the buildings as hereinbefore defined, including the exterior utility services located underground, become damaged or destroyed through any act, negligence, carelessness or misuse of any person other than the Landlord, its servants or agents, then the Tenant shall repair such damage and replace all or any part of the building which may be so destroyed.

31. Except as herein provided, no surrender of this Lease by the Tenant shall be valid unless accepted in writing by the Landlord and the holder(s) of any Leasehold Mortgage(s).

32. Any condoning, excusing, or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenants, proviso or condition contained in this document shall not operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, nor so as to defeat or affect in any way the rights of the Landlord hereunder in respect of any such continuing or subsequent default, breach or non-observance, and all rights and remedies herein contained to the Landlord shall be deemed to be cumulative and not alternative.

33. The Landlord and Tenant agree that all of the provisions of this document are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof.

34. WORDS importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations, and vice versa.

35. THIS INDENTURE and everything herein contained shall extend to and bind and enure to the benefit of the respective heirs, executors, administrators, successors and assigns (as the case may be), of each and every of the parties

hereto, subject to the consent of the Landlord and holder(s) of any Leasehold Mortgage(s) being obtained, as hereinbefore provided to any assignment or sub-lease by the Tenant, and, where there is more than one Landlord or Tenant, or where the Landlord or Tenant is a male, female or a corporation, the provisions herein shall be read with all grammatical changes thereby rendered necessary. All covenants herein contained shall be deemed joint and several, and all rights and powers reserved to the Landlord may be exercised by either the Landlord or its agents or representatives.

IN WITNESS WHEREOF the Minister of Public Works and Services has hereunto subscribed his hand and the Seal of the Department of Public Works and Services has been hereunto affixed and the Common Seal of WESTERN REALTIES LIMITED has been hereunto affixed in the presence of its duly authorized officers in that behalf and in accordance with its rules and regulations as of the day and year first before written.

SIGNED by the Minister of Public Works and Services and the Seal of the Department of Public Works and Services was hereunto affixed this 3<sup>rd</sup> day of June, 1974 in the presence of-

James A. Nescent  
WITNESS Barrister

J. L. Lussseau  
MINISTER OF PUBLIC WORKS AND SERVICES

The Common Seal of WESTERN REALTIES LIMITED was hereunto affixed this 3 day of June, 1974 in the presence of:

James Nescent  
Barrister

WESTERN REALTIES LIMITED

PER: James Nescent



SCHEDULE "A"

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Southern side of a road reserve being the extension of Mount Bernard Avenue, in the City of Corner Brook, Province of Newfoundland, being bounded and described as follows, that is to say: The starting point can be found by running along the centerline of the Watson's Brook transmission line North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) ninety-five and forty-five hundredths (95.45') feet from the center of a strain tower on the said line East of the Corner Brook Arts and Culture Centre, thence South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) three hundred thirty-nine and seventy-five hundredths (339.75') feet thence from the above described starting point along property owned by the Bay of Islands-St. George's Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) seven hundred ninety-seven and fifteen hundredths (797.15') feet, thence by land of Memorial University of Newfoundland as follows: South fifty-five degrees thirty-two minutes thirty-seven seconds East (S 55° 32' 37" E) one thousand (1000.00) feet North thirty-four degrees twenty-seven minutes twenty-three seconds East (N 34° 27' 23" E) seven hundred ninety-seven and fifteen hundredths (797.15) feet, thence by land of Memorial University of Newfoundland and a road reservation fifty (50.00) feet wide North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) one thousand (1000.00) feet to the starting point. The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian. RESERVING NEVERTHELESS all mines, minerals, quarry materials, coal, oil, natural gas and salt.





DATED: May 1st, 1974.

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WESTERN REALTIES LIMITED

- and -

HER MAJESTY THE QUEEN in right  
of Newfoundland, represented  
herein by the Minister of Public  
Works and Services for the  
Province of Newfoundland

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L E A S E

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