

LEASE AGREEMENT

Dated

Between

THE CORPORATION OF THE TOWN OF SAUGEEN SHORES

-and-

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LEASE AGREEMENT

THIS LEASE AGREEMENT made

B E T W E E N:

THE CORPORATION OF THE TOWN OF SAUGEEN SHORES

(hereinafter called the “**Lessor**” or “**Landlord**”)

- and –

(hereinafter called the “**Lessee**” or “**Tenant**”)

WHEREAS the Lessor is a municipal corporation incorporated pursuant to the *Municipal Act* and is subject to all legislation and regulations, as amended from time to time, applicable to such corporations;

AND WHEREAS the Lessor is the owner of the Leased Premises (as hereinafter defined);

AND WHEREAS the Lessee is requesting to lease, and the Lessor is willing to lease to the Lessee, the Leased Premises for the Permitted Use (as hereinafter defined) on the terms and conditions hereinafter provided;

NOW THEREFORE in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor and the Lessee agree as follows:

Article 1 – Basic Terms and Definitions

1.1 **Recitals.** The parties hereto agree that the above recitals are accurate and true, and that the said recitals and the Schedules attached hereto form part of this Lease.

1.2 **Basic Terms.**

(a) Lessor: The Corporation of the Town of Saugeen Shores

Attention: _____

Address: 600 Tomlinson Street, Box 820, Port Elgin, ON N0H 2C0

Tel: _____

Email: _____

(b) Tenant: _____

Name of Contact: _____

Address: _____

Tel: _____

Email: _____

(c) Municipal Address of Lessor's Lands:

more particularly described in Schedule A attached hereto.

(d) Leased Premises, if different from Lessor's Lands in Section 1.2(c):

more particularly described in Schedule A attached hereto.

(e) Permitted Use:

(f) Term: _____ years, subject to Section 2.4

Commencement Date: _____, subject to Section 2.4

End of Term: _____ subject to Sections 2.4, 2.5, 2.6, 2.7 and 8.2

(g) Additional Term: _____, subject to Section 2.6

(h) Basic Rent, subject to Section 3.1:

Annual Amount: _____ + HST

Payment amounts: _____

Payment frequency: _____

Method of Payment: _____

(i) Additional Rent, subject to Section 3.2 and Schedule B:

Annual Amount: _____, inclusive of HST

Payment amounts: _____

Payment frequency: _____

Method of Payment: _____

(j) Deposit: _____

(k) Lease Year: Lease Year ends on _____ of each year

(l) Lessee's Normal Business Hours:

(m) Schedules forming part of this Lease:

Schedule "A" – Lessor Lands, Leased Premises and Uses

Schedule "B" – Special Provisions

Schedule "C" – Rules and Regulations

1.3 **Definitions.** In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) “Additional Rent” means all sums of money or charges required to be paid by the Lessee under this Lease (except Basic Rent) to the Lessor, as per Section 3.2, as set out in Section 1.2(g), and more particularly defined in Schedule B;
- (b) “Additional Term” shall mean an extension period of the initial Term of this Lease. The Additional Term is a period of a number of years as set out in Section 1.2(g) that commences immediately upon the expiration of the initial Term, subject to mutual agreement between the Parties to extend or renew the Term;
- (c) “Basic Rent” means the basic rent payable by the Lessee pursuant to Article 3, and specified in Section 1.2(g);
- (d) “Building” or “Buildings” means the physical structures located on the Lessor’s Land and more particularly identified in Schedule A;
- (e) “Business Days” means a day other than a Saturday, Sunday or other day which is a statutory holiday in the province of Ontario;
- (f) “Commencement Date” means the date specified in Section 1.2(f);
- (g) “Common Areas” means those areas, facilities, utilities, improvements, equipment and installations in, adjacent to, or outside the Building(s) on the Lessor’s Lands which serve or are for the benefit of the Building(s), which do not comprise part of the Leased Premises, and which, from time to time, are not designated or intended by the Lessor to be for the Lessor’s exclusive use, and are not designated or intended by the Lessor to be leased to the Lessee or any other tenants of the Building(s), as more particularly identified in Schedule A attached.
- (h) “Consumer Price Index” or “CPI” is an indicator calculated by Statistics Canada that measures changes in consumer prices experienced by Canadians.
- (i) “Event of Default” has the meaning set out in Section 8.1;
- (j) “Improvements” includes all buildings, fencing, generators, structures, pads, equipment, fixtures, towers, poles, wires, cables, underground conduits and cable lines, cabinets, shelters, antennas, mounts and pedestals that are constructed on the Leased Premises by the Lessee;
- (k) “Lessor Lands” means the lands described in Schedule “A” and all rights and easements which are or may hereafter be appurtenant thereto;
- (l) “Lease” means this lease and all the terms, covenants and conditions set out herein (including all schedules), as amended from time to time in accordance with the terms hereof;
- (m) “Lease Year” means, initially, the period commencing on the Commencement Date and ending on the day of the month set out in Section 1.2(k); thereafter, each Lease Year shall consist of a period of twelve (12) consecutive months, provided that the last Lease Year of the Term shall in

