

LEASE

Made as of the 15th day of April, 2014

BETWEEN:

520 WILLIAM INC.

(the "Landlord")

- and -

THE CORPORATION OF THE TOWN OF
COBOURG

(the "Tenant")

In consideration of the rents, covenants and obligations stipulated herein the Landlord and the Tenant have agreed to enter into a Lease for a portion of land legally known as PLAN CADDY BLK A PT LOTS 13 TO 15 PT BLK A AND RP 39R12039 PARTS 2 TO 4, 8, 10, 11, 14 TO 18, 21 TO 25 AND 28 (Cobourg) more particularly described in Schedule "A" attached (the "Premises").

1. GRANT OF LEASE

(1) The Landlord leases the Premises to the Tenant:

- (a) at the Rent set forth in Section 2;
- (b) for the Term set forth in Section 3; and
- (c) subject to the conditions and in accordance with the covenants, obligations and agreements herein.

(2) The Landlord covenants that it has the right to grant the leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. RENT

(1) Rent means the amounts payable by the Tenant to the Landlord pursuant to this Section and includes Additional Rent.

(2) The Tenant covenants to pay to the Landlord, during the Term and any renewal thereof, rent in the amount of Eighteen Thousand Dollars (\$18,000.00) per annum plus any applicable HST, payable monthly in advance in equal installments of Fifteen Hundred Dollars (\$1,500.00) on the first (1st) day of each and every month during the Term.

(3) The Tenant further covenants to pay all other sums required by this Lease to be paid by him and agrees that all amounts payable by the Tenant to the Landlord or to any other party pursuant to the provisions of this Lease shall be deemed to be additional rent ("Additional Rent") whether or not specifically designated as such in this Lease.

(4) The Landlord and the Tenant agree that, save and except real property taxes payable in relation to the Premises which shall be the responsibility of the Landlord, it is their mutual intention that this lease shall be a net lease for the Landlord and:

- (a) to effect the said intention of the parties the Tenant promises to pay the following expenses related to the Premises as Additional Rent;
 - (i) maintenance of the Premises;
 - (ii) insurance premiums; and
 - (iii) harmonized sales tax;

- (b) and if any of the foregoing charges are invoiced directly to the Tenant, the Tenant shall pay same as and when they become due and shall produce proof of payment to the Landlord immediately if requested to do so;
- (i) but the Tenant may contest or appeal any such charges at the Tenant's own expense;
- (d) and if the Tenant fails to make any of the payments required by this Lease then the Landlord may make such payments and charge to the Tenant as Additional Rent the amounts paid by the Landlord;
- (5) All payments to be made by the Tenant pursuant to this Lease shall be delivered to the Landlord at the Landlord's address for service set out in Section 12 or to such other place as the Landlord may from time to time direct in writing.
- (6) All Rent in arrears and all sums paid by the Landlord for expenses incurred which should have been paid by the Tenant shall bear interest from the date payment was due, or made, or expense incurred at a rate of two per cent (2%) per annum.
- (7) The Tenant agrees to pay the Landlord upon execution of this Lease a rental deposit in the amount of Three Thousand Dollars (\$3,000.00) to account for the first and last months of Rent.
- (8) The Tenant acknowledges and agrees that the payments of Rent and Additional Rent provided for in this Lease shall be made without any deduction for any reason whatsoever unless expressly allowed by the terms of this Lease or agreed to by the Landlord in writing.

3. TERM, TERMINATION AND POSSESSION

- (1) The Tenant shall have possession of the Premises for a period of five (5) years, commencing on the 15th day of April, 2014 and ending on the day of 14th day of April, 2019 (the "Term").
- (2) The Tenant shall have the right to renew this Lease for one further term of five (5) years, exercisable on one hundred and eighty (180) days' prior written notice provided the Tenant is not then in default under the terms of this Lease.
- (3) At any time during the Term or any renewal thereof, either party may terminate this agreement at any time upon six (6) months' prior written notice.
- (4) Subject to the Landlord's rights under this Lease, and as long as the Lease is in good standing the Landlord covenants that the Tenant shall have quiet enjoyment of the Premises during the Term of this Lease without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming through the Landlord.

