

LEASE

BETWEEN

**THE CORPORATION OF
THE TOWNSHIP OF THE ARCHIPELAGO**

AND

DANIEL OLIVER BUTTINEAU (STATION HILL MARINA LTD.)

THIS LEASE dated as of this 15th day of July, 2022.

BETWEEN:

**THE CORPORATION OF
THE TOWNSHIP OF THE ARCHIPELAGO**
(the "Landlord")

- AND -

DANIEL OLIVER BUTTINEAU (STATION HILL MARINA LTD.)
(the "Tenant")

WITNESS that the Landlord leases the Premises to the Tenant and the Tenant accepts that lease, for the Term, on the following terms and conditions to which the Landlord and Tenant agree:

**ARTICLE I
INTERPRETATION**

1.01 Performance

In exercising its rights and carrying out its obligations, each of the Landlord and Tenant shall act reasonably, prudently, promptly, and fairly.

1.02 Rights and Obligations

All the Landlord's and Tenant's rights and obligations in this Lease will apply throughout the Term, and longer if the Lease so states.

1.03 Consents

If either the Tenant or the Landlord needs the other's consent, it will obtain that consent in writing before proceeding. Neither party will unreasonably withhold or delay its consent.

1.04 Dispute

The Landlord is obliged to refer any dispute or question to either CAO or Manager of Operations to submit their findings to Council. Council's decision shall be conclusive and binding on the Tenant.

1.05 Intent of Lease

Except if expressly stated to be for the Landlord's account, or included in the Basic Rent, the Tenant will pay all costs with respect to the Premises, their use, occupancy, including the Cost of Additional Services and the costs of carrying out its obligations under this Lease.

1.06 Entire Agreement

No verbal, written, express, or implied representations, warranties, guarantees, covenants or agreements of either the Landlord or the Tenant will survive the signing of this Lease except if they are set out in this Lease. This Lease constitutes the entire agreement between the Landlord and the Tenant. This Lease may only be modified by an express written agreement, made after the Lease has been executed, which both the Landlord and the Tenant have signed.

1.07 Definitions

In this Lease:

- (a) **"Basic Rent"** means the annual rent the Tenant is to pay under Section 3.02.
- (b) **"Commencement Date"** means the 15th day of July, 2022.
- (c) **"Cost of Additional Services"** means the Landlord's costs of providing additional services. See Section 3.03.
- (d) **"Day"** or **"Days"** means a calendar day or calendar days.
- (e) **"End of the Term"** means the 14th day of July, 2027 or the date of earlier termination of the Term.
- (f) **"Event of Delay"** means an event or cause beyond the reasonable control of the Landlord or the Tenant, as the case may be, including acts of God, labour or industrial disturbances, civil disturbances, wars, interruptions by Government Body or court orders, transportation disruptions, or shortages of materials.
- (g) **"Government Body"** means any municipal, provincial, federal, school, or other statutory authority, or department or agency thereof.
- (h) **"Insured Damage"** means damage by fire or other peril to the vehicles located on the Premises which the Tenant is responsible for under its insurance policies.
- (i) **"Land"** means the lands of which are identified in the attached schedule.
- (j) **"Lease"** means this document and the attached schedules.
- (k) **"Leasehold Improvements"** mean all improvements, alterations, by the Tenant on or at the Premises at any time prior to or during the Term.
- (l) **"Premises"** means the lands comprising an area identified in the attached schedule.
- (m) **"Rent"** means Basic Rent and Additional Rent.
- (n) **"Term"** means the term of five (5) years starting on the Commencement Date and ending on the 14th day of July, 2027 (unless earlier terminated), and any extension of the Term and any period of permitted overholding.

1.08 Currency

All references to money are to lawful currency of Canada.

1.09 Severability

If any provision of this Lease is unenforceable, it will be severed.

1.10 All Provisions are Covenants

All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants were used in each separate paragraph hereof.

1.11 Governing Law

This Lease will be governed by the laws of the jurisdiction where the Land is located.

ARTICLE II RENT

3.01 Paying Rent

The Tenant will pay Rent duly and punctually to the Landlord at 9 James Street, Parry Sound, Ontario, P2A 1T4, or to such other person or place of which the Landlord gives notice to the Tenant. The Tenant will pay Rent without deduction, abatement, or set-off. The Tenant's obligation to pay Rent due during the Term will survive the End of the Term.