- any event end on the expiry date of the Term.
- (n) “Normal Business Hours” means those hours of operation of the Lessee’s business, as specified in Section 1.2(l);
 - (o) “Leased Premises” means that portion of the Lessor Lands and Building(s) illustrated in Schedule “A”, as identified in Section 1.2(d) and all rights and easements appurtenant thereto;
 - (p) “Realty Taxes” means all property taxes, rates, duties and assessments (including local improvement rates), import charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Lessor which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such property taxes levied or assessed against the Landlord on account of its ownership of the Building(s) or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;
 - (q) “Rent” means all Basic Rent and Additional Rent;
 - (r) “Rules and Regulations” means the rules and regulations as described in Section 4.13 and specified in Schedule C;
 - (s) “Term” means the period specified in Section 1.2(f) and, any renewal, extension or overholding thereof.

Article 2 – Demise and Term

- 2.1 **Demise.** In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor demises and leases to the Lessee, and the Lessee rents from the Lessor, the Leased Premises, as identified in Section 1.2(d) and more particularly described in Schedule A. The Lessee acknowledges having inspected the Leased Premises and accepts the same on an “as is” basis.
- 2.2 **Nature of Right.** During the Term, the Lessee is granted exclusive use and enjoyment of the Leased Premises, save and except any Common Areas identified in Schedule A, which are deemed non-exclusive.
- 2.3 **Common Areas:** The Lessee shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes, of those portions of the Common Areas identified in Schedule A which are intended for common use by all tenants of the Building(s), provided that such use by the Lessee shall be subject to any applicable Rules and Regulations as set out in Schedule C.
- 2.4 **Permitted Use.** During the Term, the Lessee shall use the Leased Premises for those uses set out in Section 1.2(e) and any ancillary uses thereto, and for no other uses without the prior written consent of the Lessor, such consent to be at the sole discretion of the Lessor.

- 2.5 **Term.** The Term shall commence on the Commencement Date, run for the period set out in Section 1.2(f), and end on the date set out in Section 1.2(f), unless terminated earlier pursuant to this Lease.
- 2.6 **Right of Renewal.** The Lessee shall have the right to renew this Lease for an additional term, as set out in Section 1.2(g), on the same terms and conditions contained herein, save and except that Rent shall be renegotiated. The Lessor and Lessee agree that in the event they are unable to negotiate a reasonable increase to the Basic Rent they may appoint a mutually agreeable arbitrator to resolve their dispute.
- 2.7 **Over Holding.** If, at the expiration of the Term or any subsequent renewal or extension, the Lessee shall continue to occupy the Leased Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Lessee thereafter shall be from month to month only and may be terminated by either party on one (1) months' notice. Rent shall be payable in advance on the first day of each month in an amount equal to the sum of the monthly instalment of Basic Rent payable during the last year of the Term and all monthly Additional Rent charges herein provided for, determined in the same manner as if the Lease had been renewed. All terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

Article 3 - Rent

- 3.1 **Basic Rent.** During the Term of this Lease, the Lessee covenants to pay to the Lessor, in the lawful money of Canada, without any prior demand therefor, and without any deduction, abatement or set off whatsoever, as annual Basic Rent, as set out in Section 1.2(h). Basic Rent shall be paid in accordance with the terms set out in Section 1.2(h). If Basic Rent is required to be paid in equal monthly instalments, then the Lessee shall pay the amount set out in Section 1.2(h) in advance, and on the first day of each and every month during the Term. If Basic Rent is required to be paid annually, then the Lessee shall pay the amount set out in Section 1.2(h) in advance, and on the Commencement Day and each year thereafter during the Term.

Check the Applicable Box – drop down menu

In every subsequent year, Basic Rent shall be equal to the rate of the previous year, plus 3%, plus applicable HST.

Basic Rent shall increase annually at the end of a Lease Year, as set out in Section 1.2(k) in accordance with the October Consumer Price Index (All Items, Canada).

Basic Rent shall increase annually at the end of a Lease Year, as set out in Section 1.2(k) in accordance with the then current Town of Saugeen Shore's Fees and Charges By-law. The Lessee acknowledges that the Fees and

Charges By-law is reviewed annually by the Town of Saugeen Shores, is at the discretion of Council, and is amended from time to time.

