

One Step Learning Rental Tenancy Lease Agreement

RENTAL TENANCY LEASE AGREEMENT

LEASE: made this 21 day of September, 2019 [as amended April 19, 2020]

BETWEEN: JOHN HAGAN and CELESTINA HAGAN (also known as John and Celestina) a Canadian couple with a property in Ghana at the Town of Entumbil in the Central Region of Ghana (hereinafter called "the Lessor")

OF THE FIRST PART

- and -

ONE STEP LEARNING OPPORTUNITIES CENTRE (also known as One Step Learning or "OSL") a not for profit private corporation with a registered office at the City of Edmonton in the Province of Alberta and an operational location at the Town of Entumbil in the Central Region of Ghana (hereinafter called "the Lessee")

OF THE SECOND PART

WHEREAS

- a) The Lessor who also are the subscribers of One Step Learning Opportunities Centre want to contribute a portion of their property in Entumbil for the establishment of a preschool for rural children
- b) The Lessor and Lessee recognize that this agreement is not at arms length, so it is a non-arm's length transaction.
- c) The Lessor is the owner of the building (hereinafter called "First Light") located on ECG #60 First Light in the Town of Entumbil in the Central Region of Ghana on freehold land at Entumbil;
- d) The Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor a portion of ECG #60 First Light for the purpose of establishing a learning through play preschool. The preschool portion comes with a separate entrance, 4 large units as classrooms, 1 large hall ideal for administration and storage, 3 and a half toilets, 3 bathrooms, a kitchen, 2 large open space indoor verandahs ideal for corner activities, and a huge outdoors compound the size of two soccer fields. One Step Learning preschool will feature enclosed playgrounds with lots of space for children to engage in environmental activities. The raw pictures of the facility provided in the One Step Learning Strategic Business Plan, hereto referred to as the business plan and the preschool project site outlined in the business plan (hereinafter called the "demised premises") together with the right in common with all and referred to as

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the common areas.

THE LESSOR AND THE LESSEE AGREE AS FOLLOWS:

1. GRANT:

The Lessor hereby leases to the Lessee the demised premises to be held by it, the Lessee One Step Learning Opportunities Centre as Lessee, for the purposes of operating a preschool for rural children of 2 – 6 years old, for the term hereinafter set forth and subject to the terms and conditions of the lease.

2. TERM:

This lease shall be for a term of 5 years commencing on the 1st day of January, 2020.

3. MINIMUM RENT:

The Lessee agrees to pay to the Lessor minimum annual rent in the amount of \$10 in Canadian currency at the City of Edmonton in the Province of Alberta for the demised premises by annual lump sum payment in the amount of \$10, without any deduction whatsoever, in advance on the 1st day of each year commencing on the 1st day of January, 2020 and continuing on the 1st day of each year up to and including the 1st day of January, 2024.

4. CONVERSION OF DEMISED PREMISES

This rental agreement is based on One Step Learning Opportunities Centre completing as agreed the conversion to a preschool facility as described in the business plan. All permits, inspections and approvals have to meet statutory building practices, and the landlord informed. All permits, inspections and approvals and construction are One Step Learning Opportunities Centre responsibility without cost to John and Celestina Hagan.

It is the Lessee's responsibility for Cooling (Air Condition), Water, Sewer, Electricity, Telephone, Communications and the payment of these utilities. If the provider bills all these utilities together for the location ECG #60 First Light, such costs will be shared. Sanitation and security services will be provided and OSL will be charged a share cost for these services and removal of waste. OSL will be responsible for its portion of property taxes as assessed by the Town or municipality.

The Lessee shall not be under any obligation to pay any inheritance or property taxes or advertising expenses which are or may become payable by the Lessor or which may be imposed against the Lessor by reason of any law now in force or hereafter enacted that do not belong to One Step Learning Opportunities

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Centre.

If the Lessee neglects or omits to pay any of the amounts set out in sub paragraph 4, the Lessor may pay them, or any of them, and then charge the amount so paid to the Lessee, who shall forthwith pay them to the Lessor or they will be accumulated to the annual rent and due on the first day of each year. The Lessor may add the amounts paid by it to the rent and recover by all remedies available to it for the recovery of rent in arrears to the same extent and effect as if the said amounts were, in effect, rent.

5. SECURITY DEPOSIT:

A security deposit will not be required for this lease.

6. SUBLETTING AND ASSIGNMENT:

The Lessee will not, during the term of this lease, transfer, assign, sublet or part with possession of the demised the said premises, or any part thereof, to be transferred, assigned or sublet, without the consent in writing of the Lessor first had and obtained, such consent not to unreasonably withheld. The lessor shall have the right of first refusal on the demised premises for any sub-letting or assigning of the demised premises of this lease.

7. CHANGE IN PURPOSE:

If the purpose of the Lessee's business is changed at any time after the date hereof, the Lessee shall give notice of such change to the Lessor. The Lessor may cancel this lease upon Sixty (60) days written notice to the Lessee if the Lessor finds the Lessee's new business is unacceptable for the location of the premises. The Lessee cannot unreasonably cancel the lease because of a change of business.