3.02 Basic Rent

The Tenant will pay Basic Rent of One Hundred and Twenty-Five Dollars (\$125.00) per year (the "Basic Rent") without deduction, compensation or abatement, on the first day of each and every year of the Term with a 3% increase to follow each year of the lease. The first of such payments is to be made on the 15th of July, 2022.

3.03 Tenant's Taxes and Other Charges

In addition to Basic Rent, the Tenant will pay, as and when due, to the appropriate Government Body or public or private utility, or at the option of the Landlord, to the Landlord directly all licence fees, taxes, rates, duties, levies, assessments, or other charges imposed, assessed, or levied by any Government Body or public or private utility from time to time, whether imposed on the Landlord or the Tenant, including without limitation GST on Rent, and including all fees, taxes, rates, duties, levies, assessments and other charges in respect of:

- (i) the personal property, fixtures, business, income, occupancy, use, or sales of the Tenant or other occupant of the Premises;
- (ii) Leasehold Improvements, fixtures, or machinery installed in or at the Premises by or for the Tenant; and
- (iii) utilities and services used in or supplied to the Premises, if any, to the extent that such costs are not included in Basic Rent.

3.04 Interest on Arrears

When any Rent, or any interest accrued thereon, is in arrears, it will bear interest at two percent (2%) per month, calculated and payable monthly (which is equivalent to interest at the rate of twenty six point eighty two percent (26.82%) per annum, calculated and payable annually) from the date such Rent became due to and including the date of payment. The Landlord will have all remedies for its collection as it has for recovering Basic Rent in arrears.

3.05 Irregular Periods

If the Term begins or ends other than on the first or last day of a month, or if the first or last fiscal period or tax period is less than twelve (12) months, Rent for any broken month or broken period will be prorated at a rate per day equal to 1/365th of the annual amount.

ARTICLE III THE PREMISES

4.01 Examination of Premises

The Tenant accepts the Premises "as is" as of the Commencement Date.

4.02 Possession and Use of Premises

The Tenant will: (i) take possession of the Premises on the Commencement Date; (ii) not allow anyone except for its employees, customers, or other persons lawfully having business with the Tenant, or members of the community lawfully using the Premises in accordance with subsection (4.03) below, to use or occupy the Premises; (iii) use the Premises only as a parking area for clientele of Daniel Oliver Buttineau (Station Hill Marina) unless the Landlord consents to another use; (iv) not do anything in the Premises which is noxious,

dangerous, or offensive or which would be a nuisance or disturb neighbouring land owners and users; (v) not cause any waste or damage to the Premises; (vi) not let the Premises become untidy or unsightly, and at the end of each business day leave them in a clean and tidy condition; (vii) not store any dangerous or inflammable substances in or at the Premises; (viii) and no winter parking from November to April on the Premises.

4.03 Complying with Laws

The Tenant will comply with all lawful requirements of Government Bodies and insurance companies who hold policies which affect the Land, with respect to its operation and use of the Premises.

4.04 Quiet Enjoyment

If the Tenant duly and punctually pays the Rent and complies with its obligations, the Tenant will be entitled to peaceably possess and enjoy the Premises during the Term.

4.05 Regulations

The Tenant will comply with any regulations which the Landlord makes in connection with the use, occupancy, repair, maintenance, or operation of the Land or Premises of which notice in writing shall be given to the Tenant and such regulations will form part of this Lease.

4.06 Tenant's Signs

The Tenant will not place or affix any signs, symbols, or lettering at the Premises without Landlord's prior consent and all applicable municipal and other governmental approvals.

ARTICLE IV ADDITIONAL SERVICES

5.01 Additional Services

The Landlord will have the exclusive right, by way of Additional Services, to supervise the Tenant's repairs or alterations to the Premises. If the Landlord provides Additional Services, by right or by agreement with the Tenant, the Tenant will pay the Cost of Additional Services to the Landlord.

ARTICLE V DISPOSITIONS

6.01 Assigning and Subletting

The Tenant will not assign this Lease or sub-let or part with possession of the whole or any part of the Premises (a "Transfer") for the whole or part of the Term without a bona fide written offer and without the Landlord's consent which consent may be unreasonably withheld. The Tenant will not advertise the Premises for assignment or sub-letting.