_____ Subject to the Lessee paying the Rent hereby reserved, and performing and observing the covenants and provisos herein contained on its part to be performed and observed, the Lessor covenants and agrees not to increase the amount of Basic Rent during the Term or any extension or renewal thereof without a) providing six (6) months advance notice of its intention to increase Basic Rent to the Lessee and, b) engaging in good faith negotiations with the Lessee for the purposes of establishing a reasonable increase to the Basic Rent amount. The Lessor and Lessee agree that in the event they are unable to negotiate a reasonable increase to the Basic Rent they may appoint a mutually agreeable arbitrator to resolve their dispute.

- 3.2 **Additional Rent.** In addition to Basic Rent as per Section 3.1 above, the Lessee shall, throughout the Term of this Lease, pay to the Lessor, in lawful money of Canada, without any deduction, abatement or set off whatsoever, Additional Rent, in the amount set out in Section 1.2(i) in accordance with the payment terms set out in Section 1.2(i). Additional Rent shall include those costs, charges, sums or amounts identified in Schedule B relating to or attributable to the Leased Premises and Improvements.

Check the Applicable Box – drop down menu:

_____ The Lessee shall pay Additional Rent based on its proportionate share based on space allocation, as identified in Schedule A.

_____ Additional Rent shall be payable in monthly instalments in advance on the same dates stipulated for payment of Basic Rent in Section 1.2(h), and the Lessor shall at least one each year provide the Lessee with a statement providing such information as may be required to calculate accurately the amounts payable by the Lessee as Additional Rent. In the event that the statements indicate that the amounts paid by the Lessee for Additional Rent are either more or less than the amount required pursuant to the statement, then an adjusting statement shall be delivered within thirty (30) days and if the Lessee was overpaid, the adjustment may be made by way of a reduction of the next ensuing instalment of Rent.

_____ Due to the fluctuations in the day-to-day costs of the Leased Premises, the Lessee and Lessor have agreed to a fixed annual amount to be paid by the Lessee for Additional Rent, as set out in Section 1.2(h). The parties acknowledge that the amount requested is reasonable and fair in this circumstance and the Lessee waives any requirement for the Lessor to provide proof of the charges/costs or any adjustments to be made to the agreed upon amount for Additional Rent.

_____ It is agreed that the amount of Additional Rent set out in Section 1.2(h) shall be increased annually at the end of a Lease Year, as set out in Schedule 1.2(k) in accordance with the Consumer Price Index.

- 3.3 **Rent.** All of the payments set out in this Lease shall constitute Basic Rent or Additional Rent, collectively referred to as “Rent”, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Lessor or otherwise, and whether or not as compensation to the Lessor for expenses to which it has been put. The Lessor has all the rights against the Lessee for default in payment of Additional Rent that it has against the Lessee for default in payment of Basic Rent.
- 3.4 **Interest.** Interest shall accrue on any unpaid Rent at a rate of 1.25% per month, compounded monthly (equivalent to approximately 16.08% annually), until paid in full by the Lessee.
- 3.5 **Payments Recoverable as Arrears of Rent.** Whenever any amount by the terms of this Lease is payable by the Lessee to the Lessor, such amount shall be recoverable by the Lessor in the same manner as if such amount were rent in arrears under this Lease and that the Lessor shall be entitled to take any action therefor which it may be entitled to take in respect of rent in arrears under this Lease and that if the Lessee fails to pay any sum required to be paid by it under the provisions of this Lease to any person, firm or corporation other than the Lessor, the Lessor shall have the right to pay any such sum and to recover it as if it were rent in arrears under this Lease and the Lessor shall be entitled to take any action therefor which it may be entitled to take with respect to rent in arrears under this Lease.
- 3.6 **Partial Periods.** If the Term commences on any day other than the first day of the month or ends on any day other than the last day of the month, Rent for the fraction of a month at the commencement or end of such period shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month.

Article 4 – Obligations and Covenants of the Lessee

The Lessee hereby agrees to fully and faithfully comply with the following covenants:

- 4.1 **Pay Basic Rent, Additional Rent and any other Amounts Payable.** To pay Basic Rent, Additional Rent and any other amounts payable, plus applicable HST, as required by this Lease in a timely manner and in accordance with the provisions contained herein.
- 4.2 **Use of Leased Premises.** To only use the Leased Premises for the Permitted Use, as set out in Section 1.2(e) or in Schedule A, and not for any other purpose or purposes without the express consent of Lessor in writing, which consent is solely at Lessor’s discretion.
- 4.3 **Equipment and Furniture.** The Lessee acknowledges that the Leased Premises is unfurnished. The Lessee shall be responsible for supplying its own equipment and furniture.

