

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

BY-LAW NO. 2019 - 70

**Being a By-law to enter into a lease agreement with Philip David Weddel
for the property at 4855 Highway 520**

WHEREAS Section 5(3) of the *Municipal Act, 2001, S.O. 2001, c.25*, as amended, requires a municipal Council to exercise a municipal power, including a municipality's capacity, rights, powers and privileges under Section 9, by by-law unless the municipality is specifically authorized to do otherwise;

AND WHEREAS, the Council of the Corporation of the Municipality of Magnetawan has entered into an agreement of Purchase and Sale with Philip David Weddel for the property known as 4855 Highway 520;

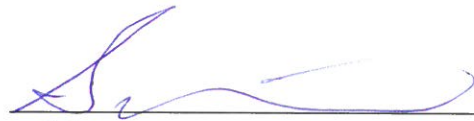
AND WHEREAS, Philip David Weddel is desirous of occupying and using such land and buildings prior to and until the agreement of purchase and sale is completed:

NOW THEREFORE BE IT RESOLVED THAT the Council of the Corporation of the Municipality of Magnetawan enacts as follows:

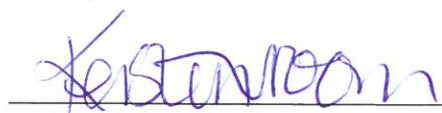
1. **THAT** the Corporation of the Municipality of Magnetawan is hereby authorized to enter into a lease agreement with Philip David Weddel substantially as attached and;
2. **THAT** the Mayor and CAO/Clerk are hereby authorized to execute the Agreement on behalf of the Corporation.

READ A FIRST, SECOND, AND THIRD TIME, passed, signed and the Seal of the Corporation affixed hereto, this 18th day of December, 2019.

**THE CORPORATION OF THE
MUNICIPALITY OF MAGNETAWAN**



Mayor



CAO/Clerk

B E T W E E N:

THE CORPORATION OF THE MUNICIPALITY
OF MAGNETAWAN
(hereinafter called the "LANDLORD")

OF THE FIRST PART

- and -

PHILIP DAVID WEDDEL
(hereinafter called the "TENANT")

OF THE SECOND PART

RECITALS

WHEREAS the Landlord is the owner of certain lands more particularly described as CROFT CON 8 PART LOT 1 RP 42R4455 PART 1 (hereinafter "the Municipality's Employment Lands");

AND WHEREAS the Tenant has entered into an agreement of purchase and sale with the Landlord (attached hereto as Schedule "A") concerning the lands and buildings which are the subject matter of this lease;

AND WHEREAS the Tenant is desirous of occupying and using such land and buildings prior to and until the agreement of purchase and sale is completed;

DEFINITIONS:

1. The following words shall have the meaning ascribed as follows:
 - a) "Building" means the building located upon the Lease Premises.

LEASED PREMISES

2. The Leased Premises are those lands and buildings which are the subject of the agreement of purchase and sale attached hereto as Schedule A. There shall be appurtenant to the Leased Premises the right to use portions of the Municipality's Employment Lands presently occupied by an unpaved driveway for the purpose of motor vehicle access between the Leased Premises and of the Complex as hereinafter provided, subject to the terms and conditions of this Lease.

TERM

3. The Term of this Lease shall be for an indefinite period commencing upon the date of execution by both parties. Such Lease shall automatically and immediately terminate upon the Tenant or a Corporation to be incorporated by the Tenant obtaining title to the Leased Premises but no later than 6 months after its execution.

RENT

4. The Tenant shall pay from and after the Lease Commencement Date, to the Landlord, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement, set-off, or compensation whatsoever, except as provided herein, Three Thousand Dollars (\$3,000.00) per month in advance on the 1st day of each calendar month. If the Term, does not commence on the first day of a calendar month or ends on any day other than the last day of the calendar month, Rent for the broken portion of the calendar month at the commencement or end of the said Term shall be pro-rated on a per diem basis based upon a period of 365 days. The Landlord agrees that any Rent paid hereunder shall be credited against the purchase price when the Tenant completes that agreement of purchase and sale attached hereto as Schedule "A". Should the Tenant fail to complete such agreement, the Landlord shall retain such Rent with no abatement or deduction.