6.02 Landlord's Conveyance

If the Landlord sells the Land, it will have no further obligation to the Tenant except for then existing defaults by the Landlord.

6.03 Mortgaging

The Tenant will not mortgage or charge its leasehold interest in the Premises, without the Landlord's consent.

ARTICLE VI REPAIRS, RENOVATIONS, DAMAGE AND EXPROPRIATION

7.01 Landlord's Repairs

The Landlord is not required to make any repairs in respect of the Premises.

7.02 Tenant's Repairs and Maintenance

The Tenant will keep the Premises, its Leasehold Improvements, and all equipment thereon in a good and safe and reasonable state of repair and maintenance, and to at least the degree required by law and the state in which they were as of the Commencement Date, Insured Damage only excepted. Section 7.07 will apply to Tenant repairs. The Tenant will repair according to notice from the Landlord. The Tenant will keep the Premises in a clean condition.

7.03 Inspection and Access

The Landlord, by its representatives, may enter the Premises at all times and for all purposes, have full and free access to the any and every part of the Premises. The Tenant will not be entitled to compensation for any inconvenience, nuisance, or discomfort caused by the Landlord's work in the Premises.

7.04 Tenant Renovations

The Tenant will not construct, install, or alter anything in the Premises without the Landlord's consent, which may be unreasonably withheld.

7.05 Landlord Renovations

The Landlord may alter the Land from time to time so long as the physical dimensions of the Premises are not materially altered as a result. The Tenant waives and renounces all claims which may result from any such alteration.

7.06 Payment for Work

The Tenant will pay all accounts for its renovations and repairs as and when due, except as set out in Section 7.07.

7.07 Liens

The Tenant will discharge any builder's or other lien filed against the Tenant's leasehold interest or against the Land, by reason of work, labour, services, or materials provided or alleged to have been provided to the Tenant, as soon as it comes to the Tenant's notice. If the Tenant fails to do so, the Landlord may do so and charge the Tenant its costs of so doing as a Cost Additional Services.

**ARTICLE VII
SURRENDERING PREMISES AND REMOVING FIXTURES****8.01 Surrender**

At the End of the Term, the Tenant will surrender possession of the Premises and the Tenant's Leasehold Improvements to the Landlord, without compensation, in the condition in which the Tenant was obliged to keep them during the Term. The Tenant's Leasehold Improvements will remain the Landlord's property, except for those the Tenant is obliged to remove under Section 8.02. At the End of the Term, if requested, the Tenant will give the Landlord a surrender of this Lease, which will be in form acceptable for registration, if applicable.

8.02 Removal of Fixtures

During the Term, the Tenant will not remove from the Premises any Leasehold Improvements, except those as are being replaced with same of equal or better quality, or those required by the Landlord to be removed. In case of any removal of any items, property or fixtures, the Tenant will repair any damage to the Premises caused by the removal of the items. If the Tenant does not remove any items required to be removed, the Landlord keep same or may remove same and the Tenant will pay the Landlord's removal, disposal, sale and storage charges.

8.03 Survival

The Tenant's obligations in this Article VIII will survive the End of the Term.