- 4.4 **Telecommunications.** The Lessee shall be responsible for all telecommunications (including phone, internet, broadband and cable) operating charges.
- 4.5 **Lessee Services.** The Lessee shall be responsible for those services outlined in Schedule B attached ("**Lessee Services**").
- 4.6 **Comply with All Laws.** The Lessee, at its own expense, shall comply with all laws, by-laws, ordinances, regulations and directives of any public authority having jurisdiction affecting the Leased Premises or the use or occupation thereof, including, without limitation, police, fire and health regulations and any requirements of the fire insurance underwriters.
- 4.7 **Licenses, Permits and Certificates.** The Lessee shall obtain and maintain throughout the Term of this Lease, all necessary licenses, permits and certificates, as maybe required by law, any third-party agencies or the Lessor, from time to time. The Lessee shall provide copies of the applicable licenses, permits, and certificates prior to the Commencement Date, and annually thereafter, or at such other times as may be requested by the Lessor.
- 4.8 **Waste/Damages.** The Lessee shall not do or permit any waste, damage, or injury to the Leased Premises or the fixtures, Lessor's equipment and Lessor's furniture (if applicable) thereof and shall take every reasonable precaution to protect the Leased Premises from danger of fire, vandalism, water damage or the elements.
- 4.9 **Nuisance/Illegal Use.** The Lessee shall not use or occupy or permit to be used or occupied, the Leased Premises and Improvements or any part thereof so as to constitute a nuisance or for any illegal or unlawful purpose, nor in any manner which may contravene any lawful restrictions of the use thereof by any municipal or governmental authorities.
- 4.10 **Neat and Tidy Condition.** The Lessee shall keep the Leased Premises in a neat and tidy condition and at all times free from debris and garbage.
- 4.11 **Lessee's Obligation to Advise Lessor.** The Lessee shall report all damage and all conditions which might create a hazard to users of the Leased Premises as soon as possible to the Lessor.
- 4.12 **Rules and Regulations.** The Lessee, their employees, volunteers, subtenants, agents and all persons visiting or doing business with them on the Leased Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule C and any further and other reasonable Rules and Regulations made hereafter by the Lessor of which notice shall be given to the Lessee. The Lessee shall be responsible for delivering a copy of all Rules and Regulations made by the Lessor to all employees, volunteers, subtenants, and agents. All Rules and Regulations shall be deemed incorporated into and form part of this Lease.

Article 5 – Lessor Obligations and Covenants

The Lessor hereby agrees to fully and faithfully comply with the following obligations and covenants:

- 5.1 **No Interference.** Provided the Lessee performs all its covenants in this Lease, the Lessee shall have quiet enjoyment of the Leased Premises.
- 5.2 **Lessor Services.** The Lessor shall be responsible for those services outlined in Schedule B (“**Lessor Services**”).
- 5.3 **Lessor Not Responsible.** The Lessor shall not be responsible for loss or damages arising from its obligations in this Lease respecting repair, maintenance or replacement in relation to the Leased Premises if the Lessee does not give the Lessor prompt notice of any defects in the Leased Premises pursuant to Section 4.12, and/or if the Lessee refuses to provide the Lessor with reasonable access for repairs and maintenance as outlined herein.

Article 6 – Maintenance, Repairs, and Alterations of Leased Premises

- 6.1 **Maintenance and Repair of Leased Premises and Improvements.** The Lessee shall, at its own cost and expense, during the entire Term, keep in good order and condition the Leased Premises and any Improvements, subject to reasonable wear and tear and Force Majeure. Such repairs shall be completed in a good and workmanlike manner and in all respects consistent in quality and workmanship appropriate for a similar project in the vicinity and shall meet the requirements of municipal or governmental regulations and the fire insurance underwriters.
- 6.2 **Lessor’s Entry.** The Lessor, its employees, servants, contractors and agents shall be entitled to enter on the Leased Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior notice for the purpose of inspecting and making repairs, alterations or improvements to the Leased Premises, and the Lessee shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Lessor, its employees, servants, contractors or agents may at any time and from time to time on reasonable prior notice (and without notice in the event of an emergency) enter on the Leased Premises to remove any article or remedy any condition which, in the opinion of the Lessor, would be likely to lead to the cancellation of any policy of insurance. The Lessor, its employees, servants, contractors and agents, shall take reasonable precautions and attempt to schedule the work so as not to unreasonably interfere with the operation of the Lessee’s business and so as to minimize interference with the Lessee’s use and enjoyment of the Premises.
- 6.3 **Major Repairs.** Notwithstanding Section 6.2, the Lessor agrees to provide the Lessee at least five (5) Business Days’ prior notice of any repairs which would affect the normal conduct of the regular business operations in the Leased