PAYMENT OF TAXES

5. The Tenant shall be responsible for all taxes levied, rated, charged or assessed against the Leased Premises commencing January 1, 2020. In the event that a separate tax bill is issued by any lawful taxing authority, then the Tenant shall pay its Taxes on the basis of such separate tax bill. If there is no such separate tax bill, then the Tenant's Taxes shall, at the option of the Landlord, be calculated by the Landlord on the basis of the assessed value of the Lease Premises. In the event that there is not a separate tax bill for the Leased Premises available, and the Landlord elects or is not able to charge on the basis of assessed value, then the Tenant shall pay in lieu thereof its Proportionate Share of all such Taxes levied, rated, charged or assessed from time to time against the Municipality's Employment Lands.

i) All Taxes shall be paid to the Landlord upon receipt of an invoice for the Taxes from the Landlord or to the taxing authority having jurisdiction if invoiced directly to the Tenant by such taxing authority having jurisdiction.

ii) In the case of assessments for local improvements or betterments which are assessed or imposed during the Term and which may by law be payable in instalments, the Tenant shall only be obligated to pay such instalments as same fall due during the Term, together with interest on deferred payments, on condition that the Tenant shall take such steps as may be prescribed by law to convert the payment of the assessment into instalment payments. Such payments of instalments and any interest thereon shall be made before any fine, penalty, interest or cost may be added thereto for non-payment of any instalment or interest thereon.

iii) The Tenant covenants with the Landlord to pay to the federal, provincial or municipal authority imposing the same, all service, business transfer, transaction value, ad valorem sales or other taxes by whatever name called, if any, assessed upon and as a direct result of the payment of Rent hereunder as often as such taxes become due and whether or not such taxes are applicable on the date of the execution of this Lease or become applicable thereafter. In the event that such taxes are by statute, by-law or regulation imposed upon or payable by the Landlord as recipient of the Rent, the Tenant shall reimburse the Landlord for the full amount of such taxes forthwith upon demand (or at any time designated from time to time by the Landlord).

INSURANCE

6. The Tenant acknowledges and agrees that the Landlord shall obtain and maintain fire insurance on the Leased Premises at the sole cost and expense of the Tenant. Such insurance to be in an amount sufficient to cover the full replacement value, as determined by the Landlord. The Tenant shall not be authorized to occupy the Leased Premises until such insurance has been confirmed by the Landlord.
7. The Tenant acknowledges and agrees that, upon occupying the Building should the Building be destroyed or damaged (in whole or in part) by fire or such other causes prior to the completion of the agreement of purchase and sale attached hereto as Schedule "A", such destruction or damage shall not entitle the Tenant to terminate or otherwise refuse to complete the agreement of purchase and sale attached hereto as Schedule "A" regardless of whether insurance has been obtained and maintained under Section 6.
8. In addition to the insurance referenced in Section 6, the Tenant shall throughout the term of this Lease provide and keep in force general-liability insurance in respect of the Leased Premises, in the joint names of the Tenant and Landlord and in an amount not less than Two Million (\$2,000,000.00) Dollars in respect of injury to or death of one or more persons or property damage. Such insurance shall be effected with insurers upon such terms and conditions as shall be approved by the Landlord. The Tenant shall promptly furnish to the Landlord copies of such insurance policies or other evidence satisfactory to the Landlord of such insurance or any renewals thereof. In the event of the failure of the Tenant to so insure or to furnish the Landlord with satisfactory evidence of such insurance or of the renewal thereof the Landlord may from time to time effect such insurance on behalf of the Tenant, and any premium paid by the Landlord shall be payable forthwith by the Tenant.
9. The Tenant shall at all times maintain fire and broad form boiler and machinery insurance in the names of the Tenant, the Landlord, in an amount adequate to cover the cost of replacement of all alterations, decorations, additions and improvements made by the Tenant and all goods belonging to the Tenant, in the Leased Premises, in the event of fire or extended coverage loss.
10. Sign Insurance - The Tenant shall insure and keep insured, at its expense, all signs relating to the Tenant's business placed or erected on the exterior of the Leased Premises or the Complex for and in its name and in the name of the Landlord with the interest of the mortgagee of the Leased Premises noted in the insurance policy, if so required.