ARTICLE VIII INSURANCE AND INDEMNITY

9.01 Tenant's Insurance

- (a) The Tenant shall throughout the Term, at its own cost and expense, take out and keep in full force and effect and in the names of the Tenant and the Landlord the following insurance;
 - (i) All-risks (including flood and earthquake) insurance upon property of every description and kind owned by the Tenant or for which the Tenant is legally liable (including, without limitation, signs) and which is located on the Premises in an amount of not less than the full replacement cost thereof;
 - (ii) business interruption insurance;
 - (iii) public liability and property damage insurance including personal injury liability, bodily injury liability, tenant legal liability, contractual liability and owners' protective insurance coverage with respect to the Premises and the Tenant's use of the area. Such policies shall be written on a comprehensive basis within inclusive limits of not less than Five Million Dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time; and
 - (iv) any other form of insurance as the Tenant or the Landlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure.
- (b) All policies required to be written on behalf of the Tenant pursuant to this Section 9.01 shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and against those for whom the Landlord is in law responsible. The Tenant agrees that certificates of insurance will be delivered to the Landlord as soon as practicable after the placing of the required insurance. All policies shall contain an undertaking by the insurers to notify the Landlord in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof.
- (c) The Tenant agrees that if the Tenant fails to take out or keep in force any such insurance referred to in this Section 9.01, and should the Tenant not rectify the situation immediately after written notice by the Landlord to the Tenant, the Landlord has the right without assuming any obligation in connection therewith to effect such insurance at the sole cost of the Tenant and all outlays by the Landlord shall be immediately paid by the Tenant to the Landlord as Additional Rent without prejudice to any other rights and remedies of the Landlord under this Lease.
- (d) If notice of cancellation shall be given respecting any insurance policy or if any insurance policy upon the Premises or the Lands or any part thereof shall be cancelled or refused to be renewed by an insurer by reason of the use or occupation of the Premises or any part thereof or the acts or omissions of the Tenant, the Tenant shall forthwith remedy or rectify such use or occupation upon request to do so in writing by the Landlord, and if the Tenant shall fail to do so within twenty-four (24) hours of such written request, the Landlord shall have the right to enter onto the Premises and rectify the situation, without liability to the Tenant for any loss or damage occasioned by such entry and rectification, or shall be entitled to hold the Tenant liable for any damage or loss resulting from such cancellation or refusal, or the Landlord may at its option determine this Lease forthwith by leaving upon the Premises notice in writing of its intention to do so.

9.02 Release and Indemnity

The Landlord shall not be liable for any death or injury arising from or out of any occurrence in, upon, at or relating to the Land, or damage to property of the Tenant or of others

located on the Land, nor shall it be responsible for any loss of or damage to any property of the Tenant or others from any cause whatsoever, whether or not any such death, injury, loss or damage results from the negligence of the Landlord, its agents, servants or employees or other persons for whom the Landlord is in law responsible. The Landlord shall not be liable for any such damage caused by other tenants or persons in the Land or by occupants of adjacent property thereto, or the public, or caused by construction or by any private, public or quasi-public work. The Tenant will also indemnify the Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Land, the occupancy or use by the Tenant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, servants, licensees, or concessionaires or invitees. In case the Landlord shall, without fault on its part, be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect and hold the Landlord harmless and shall pay all costs, expenses and solicitors' and counsel fees on a solicitor and client basis incurred or paid by the Landlord in connection with such litigation.

ARTICLE IX DEFAULT

10.01 Default

If and whenever: (i) the Tenant fails to pay Rent within five (5) days after it is due, although no formal demand shall have been made; or (ii) the Tenant defaults in observing or performing any of its other obligations and fails to cure that default within ten (10) days after the Landlord gives the Tenant notice specifying the nature of the default, or (iii) the Tenant becomes bankrupt or insolvent or takes steps, or allows an order to be made, to end its corporate existence, then, in any such case, the current year's Rent shall immediately become due and be paid by the Tenant, and the Landlord thereafter may enter into the Premises or any part thereof in the name of the whole to repossess the Premises and enjoy as of its former estate, despite anything in this Lease to the contrary.

10.02 Cumulative Remedies

The Landlord may use any or all of the rights and remedies available to it under this Lease or at law or at equity if the Tenant defaults in observing or performing its obligations or if the Landlord is entitled to terminate this Lease. Those remedies will be cumulative and not alternative.

10.03 Waiver and Condoning

Only written waivers of Tenant's defaults will bind the Landlord. No condoning, excusing, or overlooking by the Landlord of any default by the Tenant will operate as a waiver of the Landlord's rights or remedies on any subsequent or antecedent default.

ARTICLE X GENERAL PROVISIONS

11.01 Events of Delay

If either the Landlord or the Tenant is unable to provide any service, utility, work or repair by reason of an Event of Delay, the time for performing the obligation will be extended by that period of time which is equal to the length of the delay, and the Landlord or the Tenant, as the case may be, will use all reasonable efforts to overcome any such Event of Delay. Neither the Landlord nor the Tenant will be entitled to compensation for any inconvenience, nuisance, or discomfort caused by such an Event of Delay, or to cancel this Lease.

11.02 Overholding

This Lease will terminate at the End of the Term without notice or demand. If the Tenant stays in the Premises after the End of the Term without a further written agreement with the Landlord, such holding over will not constitute a renewal or extension of this Lease, but the Tenant shall become a monthly tenant.

