

THIS LEASE is made as of the 14TH day of October, 2022.

B E T W E E N:

THE TOWNSHIP OF BROCK
(the "Landlord")

- and -

2473924 ONTARIO INC.
(the "Tenant")

ARTICLE I
INTERPRETATION

Section 1.01 Definitions

In this Lease:

- (a) **"Basic Rent"** means the rent payable by the Tenant pursuant to Section 4.01.
- (b) **"Business Day"** means any day of the week except Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.
- (c) **"Building"** means the boathouse structure owned by the Tenant situated on the Premises.
- (d) **"Commencement Date"** means the start of the Lease being the 1st day of August 2014.
- (e) **"Lease"** means this lease as it may be amended from time to time in accordance with the provisions hereof.
- (f) **"Leasehold Improvements"** improvements made to the boathouse as located on the Premises as defined in this Agreement.
- (g) **"Premises"** means the Property upon which a boathouse located in the following municipality, namely, and being composed of Lot 15, Plan 519, municipally known as 20 Harbour Park Cres., in the Township of Brock, in the Regional Municipality of Durham.
- (h) **"Property Taxes"** means all real estate taxes, general taxes, school taxes, levies, rates, duties, assessments and charges imposed against real property, buildings, structures, equipment, facilities and improvements by municipal or other governmental authorities having jurisdiction excluding any public or local improvement charges levied in conjunction with or as a result of the original construction of the Building or any expansion thereof and excluding any taxes which are primarily of a nature of taxes on income, capital, business, placement of business or otherwise personal to the Landlord and not primarily of a nature of taxes on real property.
- (i) **"Rent"** means the aggregate of Basic Rent and all other sums of money or charges required to be paid by the Tenant under this Lease.
- (j) **"Rentable Area of the Premises"** means the aggregate of the Rentable Areas of all Premises upon which the boathouse is located.
- (k) **"Sales Taxes"** means all sales taxes, value added taxes and any other taxes imposed on the Landlord or the Tenant in respect of the Rent or the provision of any goods or services by the Landlord to the Tenant under this Lease.
- (l) **"Short Term Rental"** means temporary accommodation for compensation for periods not exceeding 28 consecutive days.
- (m) **"Term"** means the term of this Lease as set out in Section 3.01 and any extension

or renewal thereof.

Section 1.02 Headings

The division of this Lease into articles, sections, subsections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Lease.

Section 1.03 Legal Description

The Legal Description of the Premises is as follows:

Lot 15, Plan 519,
Municipally known as 20 Harbour Park Cres.,
Township of Brock, in the Regional Municipality of Durham

PIN No. 72040-0061 (LT)

Section 1.04 Severability

All of the provisions of this Lease are to be construed as covenants even where not expressed as such. If any such provision is held to be or rendered invalid, unenforceable or illegal, then it shall be considered separate and severable from this Lease and the remaining provisions of this Lease shall remain in force.

Section 1.05 Number

Wherever a word importing the singular number only is used in this Lease, such word shall include the plural. Words importing either gender or firms or corporations shall include the other gender and individuals, firms or corporation where the context so requires.

Section 1.06 Governing Law

This Lease shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario.

Section 1.07 Entire Agreement

This Lease and the Schedules attached hereto constitute the entire agreement between the parties concerning the Premises and may only be amended or supplemented by an agreement in writing signed by both parties.

ARTICLE II

GRANT AND USE

Section 2.01 Grant

In consideration of the performance by the Tenant of its obligations under this Lease, the Landlord leases to the Tenant the Premises to have upon a boathouse for a residential tenancy for the Term and covenants to observe and perform all of the covenants and obligations to be observed and performed by the Landlord under this Lease. In consideration of the performance by the Landlord of its obligations under this Lease, the Tenant takes the Premises on lease from the Landlord and covenants to pay the Rent and Taxes and to observe and perform all other covenants to be observed and performed by the Tenant under this Lease.

