THE CORPORATION OF THE TOWNSHIP OF LAURENTIAN VALLEY

BY-LAW NUMBER 06-10-315

Being a By-law to Enter into a Lease with 1271904 Ontario Inc. o/a Snow Country Snowmobile Association

WHEREAS the Municipal Council of The Corporation of the Township of Laurentian Valley deems it appropriate to enter into a lease of lands owned by the municipality;

NOW THEREFORE the Municipal Council of the Corporation of the Township of Laurentian Valley enacts as follows:

1. That the Reeve and Chief Administrative Officer be authorized to enter into a lease agreement in the form attached hereto as Schedule “A” for the real property legally described as 40484 Highway 41, Pembroke, geographic Township of Stafford, County of Renfrew and containing approximately 400 square feet of office space (including wall safe).

2. This by-law shall come into force and take effect upon the date of the final passing thereof.

Read a FIRST and SECOND time this 17th day of October, 2006.

REEVE CHIEF ADMINISTRATIVE OFFICER/CLERK

Read a THIRD time and FINALLY passed this 17th day of October, 2006.

REEVE CHIEF ADMINISTRATIVE OFFICER/CLERK
SCHEDULE 'A'

LEASE
(COMMERCIAL)

Made the 29th day of October, 2005.

BETWEEN:

The Corporation of the Township of Laurentian Valley

(the "Landlord")

- and -

Snow Country Snowmobile Association

(the "Tenant")

In consideration of the rents, covenants and obligations stipulated herein the Landlord and the Tenant have agreed to enter into a Lease of the premises known municipally as 40484 Highway 41, Pembroke, Ontario containing approximately 400 square feet of office space (including the walk-in safe), and 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 he 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 of this the sum of $6,000.00 per annum, payable monthly in advance in equal instalments of $500.00 on the 1st day of each and every month, commencing on the first day of the Term, plus GST, if applicable;

3. TERM AND POSSESSION
   (1) The Tenant shall have possession of the Premises for a period of five years, commencing on the 29th day of October, 2005 and ending on the 28th day of October, 2010, (the "Term").

   (2) 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.

   (3) If the Tenant fails to take possession of the Premises or to open for business on or before the date specified for commencement of the Term of this Lease, the Landlord shall, in addition to any other remedies, have the right to terminate this Lease upon 24 hours written notice to the Tenant, and to recover from the Tenant the cost of all work done by the Landlord on behalf of the Tenant.

4. ASSIGNMENT
   (1) The Tenant shall not assign this Lease or sublet the whole or any part of the Premises unless he first obtains the consent of the Landlord in writing, which consent shall not unreasonably be withheld, and the Tenant hereby waives his right to the benefit of any present or future Act of the Legislature of Ontario which would allow the Tenant to assign this Lease or sublet the Premises without the Landlord's consent.

   (2) The consent of the Landlord to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.
(3) Any consent granted by the Landlord shall be conditional upon the assignee, sublessee or occupant executing a written agreement directly with the Landlord agreeing to be bound by all the terms of this Lease as if the assignee, sublessee or occupant had originally executed this Lease as Tenant.

(4) Any consent given by the Landlord to any assignment or other disposition of the Tenant's interest in this Lease or in the Premises shall not relieve the Tenant from his obligations under this Lease, including the obligation to pay Rent and Additional Rent as provided for herein.

(5) If the party originally entering into this Lease as Tenant, or any party who subsequently becomes the Tenant by way of assignment or sublease or otherwise as provided for in this Lease, is a corporation then:
   (a) the Tenant shall not be entitled to deal with its authorized or issued capital or that of an affiliated company in any way that results in a change in the effective voting control of the Tenant unless the Landlord first consents in writing to the proposed change;
   (b) if any change is made in the control of the Tenant corporation without the written consent of the Landlord then the Landlord shall be entitled to treat the Tenant as being in default and to exercise the remedies stipulated in Section 10(2) of this Lease and any other remedies available in law;
   (c) the Tenant agrees to make available to the Landlord or his authorized representatives the corporate books and records of the Tenant for inspection at reasonable times.