Premises, save and except in the case of an emergency as set out in Section 6.2. In the case of Major Repairs, if, in the Lessee's reasonable judgment, the Lessor's repairs would materially interfere with or disrupt the normal conduct of the Lessee's business operations in the Leased Premises, the Lessor may perform such repairs after Normal Business Hours. The Lessor shall take such measures in this regard as are reasonable in its opinion to minimize disruption to the Lessee's activities **but in no circumstances shall the Lessor be responsible to the Lessee for any loss or harm caused thereby.**

- 6.4 **Leasehold Improvements.** The Lessee shall have the right to make or erect in or to the Leased Premises leasehold improvements including but not limited to installations, alterations, additions or partitions, without the prior written consent of the Lessor, insofar as and only if the leasehold improvements of the Lessee are not capital in nature. The Lessee shall not make or erect in or to the Leased Premises any improvements, including but not limited to installations, alterations, additions or partitions, which are capital in nature, without first submitting drawings and specifications to the Lessor and obtaining the Lessor's prior written consent in each instance, which the Lessor shall not unreasonably or arbitrarily withhold.
- 6.5 **Ownership of Improvements and Fixtures.** The Lessor and the Lessee agree that any improvements made by the Lessee to the Leased Premises, which are capital in nature, are permanent in nature or are affixed to the Lease Premises, collectively defined as "**Leasehold Improvements**", shall remain the absolute property of the Lessor, unless agreed otherwise in writing by the Lessor at its sole discretion. Any fixtures on the Leased Premises shall remain in the ownership of the Lessor.
- 6.6 **Signage.** The Lessee shall not exhibit or place any signs upon any part of the Leased Premises without the prior written consent of the Lessor, which shall not be unreasonably withheld. Any signage shall comply with the Town of Saugeen Shore's Sign By-law.
- 6.7 **Construction Liens.** The Lessee shall indemnify and save the Lessor harmless from any liability, claim, damages or expenses due to or arising from any claim for a construction, builders or other lien made against the Leased Premises in relation to any work done by, for, or on behalf of the Lessee. The Lessee shall cause all registrations of any such claims or Certificates of Action related thereto to be discharged or vacated within ten (10) days following receipt of notice from the Lessor, failing which the Lessor, in addition to any other rights or remedies it may have hereunder, may, but shall not be obligated to, cause such claims or Certificates to be discharged or vacated by payment into court or otherwise, and the Lessee shall pay the Lessor's costs and expenses thereof.
- 6.8 **Surrender of Leased Premises.** At the expiration or earlier termination of this Lease, the Lessee shall peaceably surrender and give up unto the Lessor vacant possession of the Leased Premises in the same condition and state of repair as the Lessee is required to maintain throughout the Term.

Article 7 – Insurance, Indemnification

7.1 **Insurance.** The Lessee shall, at its own expense, obtain and maintain in full force and effect throughout the Term of this Lease, and during any other period in which it occupies the Leased Premises, the following insurance coverage, issued by a solvent insurer licensed to operate in the Province of Ontario:

- (a) commercial general liability and property damage insurance, including coverage for personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective liability, applicable to the Leased Premises and the Common Areas. This coverage shall extend to the business operations of the Lessee and any other persons conducting activities on and about the Leased Premises. The policy shall be written on a comprehensive basis with limits of not less than five million dollars (\$5,000,000) per occurrence, or such other amount as the Lessor may reasonably require from time to time;
- (b) all-risk property insurance covering the Lessee's personal property and chattels located on the Leased Premises; and
- (c) any other forms of insurance as may be reasonably required by the Lessor from time to time, having regard for the Lessee's operations and the risk associated with the Leased Premises.

7.3 **Additional Insurance Requirements:** The Lessee shall:

- (a) maintain insurance coverage that is approved by the Lessor, with the Lessor as an additional insured.
- (b) ensure the policy includes a cross-liability clause for public liability insurance; and a waiver of subrogation in favour of the Lessor, where such provisions are available from the insurer.
- (c) Require the insurer to provide the Lessor with no less than thirty (30) days' prior written notice of any cancellation or material change in the policy.
- (d) Upon execution of this Lease, and within five (5) Business Days of any written request by the Lessor, provide a valid certificate of insurance issued by the Lessee's insurer or insurance broker, confirming compliance with the requirement of this section.
- (e) If the Lessee fails to maintain the required insurance or provide proof of coverage as required under this Lease, the Lessor may, in addition to other rights and remedies available, obtain such insurance on behalf of the Lessee. The Lessee shall reimburse the Lessor for the full premium cost plus an administrative fee equal to fifteen percent (15%) of the premium, payable upon demand.