Section 2.02 Parking

The Premises may contain an area to park one vehicle. Should the Tenant or any guest of the Tenant have additional vehicles, they are subject to parking within municipal lots and in accordance with any restrictions, provisions, and fees as set out the Township’s Traffic Control By-law.

Section 2.03 Use of Premises

The Building shall be used by the Tenant exclusively to live in a boathouse located on the Premises as a residential tenancy and for no other purpose, including the use of the Building as a Short Term Rental, without the prior written consent of the Landlord.

Section 2.04 Nuisance

The Tenant shall not carry on any business or do or suffer any act or thing which constitutes a nuisance, or which is offensive or an annoyance to the Landlord or other occupants of the Building.

ARTICLE III

TERM

Section 3.01 Term

The term of this Lease is for a term of TWENTY YEARS, to be computed from the 1st day of August 2014, and ending on the last day of July 2034

Section 3.02 Option to Extend

The Tenant may have the option, exercisable by notice to the Landlord not later than six (6) months prior to the expiration of the Term

ARTICLE IV

RENT

Section 4.01 Basic Rent

The Tenant shall pay to the Landlord as Basic Rent during the Term in lawful money of Canada the sum of one hundred and sixty nine dollars and twelve cents (\$169.12) per annum each on the first day of August each calendar year during the Term (as calculated for 2022). In addition, the parties acknowledge and agree that the yearly rent payable in the subsequent years of this agreement shall be increased consistent with the rental increase guidelines as published annually by the Ministry of Municipal Affairs and Housing. If the Tenant fails to pay the annual lease rent the Landlord will employ all means to collect the arrears including but not limited to the use of collection agencies and all costs borne by the lessee plus accumulating monthly interest on any arrears in payments as obligated by this Agreement.

Section 4.02 Termination Provision

Notwithstanding any other provision within this lease agreement, the Landlord shall have the privilege of terminating this lease upon providing not less than five (5) years' notice in writing to the Tenant. PROVIDED further that the effective date of termination upon the exercise of such privilege may not be earlier than the last day of July 2024.

Section 4.03 Deposit

The Landlord acknowledges having received from the Tenant the sum of three hundred thirty eight dollars and twenty four cents (\$338.24) which shall be applied without interest against the first and last months' Rent, save and except the annual rental increase as outlined in Section 4.01, with the difference being calculated and applied the last invoice. Deposit calculated based on the annual rent for the year 2022.

Section 4.04 Manner of Payment

The Tenant shall make all payments of Rent by way of cheque made payable to the Landlord (or to such other person as the Landlord may designate by notice) at the address specified in Section 14.03 (or such other address as the Landlord may designate by notice).

ARTICLE V

TAXES

Section 5.01 Property Taxes

The Tenant shall pay all Property Taxes imposed against the Premises during the Term. If the Tenant fails to pay the annual Property Taxes the Landlord will employ all means to collect the arrears including but not limited to the use of collection agencies and all costs borne by the lessee plus accumulating monthly interest on any arrears in payments as obligated by this Agreement.

ARTICLE VI

UTILITIES AND COSTS OF OPERATION

Section 6.01 Utilities

The Tenant agrees to pay or cause to be paid all charges for water, gas, electricity, light, heat or power, telephone or other communication service used, rendered or supplied upon or in connection with the Premises throughout the Term provided.

ARTICLE VII**MAINTENANCE, REPAIRS AND ALTERATIONS****Section 7.01 Maintenance and Repair of Premises**

The Tenant, at its sole cost and expense, shall maintain and keep in a good and substantial state of repair the Premises and Building, and make all necessary repairs thereto, including structural repairs and other repairs to the Building in accordance with the terms of this Lease.

Section 7.02 Notice of Damage

The Tenant shall give the Landlord notice of any damage to or defect of which it becomes aware of to the Premises which they are obligated repair and maintain.

Section 7.03 Alterations to Building

Prior to any alterations made to the Building, interior or exterior, the Tenant shall ensure that any relevant building permits are obtained, at its sole cost and expense.