NET LEASE

11. The Tenant acknowledges and agrees that it is intended that this Lease is a completely carefree net lease to the Landlord, except as expressly herein set out, that the Landlord is not responsible during the Term for any costs, charges, expenses or outlays of any nature whatsoever arising from or relating to the Leased Premises, or the use and occupancy thereof, or the contents thereof, or the business carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Leased Premises except as expressly herein set out.

UTILITY CHARGES

12. The Tenant shall pay all charges and rates for all public utilities supplied to the Leased Premises including but not limited to gas, electricity, water and telephone. Any such rates and charges paid by the Landlord on the Tenant's account may be recovered in the same manner as Rent hereunder.

MAINTENANCE AND REPAIRS

13. The Tenant at its own expense shall maintain and keep the Leased Premises, including the appurtenant unpaved driveway and every part thereof in a clean and sanitary condition and in accordance with all laws, directions, rules and regulations of any government authority having jurisdiction. The Tenant shall keep the Leased Premises (including the exterior and all permitted signs) and every part thereof

in good order and condition and in good repair and painted or otherwise presentable and shall maintain in good order and operating condition under a full service contract if required by the Landlord all services and equipment in the Leased Premises including without limiting the generality of the foregoing all heating, air-conditioning, plumbing and lighting services and equipment, and the Tenant shall repair and replace all services and equipment as and when necessary, and shall replace all broken glass with glass of equal quality.

14. The Landlord may enter and view the state of repair and condition of the Leased Premises and the Tenant will repair and/or place in good, clean, sanitary, presentable condition and in good order according to notice in writing, subject to the exceptions aforesaid. In the event that the Tenant shall refuse or neglect to make forthwith the repairs or improvements to the condition of the Leased Premises referred to in any such notice, the Landlord may make the same and the costs thereof shall be paid by the Tenant on demand.

15. The Tenant further agrees that it will maintain the Leased Premises in good repair and condition at all times.

NUISANCE

16. The Tenant shall not perform acts or carry on any practices which may interfere with use of the remainder of the Municipality's Employment Lands and shall keep the exterior of the Leased Premises at all times orderly and reasonably clean and free from rubbish and shall store all trash and garbage at such times and during such hours as the Landlord may designate. The Tenant shall not burn any trash or garbage in or about the Leased Premises.

ALTERATIONS

17. Tenant shall not undertake any alterations in or to the Leased Premises or any part thereof without obtaining the prior written consent of the Landlord, which consent shall not be unreasonably withheld, provided any alterations shall be made by contractors approved by Landlord and provided further that such consent may be withheld if Landlord has not received plans showing the proposed alterations and requisite permits authorizing such alterations. No alterations of a structural nature may be undertaken. All alterations, decorations, additions and improvements made by the Tenant or made by the Landlord on the Tenant's behalf by agreement under this Lease shall remain the property of the Landlord should the Tenant fail to complete the agreement of purchase and sale attached hereto as Schedule A. Notwithstanding the foregoing, such alterations, additions and improvements may be removed from the Leased Premises with consent in writing from the Landlord.

ACCEPTANCE OF PREMISES

18. The Tenant and Landlord shall examine the Leased Premises before the Tenant takes possession. The Tenant agrees that Tenant is taking the Leased Premises in an "as is condition". Notwithstanding the foregoing, should the Tenant not complete the agreement of purchase and sale attached hereto as Schedule A, the Tenant shall be required to leave the Leased Premises in the same condition as existed at the time of the examination provided for herein, save and except for any Alteration permitted under Section 17 of this Lease.