8. PROHIBITED USE:

The Lessee will not at any time during the term of this lease, use, exercise or carry on, or permit or suffer to be used, exercised or carried on, in or upon the demised premises, or any part thereof, any noxious, noisome or offensive act, occupation, trade, business or calling. No act, matter or thing whatsoever shall at any time during the term of this lease be done to or on the demised premises, or any part thereof, which shall or may be done to the annoyance, a nuisance, grievance, damage, or to the disturbance of other residents of the Lessor or the occupier or owners of any adjoining premises, which may conflict with the laws relating to fires, or the regulations of the Town or District Assembly or with any Statute or Municipal By-law. It is agreed by the Lessor that the present business carried on by the Lessee is not in contravention or in violation of this paragraph.

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9. ALTERATIONS:

The Lessee will not during the said term make or suffer any alterations, decorations or additions to be made to the demised premises without first receiving the permission of the Lessor, which will not be unreasonably withheld. All alterations, decorations or additions which may be made by the Lessee pursuant to such permission of the Lessor shall be made at the sole expense of the Lessee. The Lessee shall remove any equipment, improvements or chattels installed by it on the termination of the lease at Lessee's cost.

10. LESSEE'S LIABILITY INSURANCE:

The Lessee will save, defend, hold harmless and indemnify the Lessor against any and all suits, claims, actions or damages which may be made against the Lessor with respect to or arising out of the use and occupation by the Lessee of the demised carry an Operational Liability Insurance policy in the name of both the Lessee and the Lessor and shall pay the premiums for such insurance and deposit certificates with respect to such insurance with the lessor. If the Lessee fails to insure and keep insured as herein provided, the Lessor shall be free to effect such insurance at the cost and expense of the Lessee and the sum so expended by the Lessor shall be added to the annual rent due on the next succeeding payment date and such payment in addition to the regular payment shall then constitute rent hereunder.

11. CLEANLINESS:

The Lessee will keep the property and its surroundings outside spaces around the demised premises clear and free from weeds and waste water accumulations and will conform with and observe the requirements of the ordinances and by-laws of the Town of Entumbil or other municipal or governmental authority in respect to the demised premises. The Lessee will, at its shared cost and expense, keep the demised premises free and clear of debris, refuse or garbage and will ensure that the premises remain in a clean condition.

12. LESSOR'S RULES:

The Lessee shall abide by all rules and regulations promulgated by the Lessor for the benefit and welfare of the neighbouring residents. Provided that such rules and regulations are reasonable and consistent with the terms of this lease.

13. DEFECTS IN UTILITIES:

The Lessee shall give to the Lessor prompt notice of any accident or other defect in the water pipes, cooling pipes, heating apparatus or telephone, electric light or other wires.

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14. PLUMBING AND HEATING:

The Lessee will at all times keep the demised premises reasonably cool, protect all pipes and plumbing against damage, and, in the event of any damage thereto, will immediately contact the necessary service people in order that the repairs may be made.

15. FIRE INSURANCE:

The Lessor will insure building and facilities against fire and supplemental perils. When done by the Lessor the cost will be shared.

16. DAMAGE TO PREMISES:

If, during the term of this lease, the demised premises shall be damaged by fire, lightning, tempest, impact of aircraft, acts of war, acts of God, riots, insurrections or explosions, the following provisions shall take effect:

- (a) If the demised premises are rendered partially unfit for occupancy by the Lessee, the rent payable shall be only for the part of the premises that are usable and therefore shall be reduced in proportion to the normal rent if the whole premises were usable.
- (b) If the demised premises are rendered wholly unfit for occupancy by the Lessee, the rent will not be payable until the premises have been repaired or restored.
- (c) Notwithstanding the provisions of Clause 16 (a) and (b) of this lease, if the premises are in the opinion of the Lessor incapable of being repaired with reasonable diligence within Ninety (90) days of the damage occurrence, then the term of this lease shall be concluded and the Lessee shall immediately surrender the premises and all its interest to the Lessor, such rent to be a portion and payable only to the date of the damage occurrence. The Lessor may re-enter and repossess the premises upon discharge of the lease. The Lessor must give the Lessee a Notice in writing within Thirty (30) days after the state of damage or destruction as to whether the premises are repairable within Ninety (90) days.

17. EARLY TERMINATION:

If the term granted by this lease or any of the goods and chattel of the Lessee shall at any time be seized or taken in execution or in attachment by any creditor of the Lessee; or if a Writ of Execution shall issue against the goods or chattels of the Lessee and remain unsatisfied for a period of thirty clear days from the date of issue; or if the Lessee shall make any assignment for the benefit of creditors, or become bankrupt or insolvent or if the Lessee shall attempt to sell or

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dispose of goods and chattels located on the demised premises so that there would not, in the event of such sale or disposal, be, in the opinion of the Lessor, a sufficient distress on the demised premises for the operation of the preschool the term of this lease shall, at the option of the Lessor, forthwith become forfeited and determined, without prejudice to any claim or claims which the Lessor may have under this lease.