5. USE
   (1) During the Term of this Lease the Premises shall not be used for any purpose other than a snowmobile association office or any other use specifically approved by the Landlord given in writing.

   (2) The Tenant shall not do or permit to be done at the Premises anything which may:
       (a) constitute a nuisance;
       (b) cause damage to the Premises;
       (c) cause injury or annoyance to occupants of neighbouring premises;
       (d) make void or voidable any insurance upon the Premises; or
       (e) constitute a breach of any by-law, statute, order or regulation of any municipal, provincial or other competent authority relating to the Premises.

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 including all alterations and additions made thereto, and shall, with or without notice, promptly make all needed repairs and all necessary replacements as would a prudent owner, but the Tenant shall not be liable to effect repairs attributable to reasonable war and tear, or to damage caused by fire, lightning or storm.

   (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 repair at reasonable times:
       (a) and if upon such examination repairs are 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 repairs the Landlord may, but shall not be obliged to, make any necessary repairs, and shall be permitted to enter the Premises, by himself or his servants or agents, for the purpose of effecting the repairs without being liable to the Tenant for any loss, damage or inconvenience to the Tenant in connection with the Landlord's entry and repairs, 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, including any alterations or additions made thereto, to the Landlord in a state of good repair, 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. ALTERATIONS AND ADDITIONS

(1) If the Tenant, during the Term of this Lease or any renewal of it, desires to make any alterations or additions to the premises, including but not limited to: erecting partitions, attaching equipment, and installing necessary furnishings or additional equipment of the Tenant's business, the Tenant may do so at his own expense, at any time and from time to time, if the following conditions are met:
(a) before undertaking any alteration or addition the Tenant shall submit to the Landlord a plan showing the proposed alterations or additions and items included in the plan which are regarded by the Tenant as "Trade Fixtures" shall be designed as such on the plan, and the Tenant shall not proceed to make any alteration or addition unless the Landlord has approved the plan, and the Landlord shall not unreasonably or arbitrarily withhold his approval;
(b) any and all alterations or additions to the Premises made by the Tenant must comply with all applicable building code standards and by-laws of the municipality in which the Premises are located.

(2) The Tenant shall be responsible for and pay the cost of any alterations, additions, installations or improvements that any governing authority, municipal, provincial, or otherwise, may require to be made in, on or to the Premises.

(3) The Landlord gives permission to affix the "Snow Country Snowmobile Association" sign on the outside of the building in which the Premises are located, provided that the sign is removed at the end of the term and any expense relating to repair is paid by the Tenant.

(4) All alterations and additions to the Premises made by or on behalf of the Tenant, other than the Tenant's Trade Fixtures, shall immediately become the property of the Landlord without compensation to the Tenant.

(5) The Tenant agrees, at his own expense and by whatever means may be necessary, immediately to obtain the release or discharge of any encumbrances that may be registered against the Landlord's property in connection with any addition or alterations to the premises made by the Tenant or in connection with any other activity of the Tenant.

(6) If the Tenant has complied with his obligations according to the provisions of this Lease, the Tenant may remove his 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.

(7) Other than as provided in paragraph 7(6) above, the Tenant shall not, during the Term of this Lease or anytime thereafter remove from the Premises any Trade Fixtures or other goods and chattels of the Tenant except in the following circumstances:
(a) the removal is in the ordinary course of business;
(b) the Trade Fixture has become unnecessary for the Tenant's business or is being replaced by a new or similar Trade Fixture; or
(c) the Landlord has consented in writing to the removal; but in any case the Tenant shall make good any damage caused to the Premises by the installation or removal of any Trade Fixtures, equipment, partitions, furnishings and any other objects whatsoever brought onto the Premises by the Tenant.

(8) 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.

(9) The Tenant shall not bring onto the Premises or any part of the Premises any machinery, equipment or any other thing that might in the opinion of the Landlord, by reason of its weight, size or use, damage the Premises or overload the floors of the Premises, and if the Premises are damaged or overloaded the Tenant shall restore the Premises immediately or pay to the Landlord the cost of restoring the Premises.

8. INSURANCE

(1) the Landlord shall pay for and maintain structural insurance for fire and other perils for the building in which the leased premises are located.
(2) 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 and the Tenant agrees that the foregoing indemnity shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.