TENANT'S COVENANTS

19. The Tenant covenants and agrees with the Landlord as follows:

To Pay Rent and Perform Covenants

a) The Tenant shall pay to the Landlord any and all payments due at the time of the Payment of Rent provided for in Section 3 without any deduction, set-off or abatement, except as provided herein; in the event the Tenant shall fail to pay any such amounts when due and payable hereunder, such amount shall bear interest at the rate of 15% per annum until paid. The Tenant shall observe and perform all terms and provisions of the Lease on its part to be observed and performed and shall not do or suffer to be

done anything contrary to any term or provision hereof except as provided for in this Lease;

Personal or Consequential Injury

b) The Landlord shall not be liable or responsible in any way of any injury of any nature whatsoever that may be suffered or sustained by the Tenant or any employee, agent or customer of the Tenant or any other person who may be upon the Leased Premises, or for any loss of or damage or injury to any property belonging to the Tenant or to its employees or to any other person while such property is on the Leased Premises, and in particular, but without limiting the generality of the foregoing, the Landlord shall not be liable for any damage or damages of any nature whatsoever to any such property caused by the failure by reason of breakdown or other cause, to supply adequate drainage, snow or ice removal, or by the interruption of any public utility or service or by water, rain, snow or other substances leaking into, issuing or flowing into any part of the Leased Premises or from the water, sprinkler or drainage pipes or plumbing works of the same or from any other place or quarter or for any damage caused by anything done or omitted by any Tenant. The Tenant shall not be entitled to any abatement of rent in respect of any such condition, failure or interruption of service, and the same shall not constitute an eviction. This paragraph shall not relieve the Landlord from liability for any loss, damage or injury caused by or contributed to by the Landlord's gross negligence or conduct, latent defects in the structure or breaches of this Lease by the Landlord.

Indemnification of Landlord

c) To indemnify and save harmless the Landlord of and from all fines, suits, claims, demands and actions of any kind or nature to which the Landlord shall or may become liable for or suffer in connection with any matter referred to in clause (b) of this paragraph 19 and by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provision of this Lease or by reason of any injury occasioned or suffered by any person or persons or any property by reason of any wrongful act, neglect or default on the part of the Tenant or any of its employees except for such as are caused or contributed to by the Landlord's gross negligence or conduct, latent defects in the structure or breaches of this Lease by the Landlord.

Failure to pay Taxes, etc.

d) In the event the Tenant shall fail to pay any taxes, rates or charges which it has herein covenanted to pay and which shall constitute a lien or charge upon the Leased Premises, the Landlord, after the expiration of 10 days notice to the Tenant within which such default shall not have been cured, may pay all or any of which the same and all of such payments so made shall be forthwith payable provided that where there is a bona fide dispute of the amount or propriety of any payment alleged to be due from the Tenant, the Landlord shall not pay the same until such dispute has been resolved by agreement of the Tenant or by competent authority, whichever is earlier in date, provided the Tenant first complies with the provisions of paragraph 7 (b)(6) herein.

Increase in Insurance Premiums

e) if the Tenant does or permits to be done or omitted upon the Leased Premises anything which shall cause an increase in the rate of any insurance upon the building or any part thereof, the Landlord may, at its option, compel the Tenant to restore the Leased Premises to the condition they were in prior to such act or permit the Tenant to continue to do such act, in which case the Tenant shall pay the Landlord the amount by which the insurance premiums have been so increased. It is agreed that if any insurance policy upon Leased Premises shall be cancelled or the coverage thereunder reduced in any way by the insurer, or if such action is threatened, by reason of the use and occupation of the Leased Premises or any part thereof by the Tenant or by any assignee, sub-tenant or licensee of the Tenant, or by anyone permitted by the Tenant to be upon the Leased Premises, the Tenant shall forthwith remedy the condition giving rise to such cancellation or reduction of coverage or threatened cancellation or reduction.

Changes in Electrical, etc.

f) If the Tenant wishes to install any electrical or other equipment which may overload the electrical or other service facilities, the Tenant shall at its own expense make whatever changes are necessary to comply with the reasonable and lawful requirements of the insurance underwriters and governmental authorities having jurisdiction, but no changes shall be made by the Tenant until the Tenant first submits to the Landlord plans and specifications for the proposed work and obtains the Landlord's written approval to make the same.