Section 7.04 Liens

The Tenant shall ensure that no lien or claim for lien is registered against any portion of the Building or Premises. If a lien or claim for lien is registered or filed, the Tenant shall, within thirty (30) days after it has received notice from the Landlord, procure the discharge thereof, failing which the Landlord, at its option, may discharge the lien or claim for lien by paying the amount claimed to be due into court and the amount so paid shall be paid forthwith by the Tenant to the Landlord.

ARTICLE VIII**INSURANCE AND INDEMNITY****Section 8.01 Tenant's Insurance**

The Tenant, at its sole cost and expense, shall take out and maintain:

- (a) insurance upon property being the boathouse owned by it which is located in the Premises; and
- (b) General Liability insurance acceptable to the Landlord providing coverage in respect of any one occurrence to the limit of at least Five Million Dollars (\$5,000,000.00) exclusive of interest and costs, against personal injury or loss or damage to property and that such policy will name the Landlord as additional insured thereunder and will protect the Landlord against all claims or damage or injury, including death to any person or persons, or damages to any property of the Tenant or any other public or private property allegedly or actually resulting from or arising out of any act or omission on the part of the Tenant their servants, contractors, employees, consultants or agents and persons permitted thereon by the Tenant and to provide a completed insurance certificate evidencing such coverage to the Landlord. Such insurance policy shall contain provisions for cross liability and severability of interest, waiver of subrogation and further that the policy will not be changed or amended in any way or cancelled until 30 days after written notice of such change or cancellation shall have been given to the Landlord.
- (c) All insurance certificates mentioned in this Section shall be provided to the Landlord annually on the renewal date, by the Tenant, and the Tenant shall ensure continuance of all insurance for the entire duration of the Term of the Lease.

Section 8.02 Insurance Risks

The Tenant shall not do, omit to do, or permit to be done or omitted to be done upon the Premises anything that may contravene or be prohibited by any of the Landlord's insurance policies in force from time to time covering or relevant to any part of the Premises or which would

prevent the Landlord from procuring such policies with companies acceptable to the Landlord. If the occupancy of the Premises, the conduct of business in the Premises or any acts or omissions of the Tenant in the Premises or any other portion of the Premises causes or results in any increase in premiums for any of the Landlord's insurance policies, the Tenant shall pay such increase to the Landlord.

Section 8.03 Indemnification

The Tenant shall indemnify and save harmless the Landlord from and against any and all actions, losses, damages, claims, costs and expenses (including solicitors' fees on a solicitor and client basis) to which the Landlord may become liable by reason of any breach, violation or non-performance by the Tenant so indemnifying of any covenant, term or provision of this Lease or by reason of any damage, injury or death occasioned to or suffered by any person or persons including the Landlord or the Tenant, as the case may be, or any property by reason of any wrongful act, neglect or default on the part of the Tenant or any of those persons for whom it is in law responsible.

ARTICLE IX

DAMAGE AND DESTRUCTION

Section 9.01 Damage to Premises

If at any time during the Term the Premises are wholly or partially destroyed by fire or other insurable peril so as to render them untenable or prevent reasonable or convenient access thereto, , then either the Landlord or the Tenant may terminate this tenancy within thirty (30) days of such damage or destruction upon notice to the other party.

ARTICLE X

ACCESS AND ENTRY

Section 10.01 Right of Entry

The Tenant agrees to permit the Landlord and authorized representatives of the Landlord to enter the Premises for the purpose of inspecting the same on prior notice to the Tenant (except in an emergency where no notice shall be required), and the Tenant shall arrange for such entry at a time convenient to both parties.

ARTICLE XI

DEFAULT OF LEASE

Section 11.01 Default of Lease

If the Rent or Taxes or any other obligations outlined in the Lease remains unpaid or there is non-performance of any obligation upon the Tenant pursuant to this Agreement for fifteen (15)

days after the Tenant has received notice thereof, then it shall be deemed that this Agreement is considered null and void.

Section 11.02 Waiver

No condoning, excusing or overlooking by either party of any default, breach or non-observance by the other at any time or times in respect of any covenant, obligation or agreement under this Lease shall operate as a waiver of such party'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 or 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 Landlord or the Tenant save only an express waiver in writing.