11.03 Subordination

This Lease and the Tenant's rights will be subordinated and postponed to all mortgages and other financial charges which now or hereafter charge the Land or the Premises, and to all renewals, modifications, consolidations, replacements, or extensions of same, notwithstanding the respective dates of execution or registration. The Tenant, at the Landlord's cost, will execute any instrument confirming such subordination and postponement and any instrument confirming that the Tenant will attorn as Tenant to the holder of any such mortgage or other financial charge on the same terms as are set out in the Lease, which the Landlord or the Landlord's lender may request, provided that the lender who receives any such instrument agrees to recognize this Lease and the Tenant's right to possession of the premises under the terms of the Lease.

11.04 Certificates

Either the Landlord or the Tenant, at the other's request and cost, will deliver to the other or to any other person a certificate setting out: (i) whether the Lease is in full force and effect; (ii) whether it has been modified or assigned; (iii) confirming the Rent and the state of accounts between the Landlord and the Tenant; (iv) to the best of its knowledge, the existence of any defaults; and (v) any other reasonable information which is requested.

11.05 Notices

Any notice, request, or demand required or permitted to be given must be in writing and will be sufficiently given if delivered, or mailed by prepaid registered post as follows:

- (a) to the Landlord:

9 James Street
Parry Sound, Ontario
P2A 1T4

- (b) to the Tenant:

19 Railroad Lane
Pointe Au Baril, Ontario
P0G 1K0

Any notice, request, or demand will be presumed, if mailed, to have been received two (2) business days after the day on which it is mailed and, if delivered, upon receipt, except that if, between the time of mailing and actual receipt, there is an actual or reasonably anticipated mail strike, slowdown, or labour dispute which might affect delivery, the notice will be effective only if actually delivered. Either the Landlord or Tenant will give notice to the other changing its address for service. If more than one person, corporation or other entity is Tenant, notice to any one shall constitute notice to all. No notices shall be sent electronically.

11.06 Time of Essence

Time will be of the essence in this Lease.

11.07 Registration

If the Tenant wishes to register the lease document, only a "Notice of Lease" or a short form of lease may be registered. Either form will be at Tenant's expense and subject to the Landlord's approval.

11.08 Landlord's Right to Terminate

Without prejudice to any of its rights of termination hereunder (including without limitation the right to terminate following the default of the Tenant, which right is not subject to the following notice period), the Landlord shall have the right (but not the obligation) to terminate this Lease upon giving written notice (the "Landlord's Termination Notice") of such termination to the Tenant at any time after the Commencement Date. The Landlord's

Termination Notice shall be given to the Tenant and shall specify the termination date of this Lease (the “Landlord's Termination Date”), which shall be the date that is sixty (60) days after delivery of the Landlord's Termination Notice. In the event the Landlord gives the Landlord's Termination Notice, the following shall apply:

- (i) this Lease shall terminate on the Landlord's Termination Date and the Tenant shall deliver vacant possession of the Premises to the Landlord on or before the Landlord's Termination Date in accordance with all applicable provisions in this Lease and without payment or compensation of any kind from the Landlord; and
- (ii) the Tenant shall be responsible for the payment of all Rent and charges to and including the Landlord's Termination Date including without limitation all Rent and other charges in respect of any period prior to the Landlord's Termination Date which are subsequently billed or adjusted after the Landlord's Termination Date.

11.09 Binding Effect

This Lease will inure to the benefit of and be binding upon the Landlord, the Tenant, and any Covenanter and each of their respective heirs, executors, administrators, successors, and permitted assigns. The schedules and riders, if any, attached to this Lease form a part hereof.

IN WITNESS WHEREOF the Landlord and Tenant have executed this Lease as of the day and year first above written.

SIGNED, SEALED AND
DELIVERED IN THE
PRESENCE OF:

) LANDLORD:
) THE CORPORATION OF
) THE TOWNSHIP OF THE ARCHIPELAGO
)
)
)
) Per: _____
) Name: _____
) Title: _____
) I/We have authority to bind the Township
)
)
) Per: _____
) Name: _____
) Title: _____
) I/We have authority to bind the Township
)
)
) TENANT:
) DANIEL OLIVER BUTTINEAU
) STATION HILL MARINE LTD.
)
)
) Per: _____
) Name: _____
) Title: _____
) I/We have authority to bind the corporation