Government Regulations

g) The Tenant shall, at the Tenant's sole cost and expense, comply with all laws, orders, rules and regulations of all municipal, provincial, federal and other applicable governmental authorities, now in force, or which hereafter may be in force, pertaining to the Leased Premises, if they relate to the Tenant's use of the Leased Premises.

Hazardous or Toxic Materials

h) The Tenant will, at all times, conduct its businesses and maintain the Leased Premises so as to comply in all material respects with all federal, provincial or local environmental laws and regulations, including, without limitation, environmental, land use, occupational safety or health laws, rules, regulations, requirements or permits as may be required. The Tenant shall not permit to be kept on the Leased Premises any material or substances which is regulated by any federal, provincial or local laws or regulations and which may be reasonably classified as a hazardous, contaminant, or toxic substances ("regulated substances"). The Tenant shall not permit the emission or escape under any circumstances whatsoever of any regulated substances.

If the Tenant shall (i) receive notice that any violation of any federal, provincial or local environmental law or regulation may have been committed or is about to be committed by the Tenant; (ii) receive notice that any administrative or judicial complaint or order has been filed or is about to be filed against the Tenant alleging violations of any federal, provincial or local environmental law or regulation or requiring the Tenant to take any action in connection with the release of a toxic or hazardous substances into the environment; or (iii) receive any notice from a federal, provincial or local governmental agency or private party alleging that the Tenant may be liable or responsible for costs associated with a response to or clean up of a release of toxic or hazardous substance in the environment or any damages caused thereby, in connection with the Leased Premises, the Tenant shall provide the Landlord with a copy of such notice within five (5) days of the Tenant's receipt thereof. The Tenant shall take all necessary steps to immediately comply with all such notices, orders, claims and requirements necessary to restore the Leased Premises to the condition existing prior to the issuance of such notice, order, claim or requirement and shall keep the Landlord fully informed of all such steps taken by the Landlord. In the event such notices, orders, claims and requirements have not been complied with within fifteen (15) days of the Tenant becoming aware of the same (except in the case of an emergency, or in any case where immediate action is required, in which case the compliance shall be in effect immediately) this Lease shall be deemed to be in default and the remedies hereunder shall be available to the Landlord.

LANDLORD'S COVENANTS

20. The Landlord covenants and agrees with the Tenant as follows:

Quiet Enjoyment

a) That if the Tenant pays the rent hereby reserved and performs the covenants herein on its part contained, it shall and may peaceably possess and enjoy the Leased Premises for the term hereby granted without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming by, from or under it.