- 7.4 **Indemnification.** The Lessee shall, at its sole cost and expense, release, indemnify and hold harmless the Lessor, its councilors, officers, employees, agents and contractors (collectively “the Indemnified Parties”) from and against any and all claims, demands, actions, causes of action, proceedings, liabilities, losses, damages, judgments, fines, fees, penalties, costs and expenses (including legal fees and disbursements on a full indemnity basis and other professional fees), of any kind or nature whatsoever, whether direct or indirect, including but not limited to:
- bodily injury, sickness, disease or death;
 - damage to or destruction of tangible property;
 - loss of revenue or expenses incurred due to disruption of service;
- arising out of or in connection with:
- the negligence, acts, errors, omissions, misfeasance, nonfeasance, fraud or wilful misconduct of the Lessee or any person for whom the Lessee is responsible at law, including its directors, officers, employees, agents, contractors, subcontractors, invitees, licensees, sub-Lessees, concessionaries;
 - the Lessee’s occupation or use of the Leased Premises;
 - any breach of this Lease by the Lessee.

This indemnity shall not apply to the extent that any such claim or liability is attributable to the gross negligence or wilful misconduct of the Lessor or any person for whom the Lessor is responsible at law.

This indemnity is in addition to, and not in substitution for, any insurance obligations of the Lessee under this Lease, and shall survive the expiration or termination of this Lease.

Article 8 – Default, Remedies

8.1 **Default.** Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is not paid within five (5) days after payment is due hereunder; or
- (b) the Lessee has breached any of its obligations or covenants in this Lease, and if the breach is capable of being remedied, and it is otherwise not listed in this Section 8.1, on receipt of a notice in writing from the Lessor:
 - (i) the Lessee fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease);
 - (ii) if such breach cannot reasonably be remedied within ten (10) days (or such shorter period), the Lessee fails to commence to remedy such breach within such ten (10) days (or such shorter) period or thereafter fails to proceed diligently to remedy such breach;

- (c) the Lessee becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors; has its property seized or attached in satisfaction of a judgment; has a trustee, receiver, receiver/manager, or a person acting in a similar capacity appointed with respect to its business or assets; or has made or entered into an agreement or has taken steps towards the sale of its corporation, with a view to winding up, dissolution or liquidation;
- (d) the Lessee has committed any act or neglected to do anything with the result that a Construction Lien or other encumbrance is registered against the Leased Premises;
- (e) the Lessee makes a sublease, other than in compliance with the provisions of this Lease;
- (f) any insurance policy required by this Lease is canceled or not renewed because of the use or occupation of the Leased Premises, or by reason of non-payment of premiums;
- (g) the Lessee attempts to or does abandon the Leased Premises.

8.2 **Remedies.** If an Event of Default occurs, the Lessor shall have the following remedies, which are cumulative and not in the alternative and which are without prejudice to any other rights or remedies the Lessor may have:

- (a) to enter the Leased Premises for the purpose of remedying the default or attempting to remedy the default of the Lessee under this Lease for the account of the Lessee. No notice of the Lessor's intention needs to be given unless expressly required by this Lease. The Lessor shall not be liable to the Lessee for any loss, damage or injury caused by acts of the Lessor in remedying or attempting to remedy such default. Any reasonable expenses incurred by the Lessor thereby shall be paid by the Lessee forthwith and shall be recoverable in the same manner as Rent;
- (b) to enter the Leased Premises as agent of the Lessee and to relet the Leased Premises for whatever length and on such terms as the Lessor, in its discretion, may determine, and to receive the rent therefor and, as agent of the Lessee, to take possession of any property of the Lessee on the Leased Premises, to store such property at the expense and risk of the Lessee or to sell or otherwise dispose of such property in such manner as the Lessor sees fit without notice to the Lessee, and to make alterations to the Leased Premises to facilitate their reletting. The Lessor shall apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Lessor with respect to any such reletting or sale, second, to the payment of any indebtedness of the Lessee to the Lessor other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Lessor and applied to payment of future Rent as it becomes due and payable; provided

that the Lessee shall remain liable to the Lessor for any deficiency;