ARTICLE XII

PRIORITY OF LEASE

Section 12.01 Sale of Property

The Landlord shall not sell, assign or otherwise transfer all or any part of its interest in the Property unless such sale, assignment or transfer is made subject to this Lease and all of the rights of the Tenant hereunder.

Section 12.02 Subordination

The Tenant shall not be required to subordinate this Lease to any mortgagee, chargee or other encumbrancer unless the Landlord has first obtained from any such mortgagee, chargee or other encumbrancer a non-disturbance agreement in form acceptable to the Tenant whereby such encumbrancer agrees that, so long as the Tenant is not in default under any of the terms and conditions of this Lease, the Tenant will not be disturbed in its possession of the Premises and provided that said mortgagee, chargee or encumbrancer, in the event that it goes into possession of the Premises, shall be bound by all of the terms and covenants of this Lease. The Landlord covenants to make its best efforts to obtain a non-disturbance agreement from any existing mortgagee.

ARTICLE XIII

TENANT'S COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 13.01 Tenant's Covenants

The Tenant shall:

- (a) To pay rent.
- (b) To pay taxes, inclusive of local improvements as calculated and assessed by MPAC who conduct an annual assessment.
- (c) To pay water rates and charges for gas, electricity and telephone or other utility.
- (d) To maintain the Premises in a state of cleanliness, and to repair any damage caused thereto by the Tenants own wilful or negligent conduct or that of persons who are permitted on the Premises.
- (e) To maintain the Building in a good state of repair and fit for habitation during the term of this Lease in order that the Premises comply with health and safety standards required by law.
- (f) To keep up fences if and where required.
- (g) To not cut down timber.
- (h) To leave the Premises in good repair, reasonable wear and tear and damage by fire, lightning, tempest, only excepted.
- (i) To repair according to notice in writing, reasonable wear and tear and damage by fire, lightning and tempest only excepted.
- (j) To not assign or sublet without the written consent of the Landlord, which consent may be arbitrarily or unreasonably withheld notwithstanding any statutory enactments. The Tenant shall pay the Landlord's reasonable expenses incurred thereby.
- (k) To use the Building for residential purposes and not carry on upon the Premises any business (including a Short Term Rental) or trade whatsoever.
- (l) To maintain adequate and appropriate insurance coverage and provide to the Landlord on an annual basis, certificate(s) of insurance, upon renewal.
- (m) That the Landlord shall not be liable for any damage to any property at any time in the Premises or Building, from steam water-works, water, rain, or snow, which may leak into, issue or flow from any part of the said building of which the premises form a part, or from the pipes or plumbing works thereof, or from any other place.

Section 13.02 Quiet Enjoyment

The Landlord shall permit the Tenant to peaceably possess and enjoy the Premises during

the Term without any interference from the Landlord, or any person lawfully claiming by, from or under the Landlord provided the Tenant is not in default.

Section 13.03 Landlord's Representations and Warranties

The Landlord represents and warrants to the Tenant that:

- (a) It has good and marketable title to the Property and is lawfully entitled to grant and is capable of granting to the Tenant a valid lease for the Premises.
- (c) there is no law, by-law, regulation, direction or notice of any governmental authority having jurisdiction or any registered restriction or agreement against the title to the Building which would prevent the use of the Premises by the Tenant for purposes set out in this Lease; and
- (d) The Landlord shall indemnify and save harmless the Tenant from and against any and all actions, losses, damages, claims, costs and expenses (including solicitors' fees on a solicitor and client basis) to which the Tenant shall or may become liable by reason of any misrepresentation or breach of any warranty by the Landlord under this Section 13.03.

ARTICLE XIV

MISCELLANEOUS

Section 14.01 Rules and Regulations

The Tenant shall comply with all reasonable rules and regulations adopted by the Landlord in relation to the Premises provided such rules and regulations (a) do not conflict with any of the provisions of this Lease and that to the extent of any conflict the provisions of this Lease shall prevail; (b) are effective only upon notice to the Tenant; and (c) are of uniform application to all Tenants.