DEFAULT AND RIGHT TO RE-ENTER

21. The failure of the Tenant to pay any Rent, or any other sum payable hereunder, on the date appointed for the payment thereof shall constitute a default hereunder. Should such default continue for a period of fifteen (15) days the Landlord may elect to re-enter the Leased Premises.
22. The failure of the Tenant to observe or perform any other of the terms, covenants, conditions and agreements of this Lease to be observed or performed by the Tenant [other than such as specified in subsection (a)] shall constitute a default hereunder. Should such default continue for a period of twenty (20) days after written notice to the Tenant specifying with reasonable particularity the nature of such default and requiring the same to be rectified, the Landlord may elect to re-enter the Leased Premises. Provided however, if within such twenty (20) day period the Tenant commences and proceeds diligently to completion and in fact cures such default, the Tenant shall be permitted such longer time as reasonably required due to the nature of the default to complete and cure the same. In the event of such default, the Landlord shall have the right, without effecting a re-entry or re-taking of possession of the Leased Premises, to enter upon the Leased Premises for the purpose of rectifying the default for the account of the Tenant, and in such event shall not be liable to the Tenant for any loss or damage to the Tenant's merchandise or business caused by acts of the Landlord in so remedying the default or neglect of the Tenant. If the Landlord at any time is compelled or elects to pay any sum of money or do any act which would require the payment of any sum of money by reason of the failure of the Tenant to comply with any provision of this Lease or if the Landlord is compelled or elects to incur any expense, including legal fees, by reason of any default of the Tenant under this Lease, the sum or sums, including legal fees on a solicitor and client basis, so paid by the Landlord, with all interest, costs and damages, to be paid by the Tenant to the Landlord upon demand.
23. Should the Landlord elect to re-enter the Leased Premises as set forth in sections 21 or 22 above or should it take possession pursuant to legal proceedings, or pursuant to any notice provided for by law, the Landlord may without further notice or any form of legal process whatsoever forthwith re-enter upon the Leased Premises or any part thereof in the name of the whole. The Tenant acknowledges and agrees that the Landlord shall be entitled to retain a key (to be provided by the Tenant, in the event that the Tenant changes the locks for the Leased Premises with the permission of the Landlord) for the Leased Premises for the purpose of effecting re-entry upon the Leased Premises in accordance with the terms of this Lease.
24. Should the Landlord re-enter the Leased Premises it may elect to declare the Term and this Lease to be forfeited and void and the Landlord may re-possess and enjoy the Leased Premises as of its former estate anything contained in any statute or law to the contrary notwithstanding. Such forfeiture shall be wholly without prejudice to the right of the Landlord to recover arrears of Rent or damages for any antecedent default under this Lease, and provided further that the Landlord may subsequently recover from the Tenant damages for loss of Rent suffered by reason of this Lease having been prematurely determined.
25. Should the Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased Premises, and including the worth at the time of such termination of the excess, if any, of the amount of Rent reserved in this Lease for the remainder of the Term hereof over the then reasonable rental value of the Leased Premises for the remainder of the Term hereof, all of which amounts shall be immediately due and payable from the Tenant to the Landlord.
26. In case suit shall be brought for recovery of possession of the Leased Premises, for the recovery of Rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of the Tenant to be kept or performed and a breach shall be established, the Tenant shall pay to the Landlord all expenses incurred therefor, including reasonable solicitors' and counsel fees on a solicitor and his own client basis, unless the presiding judicial official determines otherwise.

EXEMPTION RE DISTRESS

27. The Tenant hereby covenants and agrees with the Landlord that in consideration of the premises, and of the leasing and letting by the Landlord to the Tenant of the Leased Premises for the term hereby created (and it is upon that express understanding that these presents are entered into) that notwithstanding anything contained in Section 30 of Chapter L.7 of the Revised Statutes of Ontario, 1990 as amended, or in any other section of the said Act or any other statute which may hereafter be passed to take the place of the said Act, or to amend the same, none of the goods or chattels of the Tenant at any time during the continuance of the term hereby created on the Leased Premises shall be exempt from levy by distress for rent in arrears by the Tenant as provided for by any section or sections of the said Act above-named, or any amendment or amendments thereto, and that upon any claim being made for such exemption by the Tenant or on distress being made by the Landlord this covenant and agreement may be pleaded as an estoppel against the Tenant in any action brought to test the right to the levying upon any such goods as are named as exempted in said section or sections or amendment or amendments thereto, the Tenant waiving, as it hereby does, all and every benefit that could or might have accrued to it under and by virtue of the said section or sections of said Act or any amendment or amendments thereto but for the above covenant.