18. LESSEE'S DEFAULT

If the rent hereby reserved or any part thereof be in default, or if the Lessee fails to remedy any other breach including utilities and shared costs, of one or more of the terms of this lease by the Lessor calling breach to the attention of the Lessee and requesting lawful for the Lessor to re-enter into and upon the demised premises lease and thereupon the term of this lease shall not be forfeited but the amounts shall be added to the annual rent and accumulated until OSL has funds to liquidate the debt by the expiry of the lease.

19 OVER HOLDING:

In the event of the Lessee remaining in the occupation of the demised premises after the expiration of the term of this lease a new lease shall be negotiated within 60 days. Otherwise this lease will be terminated forthwith.

20. SIGNS AND ADVERTISING:

The Lessee may, with the consent of the Lessor first had and obtained, which consent will not be unreasonably withheld, put, place and maintain on the outside of the demised premises such business signs, illuminated or otherwise, as the Lessee may in the course of its business require. The Lessee agrees that it will, prior to the putting or placing of any such signs, in addition to obtaining the consent of the Lessor thereto, obtain any permits or licences required and comply with all other lawful requirements that may be necessary in respect of such signs, upon the termination of this lease, and it will return the demised premises to the condition that they were in prior to the installation of such signs and that it will indemnify and save harmless the Lessor from any and all claims for damages which might result to any and all claims for damages which might result to any person or property as a result of the existence of such signs or any of them.

21. LESSEE'S REPAIRS:

The Lessee shall be responsible for all maintenance of the demised premises and for the repair, if required, of the cooling, plumbing and electrical systems, normal wear and tear excepted, and acknowledges that such systems have been inspected and are in good condition. The doors and windows of the demised

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premises shall be kept whole and whenever any part thereof shall become broken, it shall immediately be replaced or repaired to the satisfaction of the Lessor and shall be paid for by the Lessee.

22. LESSOR'S REPAIRS:

The Lessor, at its own expense, shall be responsible for all structural repairs to the Building, outer house and demised premises, including the exterior walls, roof and foundation. However, the cost of any such repairs necessitated by neglect or misuse of the demised premises by the Lessee shall be borne by the Lessee.

23. CONDITION OF PREMISES AT END:

At the end of the term of this lease or any extension thereof or sooner termination of the term, the Lessee will leave the demised premises in good repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.

23(a) If the landlord initiates an early termination of the lease; the landlord will pay for the costs of removal of any equipment, improvements or chattels installed by Lessee and the reinstallation of such equipment or chattels at another site in Entumbil within sixty (60) days as designated by the Lessee.

24. INSPECTION:

The Lessor may enter upon the demised premises only during business hours and view the state of repair thereof, and may serve upon the Lessee by registered mail or hand delivery a notice in writing of any defect requiring it within the time to be therein mentioned, to repair the same, and the Lessee will repair the demised premises in so far as it is bound to do so according to such notice, and the terms of this lease.

25. QUIET POSSESSION:

The Lessee paying the rent hereby reserved and performing the covenants hereinbefore on its part contained, shall and may peaceably have access to, possess and enjoy the said demised premises for the term hereby granted, without any interruption or disturbance from the Lessor, or any other person or persons lawfully claiming by, from the Lessor, or any other person or persons lawfully claiming by, from or under the said Lessor.

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26. NOTICES:

All notices required to be given pursuant to this lease may be given by hand, text, email or sent by registered mail to the Lessor at:

John and Celestina
15219 – 44 Street NW
Edmonton, Alberta
Canada T5Y 3C4

and to the Lessee at:

One Step Learning Opportunities
ECG #60 First Light
Entumbil, Central Region
Ghana, West Africa

and shall be deemed to have been received Five (5) clear business days after posting. Either party may change its address for notice hereunder by notice in writing mailed or delivered to the other party.

27. NET LEASE:

It is the intention of the parties hereto that this shall be a net lease and that the rent to be paid to the Lessor herein shall be absolutely net to the Lessor and that all costs, expenses and obligations of every kind and nature whatsoever relating to the demised premises, structural repairs excepted, shall be paid by the Lessee.

28. RENEWAL:

If the Lessee is not in default of any of the terms of conditions contained in this lease, the Lessor grants the Lessee the right to re-let for a term of 2 years, the demised premises at a agreed upon all other terms and conditions as herein set out, excepting only this right to re-let Ninety (90) days prior to the termination of this lease; that is to say on or before the first day of 1st January, 2025.

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29. LESSOR CONSENT, APPROVAL OR RESPONSIBILITY:

Where consent, approval, permission or responsibility is required of the Lessor under this agreement, any one of either John Hagan or Celestina Hagan may grant or execute such approval and/or take such responsibility.

IN WITNESS WHEREOF the signature of the Lessor and Lessee have been hereunto executed and attested by the hands of their proper officers in that behalf all on the day and the year first above written.

ONE STEP LEARNING OPPORTUNITIES CENTRE

PER: _____

PER: _____

JOHN and CELESTINA HAGAN

PER: _____

PER: _____