4. ASSIGNMENT

- (1) Neither party shall assign this Lease or, in the case of the Tenant, sublet the whole or any part of the Premises unless he first obtains the consent of the other party in writing, which consent shall not be unreasonably withheld:
- (2) The parties acknowledge that the Landlord intends to sell or develop the Premises and that such sale or development may occur during the Term of this Lease. The Tenant hereby acknowledges that he shall consent to such transfer or development. In the case of a transfer to a subsequent party, such party shall retain the right to terminate this Lease on six (6) months' written notice.

5. USE

- (1) The parties agree that the intended use for the Premises is an off leash dog park for use by the general public and activities ancillary thereto.
- (2) The Tenant shall not do or permit to be done at the Premises anything which may:
 - (a) make void or voidable any insurance upon the Premises; and
 - (b) constitute a breach of any by-law, statute, order or regulation of any municipal, provincial or other competent authority relating to the Premises.
- (3) The Tenant's use shall in now way restrict future use or development of the Premises by the Landlord.

6. REPAIR AND MAINTENANCE

- (1) The Tenant covenants that during the term of this Lease and any renewal thereof the Tenant shall keep in good condition the Premises and shall, with or without notice, promptly provide maintenance as a prudent owner would.
- (2) The Tenant shall permit the Landlord or a person authorized by the Landlord to enter the Premises to examine the condition thereof and view the state of maintenance at reasonable times:
 - (a) and if upon such examination maintenance is found to be necessary, written notice of the repairs required shall be given to the Tenant by or on behalf of the Landlord and the Tenant shall make the necessary repairs within the time specified in the notice;
 - (b) and if the Tenant refuses or neglects to keep the Premises in good condition the Landlord may, but shall not be obliged to, maintain the Premises, and shall be permitted to enter the Premises, by himself or his servants or agents, for the purpose of effecting the maintenance without being liable to the Tenant for any loss, damage or inconvenience to the Tenant in connection with the Landlord's entry and repairs;
 - (i) and if the Landlord makes repairs the Tenant shall pay the cost of them immediately as Additional Rent.
- (3) Upon the expiry of the Term or other determination of this Lease the Tenant agrees peaceably to surrender the Premises to the Landlord in a state of good maintenance, reasonable wear and tear and damage by fire, lightning and storm only excepted.
- (4) The Tenant shall immediately give written notice to the Landlord of any substantial damage that occurs to the Premises from any cause.

7. SIGNAGE, FIXTURES AND ADDITIONS

- (1) The parties acknowledge that the Tenant shall be permitted to erect such signage, chattels and/or fixtures which would be reasonably expected for the use of the Premises, including but not limited to benches and garbage and recycling containers. The Tenant shall not require specific consent from the Landlord to install said items at the Premises.

(2) The Tenant may remove the items described in subsection (1) above and any Trade Fixtures at the end of the Term or other termination of this Lease and the Tenant covenants that he will make good and repair or replace as necessary any damage caused to the Premises by the removal of the Tenant's Trade Fixtures.

(3) The Tenant shall, at his own expense, if requested by the Landlord, remove any or all additions or improvements made by the Tenant to the Premises during the Term and shall repair all damage caused by the installation or the removal or both.

8. INSURANCE

(1) The Tenant covenants to keep the Landlord indemnified against all claims and demands whatsoever by any person, whether in respect of damage to person or property, arising out of or occasioned by the maintenance, use or occupancy of the Premises or the subletting or assignment of same or any part thereof. And the Tenant further covenants to indemnify the Landlord with respect to any encumbrance on or damage to the Premises occasioned by or arising from the act, default, or negligence of the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees:

(a) and the Tenant agrees that the foregoing indemnity shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.

(2) The Tenant shall carry public liability and property damage insurance in which policy the Landlord shall be a named insured and the policy shall include a cross-liability endorsement. The parties acknowledge that the insurance shall be an amount not less than Five Million (\$5,000,000.00) Dollars per occurrence for such general liability and property damage insurance.

(a) and the Tenant shall provide the Landlord with a copy of the policy.