BANKRUPTCY OF TENANT

28. If the Tenant shall be adjudicated a bankrupt or adjudged to be insolvent, or a receiver or trustee of the Tenant's property and affairs shall be appointed, or if the Tenant shall make an assignment for the benefit of creditor or shall file a petition in bankruptcy or insolvency or for the appointment of a receiver, or if any execution or attachment shall be issued against the Tenant or any of the Tenant's property whereupon the Leased Premises or any portion thereof shall be taken or occupied or attempted to be taken or occupied by someone other than the Tenant and such execution or attachment shall not be set aside, vacated, discharged or bonded within 15 days after the issuance of same or if the Tenant attempts to make a bulk sale or move the bulk of its fixtures out of the Leased Premises, then, in any of such events, the then current month's rent and rent for the next 3 ensuing months shall immediately become due and be paid and this Lease may at the option of the Landlord be cancelled and terminated, whether or not the term has commenced or whether or not any rent has been prepaid. For the purposes of this Lease accelerated rent shall include all amounts payable by the Tenant and shall be calculated on the basis of the average of the amounts thereof so paid by or payable by the Tenant for each month during the period of 12 months immediately preceding such termination or during the expired term of this Lease if less than 12 months. If this Lease shall be so cancelled and terminated, neither the Tenant nor any person claiming through or under the Tenant by virtue of any statute or order of any court shall be entitled to possession or to remain in possession of the Leased Premises but shall forthwith quit and surrender the Leased Premises, and the Landlord in addition to other rights and remedies the Landlord has by virtue of any other provisions of this Lease or of any statute or rule of law may retain on account of liquidated damages any rent, security, deposit or monies received by it from the Tenant or others on behalf of the Tenant.

ASSIGNMENT BY TENANT/CORPORATE CONTROL

29. Tenant shall not assign the Lease or sublet or part with possession of all or part of the Leased Premises without the prior written consent of Landlord, which consent, subject to Landlord's right to terminate the Lease, shall not be unreasonably withheld.

NOTICE

32. Any written notice provided for in this Lease shall be effectually given to the Landlord by delivery to the Landlord's Main Municipal Office and to the Tenant by

delivery to the Tenant at the Leased Premises and every such notice shall be deemed to have been given upon the day it was delivered. The Tenant acknowledges and agrees that delivery to the Tenant is and may be effected by posting such notice on a door of the Building on the Leased Premises.

NON-WAIVER OF DEFAULT

33. The waiver or acquiescence of the Landlord in any default by the Tenant under any paragraph, sub-paragraph, clause or sub-clause of this Lease shall not be deemed to be a waiver of such paragraph, sub-paragraph, clause or sub-clause of any subsequent or other default hereunder.

TENANT'S WORK

34. All work performed by or on behalf of the Tenant upon the Leased Premises shall be done in a good and workmanlike manner and with first-class materials, shall accord with all applicable laws, orders, regulations and requirement of all government and other authorities having jurisdiction, shall be done in compliance with such reasonable rules and regulations as the Landlord or its agents or contractors may make.

35. The Tenant shall promptly pay all sums due for materials and work supplied or done in connection with its work upon the Leased Premises so as to minimize the possibility of construction liens or other similar liens being registered or claimed against any of the lands of the Landlord with respect thereto. If at any time a lien in respect of material, work, or services supplied to or for the Tenant or its contractors in respect of the Leased Premises shall be registered against any of the lands of the Landlord, or notice thereof shall be given to the Landlord, or to a mortgagee or purchaser of any of the lands of the Landlord, or an action shall be commenced in respect of any such lien, or a certificate of action is registered, the Tenant will forthwith have such registration vacated and such action discontinued. Unless such registration is vacated and such notice withdrawn or such action discontinued within 7 days of such registration, notice or commencement of action, as the case may be, the Landlord may, either:

- i) by written notice terminate this Lease, or
- ii) at its option, pay, in the name of the Tenant, the amount of the lien and costs into court, whereupon the Tenant shall forthwith pay to the Landlord the amount so paid by the Landlord plus all costs incurred by the Landlord in connection therewith.

The Tenant shall furnish to the Landlord all certificates, approvals and evidences of payment with respect to work done and installations made upon the Leased Premises that may be required by any relevant authority or may be reasonably required by the Landlord.

ACCESS BY LANDLORD

36. The Landlord or its agents shall have the right to enter upon the Leased Premises at all reasonable times to view the state of repair, condition and use thereof and to make such repairs as are required and the Landlord or its agents shall be allowed to take all material into and upon the Leased Premises that may be required therefor without the same constituting an eviction of the Tenant in whole or in part. Rent shall not abate while such repairs are being made by reason of loss or interruption of the business of the Tenant because of the prosecution of any such work, provided that the same are made as expeditiously as is reasonably possible and at such times as to cause minimum disturbance to the Tenant's business.