- (c) to terminate this Lease by notice to the Lessee or to re-enter the Leased Premises and repossess them and, in either case, the Lessor may remove all persons and property from the Leased Premises and store such property at the expense and risk of the Lessee or sell or dispose of such property in such manner as the Lessor sees fit without notice to the Lessee;
 - (d) to recover from the Lessee all damages, costs and expenses incurred by the Lessor as a result of any default by the Lessee including, if the Lessor terminates this Lease, any deficiency between those amounts which would have been payable by the Lessee for the portion of the Term following such termination and the net amounts actually received by the Lessor during such period of time with respect to the Premises; and
 - (e) to recover from the Lessee the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall accrue on a day-to-day basis and shall immediately become due and payable as accelerated rent.
- 8.3 **Distress.** Notwithstanding any provision of this Lease or any provision of applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption.
- 8.4 **Costs.** The Tenant shall pay to the Lessor all damages, costs and expenses (including, without limitation, all legal fees on a solicitor and client basis) incurred by the Lessor in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Lessee under this Lease, or in respect of which the Lessee has agreed to insure or to indemnify the Lessor.
- 8.5 **Remedies Cumulative.** Notwithstanding any other provision of this Lease, the Lessor may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Lessee, either by any provision of this Lease or by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Lessor by statute or common law.

Article 9 - General Provisions

- 9.1 **Notices.** All notices given or required to be given under this Lease shall be in writing, signed by the party giving notice and personally delivered, mailed or transmitted by facsimile transmission or by electronic or e-mail transmission to the Lessor as set out in Section 1.2(a) and to the Lessee as set out in Section 1.2(b). Any notice or document so given shall be deemed to have been received on the

date of personal delivery or electronic transmission or on the next Business Day if transmitted by facsimile transmission or on the 5th day if mailed. Any party may from time to time by notice given as provided above change its address for the purposes of this clause.

- 9.2 **Settlement of Disputes.** If a dispute arises, the parties herein shall make reasonable efforts to resolve the dispute, including formal or informal mediation. Failing which the parties may agree to utilize the arbitration procedure as set out and established in the legislation and regulation for the jurisdiction on the general conduct of arbitration. Any matter in dispute that is submitted for arbitration shall be heard by a single arbitrator chosen unanimously by the parties. If the parties are unable to agree on a person to act as a single arbitrator, such single arbitrator shall be appointed by reference to the court. The cost of the arbitration, excluding a party's legal fees and disbursements shall, unless otherwise ordered by the arbitrator, be borne equally by the parties.
- 9.3 **Assignment or Subletting.** The Lessee shall not be entitled to assign or sublet the whole or any part of the Leased Premises, except as provided in Schedule B attached hereto, to another party without the prior written consent of the Lessor, whose consent shall be at its sole discretion, and without the assignee and/or subletter agreeing in writing to be bound by the terms of this Lease. The Lessee hereby waives and renounces the benefit of any present or future act of the Legislature of Ontario which would allow the Lessee to assign or sublet this Lease without the written consent of the Lessor.
- 9.4 **Force Majeure.** If the Lessor or Lessee are prevented from performing any act required by this Lease due to any acts of God, strike, lock-out, labour trouble, restrictive governmental laws or regulations, or for any other reason beyond the reasonable care and control of the party required to perform the act, the time for the performance of the act shall be extended for a period equivalent to the period of delay. **The Lessee may elect to terminate this Lease without charge for continuous operation of force majeure extending 90 days or more. The provision of this Section 9.4 shall not, under any circumstances, operate to excuse the Lessee from prompt payment of Rent and other charges payable under this Lease, unless agreed to in writing by the Lessor.**

- 9.5 **Registration.** This Lease shall not be registered against title to the Leased Premises in the Bruce County Land Registry Office (LRO#3) unless consent is provided by the Lessor, which shall not be unreasonably withheld. Any costs associated with the registration shall be borne by the Lessee, if consent is given. If the Lease is registered against title to the Leased Premises, on termination of this Lease, the Lessee shall be responsible for deleting the Lease off title and shall bear all costs to do so. If the Lessee fails to delete the Lease off title within twenty (20) business days, the Town shall be entitled to do so and recover its costs from the Lessee.
- 9.6 **No Waiver or Default.** No condoning or delay by the Lessor in respect of any default, breach or non-observance by the Lessee of any covenant in this Lease operates as a waiver of the Lessor's rights under this Lease.
- 9.7 **Entire Agreement.** There are no covenants, representations, warranties, agreements or conditions, express or implied, collateral or otherwise, forming part of or in any way affecting this Lease.
- 9.8 **Amendments.** Any amendments to this Lease shall be in writing and signed by both the Lessor and Lessee.
- 9.9 **Severability.** If any clause or parts thereof in this Lease are determined to be unenforceable, they shall be considered separate and severable from the Lease and the remaining provisions of the Lease shall remain in full force and effect.
- 9.10 **Successors and Assigns.** This Lease shall be binding upon and enure to the benefit of the parties hereto and their heirs, successors and permitted assigns (as limited by the provisions of this Lease).
- 9.11 **Attornment.** This Lease is governed by the laws in force in the Province of Ontario and Dominion of Canada, as applicable, and the parties hereto attorn to the jurisdiction of the court of Ontario.
- 9.12 **Interpretation.** The parties agree that the terms and provisions of this Lease embody their mutual intent and that such terms and conditions are not to be construed more liberally in favour, or more strictly against, either party.
- 9.13 **Headings.** Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Lease.
- 9.14 **Statutory Powers.** It is acknowledged that nothing in this Lease derogates from, interferes with, or fetters the exercise by the Lessor of all of its rights and obligations as a municipality (whether discretionary or mandatory), or imposes any obligations on the Lessor in its role as a municipality, and the Lessor shall not be prevented from or prejudiced in carrying out its statutory rights and responsibilities, including its planning rights and responsibilities. Nothing in this Lease derogates from, interferes with, or fetters the exercise by the Lessor's officers, employees, agents, representatives or elected and appointed officials of all of their rights, or imposes any obligations on the Lessor's officers, employees, agents, representatives or elected and appointed officials, other than as expressly set out in this Lease.