9. ACTS OF DEFAULT AND LANDLORD'S REMEDIES

(1) An Act of Default has occurred when:

- (a) the Tenant has failed to pay Rent for a period of fifteen (15) consecutive days, regardless of whether demand for payment has been made or not;
- (b) the Tenant has breached his covenants or failed to perform any of his obligations under this Lease; and
 - (i) the Landlord has given notice specifying the nature of the default and the steps required to correct it; and
 - (ii) the Tenant has failed to correct the default as required by the notice;
- (c) the Tenant has:
 - (i) become bankrupt or insolvent or made an assignment for the benefit of Creditors;
 - (ii) had its property seized or attached in satisfaction of a judgment;
 - (iii) had a receiver appointed;
 - (iv) committed any act or neglected to do anything with the result that a Construction Lien or other encumbrance is registered against the Landlord's property;
 - (v) without the consent of the Landlord, made or entered into an agreement to make a sale of its assets to which the Bulk Sales Act applies;
 - (vi) taken action if the Tenant is a corporation, with a view to winding up, dissolution or liquidation;

- (d) any insurance policy is cancelled or not renewed by reason of the use or occupation of the Premises, or by reason of non-payment of premiums;
 - (e) the Premises are used by any other person or persons, or for any other purpose than as provided for in this Lease without the written consent of the Landlord.

(2) When an Act of Default on the part of the Tenant has occurred:

 - (a) the Landlord shall have the right to terminate this Lease and to re-enter the Premises and deal with them as he may choose.

10. TERMINATION UPON NOTICE AND AT END OF TERM

- (1) The Tenant agrees to permit the Landlord to display "For Sale" signs at the Premises and to show the Premises to prospective purchasers and to permit anyone having written authority of the Landlord to view the Premises at reasonable hours.

(2) If the Tenant remains in possession of the Premises after termination of this Lease as aforesaid and if the Landlord then accepts rent for the Premises from the Tenant, it is agreed that such overholding by the Tenant and acceptance of Rent by the Landlord shall create a monthly tenancy only but the tenancy shall remain subject to all the terms and conditions of this Lease except those regarding the Term.

11. ACKNOWLEDGEMENT BY TENANT

The Tenant agrees that he will at any time or times during the Term, upon being given at least forty-eight (48) hours prior written notice, execute and deliver to the Landlord a statement in writing certifying:

- (a) that this Lease is unmodified and is in full force and effect (or if modified stating the modifications and confirming that the Lease is in full force and effect as modified);
 - (b) the amount of Rent being paid;
 - (c) the dates to which Rent has been paid;
 - (d) other charges payable under this Lease which have never been paid;
 - (e) particulars of any prepayment of Rent or security deposits; and
 - (f) particulars of any subtenancies.

12. NOTICE

- (1) Any notice required or permitted to be given by one party to the other pursuant to the terms of this Lease may be given

To the Landlord at:

520 WILLIAM INC.
c/o 107 Bay Lea Dr
Trenton, ON
K8V 5P5

To the Tenant at the Premises or at:

c/o Bill Watson
Director of Public Works
The Corporation of the Town of Cobourg
55 King Street West
Cobourg, ON K9A 2M2

- changed pre
Brain Kinsowid

(2) The above addresses may be changed at any time by giving ten (10) days written notice.

(3) Any notice given by one party to the other in accordance with the provisions of this Lease shall be deemed conclusively to have been received on the date delivered if the notice is served personally or seventy-two (72) hours after mailing if the notice is mailed.

13. REGISTRATION

The Tenant shall not at any time register notice of or a copy of this Lease on title to the property of which the Premises form part without consent of the Landlord.

14. INTERPRETATION

(1) The words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice versa.

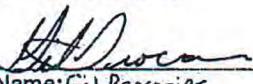
(2) Unless the context otherwise requires, the word "Landlord" and the word "Tenant" wherever used herein shall be construed to include the executors, administrators, successors and assigns of the Landlord and Tenant, respectively.

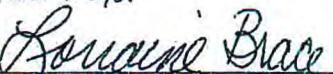
(3) When there are two or more Tenants bound by the same covenants herein contained, their obligations shall be joint and several.

In Witness of the foregoing covenants the Landlord and the Tenant have executed this Lease.

TENANT

THE CORPORATION OF THE
TOWN OF COBOURG

Per: 
Name: Gil Brocanier
Title: Mayor

Per: 
Name: Lorraine Brace
Title: Municipal Clerk

LANDLORD

520 WILLIAM INC.

Per: 
Name: Brian Kinmond
Title: V.P.

SCHEDULE "A"

The Premises