- i) The Landlord shall not be liable to the Tenant for any interference or inconvenience caused by any additional construction permitted under this Lease, provided such additional construction is carried out as expeditiously as is reasonably possible and at such times as to cause minimum disturbance to the Tenant's business.
- j) During the six (6) months prior to the expiration of the Term or any renewal term of this Lease, the Landlord may exhibit the Leased Premises to

prospective tenants and place upon the Leased Premises the usual notices "To Let" which notices the Tenant shall permit to remain where placed without molestation. In addition to the foregoing, the Landlord shall have the right at any time during the Term or any renewal term of the Lease, to exhibit the Leased Premises to prospective purchasers and place upon the Complex the usual notices "For Sale" which notices the Tenant shall permit to remain where placed without molestation.

FORCE MAJEURE

37. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labour troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything herein contained, the provisions of this paragraph 37 shall not operate to excuse the Tenant from the prompt payment of Rent or any other payments required by the terms of this Lease, nor entitle the Tenant to compensation for any inconvenience, nuisance or discomfort thereby occasioned.

REMEDIES OF THE LANDLORD

38. The Tenant covenants and agrees that all remedies available to the Landlord if the Tenant fails to pay Rent or any instalment thereof (whether such remedies are provided by the terms of this Lease or otherwise) shall also be available to the Landlord if the Tenant fails to pay any other amount it is required to pay under the terms of this Lease.

INTERPRETATION

39. Words importing the singular number only shall include the plural, and words importing corporations shall include persons. Unless the context otherwise requires, the word "Landlord" and the word "Tenant" whenever used herein shall be construed to include their respective successors and permitted assigns, and if the Tenant is not a corporation shall include heirs, executors and administrators. If any paragraph, subparagraph, clause or sub-clause in this Lease shall be judicially held invalid or unenforceable the remainder of this Lease shall be interpreted as if such paragraph, sub-paragraph, clause or sub-clause had not been included. The word "paragraph" followed by number means and refers to the specified paragraph of this Lease.

REGISTRATION

40. Neither the Tenant nor anyone on the Tenant's behalf shall register this Lease or any document evidencing any interest of the Tenant in the Lease. However, the Tenant may register a Notice of Lease, provided such Notice of Lease shall describe only the parties, the Leased Premises, and the commencement date and expiration date of the term, and any renewals. Such Notice of Lease shall be prepared by the Tenant's solicitors, and shall be subject to the prior written approval of Landlord and its solicitors, at Tenant's expense, and shall be registered at Tenant's expense.

HOLDING OVER

41. In the event the Tenant remains in possession of the Leased Premises after the end of the Term and without the execution and delivery of a new lease, there shall be no tacit renewal of this Lease and the Term hereby granted, the Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to month at a monthly rent payable in advance on the first day of each month equal to the sum of an amount equal to twice the Rent payable under Section 3 and otherwise upon the same terms and conditions as are set forth in this Lease, so far as applicable.

SUCCESSORS

42. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties, and if there shall be more than one tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall ensure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been approved by the Landlord in writing as provided in paragraph 30 hereof or unless such approval is not required.

NO PARTNERSHIP

43. It is understood and agreed that neither the provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant.

TIME OF ESSENCE

44. Time shall be of the essence of this Lease except as specified herein.

AMENDMENT

45. This Lease may not be modified or amended except by an instrument in writing signed by the parties hereto or by their successors or assigns.

OTHER REPRESENTATIONS

46. This Lease and the schedules hereto constitute the entire agreement between the Landlord and Tenant and neither party is bound by any representation, warranty, promise, agreement or inducement not embodied herein or therein.

GOVERNING LAW

47. This Lease shall be governed by and construed according to the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties hereto have executed this Lease.

By The Tenant

Philip David Waddel

By the Landlord the Corporation of the Municipality of Magnetawan

Per: _____
Name: Sam Dunnett
Title: Mayor

Per: _____
Name: Kerstin Vroom
Title: CAO/Clerk

I/We have the authority to bind the Corporation.