Section 14.02 Compliance with Laws

The Tenant, at its sole cost and expense, shall comply with all legal requirements (including statutes, laws, by-laws, regulations, ordinances, orders, rules and regulations of every governmental authority having jurisdiction) which relate to the use or occupation of the Premises by the Tenant or the making of any repairs or Leasehold Improvements to the Premises by the Tenant.

Section 14.03 Notice

Any notice, demand or other communication (in this section, a "notice") required or permitted to be given or made under this Lease shall be in writing and shall be sufficiently given or made if:

- (a) delivered in person during normal business hours on a Business Day and left with a receptionist or other responsible employee of the relevant party at the applicable address set forth below;
- (b) sent by prepaid first class mail; or
- (c) sent by any electronic means of sending messages, including telex or facsimile transmission, which produces a paper record ("Electronic Transmission") during normal business hours on a Business Day or, if not sent on a Business Day, such notice shall be deemed to have been sent on the Business Day next following;

in the case of a notice to the Landlord, addressed to it at:

1 Cameron Street East, P.O. Box 10
Cannington, ON
L0E 1E0

Attention: Municipal Clerk
Email: Clerks@brock.ca
Phone #: 705-432-2355
Fax #: 705-432-3487

and in the case of a notice to the Tenant, addressed to it at:

Attention: Ali Kahi
Email:
Phone #:
Fax #:

Each notice sent shall be deemed to have been received:

- (a) on the day it was delivered and as stated in section 14.03(c) above;
- (b) on the third Business Day after it was mailed (excluding each Business Day during which there existed any general interruption of postal services due to strike, lockout or other cause); or
- (c) on the same day that it was sent by Electronic Transmission, or on the first Business Day thereafter if the day on which it was sent by Electronic Transmission was not a Business Day.

Either party may change its address for notice by giving notice to the other party as provided in this section.

Section 14.04 Status Statement

The Tenant, at the request of the Landlord and upon not less than thirty (30) days' prior notice, shall execute and deliver a statement in writing certifying that this Lease is unmodified and in full force (or, if modified, stating the modifications), the amount of Rent payable, the dates to which any amount provided in this Lease to be paid by the Tenant to the Landlord has been paid and stating whether or not there is any existing default under this Lease on the part of the Landlord of which the Tenant has notice.

Section 14.05 Assignment and Subletting

The Tenant shall not assign this Lease or sublet all or any portion of the Premises without the prior written consent of the Landlord. For the purpose of this Lease, the Landlord considers a Short Term Rental as a sublet.

Section 14.06 Landlord's Consent

Where the Landlord's consent or approval is required by this Lease to any act of the Tenant, such consent or approval shall not be unreasonably withheld and the response of the Landlord shall be communicated to the Tenant within ten (10) days of the receipt of a request for

such consent or approval, failing which the Landlord shall be deemed to have been given such consent or approval.

Section 14.07 Registration of Lease

The Tenant at their own expense, shall register this Lease in the Land Registry Office for Durham (No. 40) provide the Landlord a copy of said registration and the Landlord will co-operate with the Tenant to facilitate such registration.

Section 14.08 Reasonableness

The Landlord, the Tenant and any persons acting for or on behalf of the Landlord or the Tenant making a determination, designation, calculation, estimate, conversion or allocation under this Lease shall act reasonably, promptly and in good faith.

Section 14.09 Successors and Assigns

This Lease shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation or statutory arrangement) and permitted assigns.

The Landlord will have an option as well to require a new owner or Tenant of the Building on the Premises to enter into a new Lease agreement with the Landlord.

IN WITNESS WHEREOF the parties have executed this Lease.

LANDLORD:
BROCK

THE CORPORATION OF THE TOWNSHIP OF

PER: _____
John Grant, Mayor

PER: _____
Fernando Lamanna, Clerk/Deputy CAO

TENANT:

PER: _____
Ali Kahi for 2473924 Ontario Inc.
I have the authority to bind the corporation

PER: _____ C/S

LEASES\Form of Net Lease