9.15 **Time of the Essence.** Time shall be of the essence of this Lease and every part thereof.

9.16 **Counterpart.** This Lease may be executed in counterparts, no one copy of which need to be executed by both the Lessee and the Lessor. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by both the Lessee and the Lessor.

TO WITNESS THEIR AGREEMENT, the Parties have duly executed this Lease on the date noted below and agree that this Lease shall be effective on the date set out at the top of page one (1) of this Lease.

_____(Lessee)
Per:

Name:
Title:

Name:
Title:

I/We have authority to bind the Lessee.

THE CORPORATION OF THE TOWN OF SAUGEEN SHORES (Lessor)

Per:

Name: Luke Charbonneau
Title: Mayor

Name: Dawn Mittelholtz
Title: Clerk

We have authority to bind the Lessor.

SCHEDULE “A” – Lessor’s Lands, Leased Premises, and Uses

1. Full Legal Description of Lessor’s Lands:

[Insert full legal description as registered in the Bruce County Land Registry Office (LRO#3).]

2. Municipal Address:

[Insert municipal address.]

3. Leased Premises:

- All of Lessor’s Lands, as set out above
- A part of the Lessor’s Lands (see attached floor plan/sketch)

4. Floor Plan/Sketch:

[Attach diagram highlighting Leased Premises and Common Areas.]

5. Rentable Area:

[Insert square footage.]

6. Common Areas (Non-Exclusive Use):

[List all common areas accessible to the Lessee, e.g., parking lot, lobby, washrooms.]

7. Permitted Use:

[Define permitted use, e.g., “office use only; no hazardous materials, manufacturing, or retail sales without Lessor’s written consent.”]

SCHEDULE "B" – Special Provisions

1. Additional Rent Items (Section 3.2 and Section 1.2(i))

- Water and Sewer Charges
- Hydro
- Gas
- Realty Taxes
- Snow Removal
- Outdoor Lawn Maintenance
- Janitorial/Cleaning Services
- Other: [Specify]

2. Lessee's Services (Section 2.6)

- Minor Repairs
- Cleaning
- Snow Removal (sidewalks, parking lot, parking lot and sidewalks)
- Outdoor Lawn Maintenance
- Outdoor Landscaping
- Garbage and Recycling
- Other: [Specify]

3. Lessor's Services (Section 3.2)

- Major Repairs
- Janitorial/Cleaning
- Snow Removal (sidewalks, parking lot, parking lot and sidewalk)
- Outdoor Lawn Maintenance
- Outdoor Landscaping
- Garbage and Recycling
- Other: [Specify]

4. Other Terms and Conditions:

[Insert any negotiated terms that fall outside of the standard terms - e.g., renewal options, signage particulars, etc.]

(a)

SCHEDULE “C” – Rules and Regulations

1. General Conduct:

- Lessee, employees, and visitors must not cause nuisance, excessive noise, or disturbance.
- Hours of operation: **[Insert hours]**
- No signage without Lessor’s written approval.

2. Health & Safety:

- Lessee must comply with all fire safety and health regulations.
- Emergency exits must remain unobstructed.

3. Environmental:

- No hazardous materials may be stored or disposed of on the premises.
- Waste must be disposed of in accordance with municipal regulations.

4. Security:

- Lessee is responsible for securing the premises outside business hours.
- Keys and access cards must not be duplicated or shared without Lessor’s consent.

5. Updates to Rules:

- Lessor may update rules and regulations with 30 days’ written notice to Lessee.

Lessee must comply with all updated rules.