(3) The Tenant shall carry insurance in his own name insuring against the risk of damage to the Tenant's property within the Premises caused by fire or other perils and the policy shall provide for coverage on a replacement costs basis to protect the Tenant's stock-in-trade, equipment, Trade Fixtures, decorations and improvements.

(4) 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.

(5) The Tenant shall provide the Landlord with a copy of the above policies.

9. DAMAGE TO THE PREMISES

(1) If the Premises or the building in which the Premises are located, are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply:

(a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence within 120 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the Landlord, and the Rent from the time of the surrender shall abate;

(b) if the Premises can with reasonable diligence be repaired and rendered fit for occupancy within 120 days from the happening of the damage or destruction, but the damage renders the Premises wholly unfit for occupancy, then the rent hereby reserved shall not accrue after the day that such damage occurred, or while the process of repair is going on, and the Landlord shall repair the premises with all reasonable speed, and the Tenant's obligation to pay Rent shall resume immediately after the necessary repairs have been completed.

c) if the leased premises can be repaired within 120 days as aforesaid, but the damage is such that the leased Premises are capable of being partially used, then until such damage has been repaired, the Tenant shall continue in possession and the Rent shall abate proportionately.

(2) Any question as to the degree of damage or destruction or the period of time required to repair or rebuild shall be determined by an architect retained by the Landlord.

(3) apart from the provisions of Section 9(1) there shall be no abatement from or reduction of the rent payable by the Tenant, nor shall the Tenant be entitled to claim against the Landlord for any damages, general or special, caused by fire, water, sprinkler systems, partial or temporary failure or stoppage of services or utilities which the Landlord is obliged to provide according to this Lease, from any cause whatsoever.

10. ACTS OF DEFAULT AND THE LANDLORD'S REMEDIES

(1) An Act of Default has occurred when:

(a) the Tenant has failed to pay Rent for a period of 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 judgement;  
(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 applied.  
(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:  
(i) become vacant or remain unoccupied for a period of 30 consecutive days; or  
(ii) are not open for business on more than thirty (30) business days in any twelve (12) month period or on any twelve (12) consecutive business days;  
(iii) 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 current month’s rent together with the next three months’ rent shall become due and payable immediately; and  
(b) the Landlord shall have the right to terminate this Lease and to re-enter the Premises and deal with them as he may choose.  

(3) If, because an Act of Default has occurred, the Landlord exercises his right to terminate this Lease and re-enter the Premises prior to the end of the Term, the Tenant shall nevertheless be liable for payment of Rent and all other amounts payable by the Tenant in accordance with the provisions of this lease until the Landlord has re-let the Premises or otherwise dealt with the Premises in such manner that the cessation of payments by the Tenant will not result in loss to the Landlord, and the Tenants agrees to be liable to the Landlord, until the end of the Term of his Lease for payment of any difference between the amount of Rent hereby agreed to be paid for the Term hereby granted and the Rent any new tenant pays to the Landlord.  

(4) The Tenant covenants that notwithstanding any present or future Act of the Legislature of the Province of Ontario, the personal property of the Tenant during the terms of this Lease shall not be exempt from levy by distress for Rent in arrears:  
(a) and the Tenant acknowledges that it is upon the express understanding that there should be no such exemption that this Lease is entered into, and by executing this Lease:  
(i) the Tenant waives the benefit of any such legislative provisions which might otherwise be available to the Tenant in the absence of this agreement; and  
(ii) the Tenant agrees that the Landlord may plead this covenant as an estoppel against the Tenant if any action is brought to test the Landlord’s right to levy distress against the Tenant’s property.  

(5) If, when an Act of Default has occurred, the Landlord chooses not to terminate the Lease and re-enter the premises, the Landlord shall have the right to take any and all necessary steps to rectify any or all Acts of Default of the Tenant and to charge the costs of such rectification to the Tenant and to recover the costs as Rent.  

(6) if, when an Act of Default has occurred, the Landlord chooses to waive his right to exercise the remedies available to him under this Lease or at law the waiver shall not constitute condonation of the Act of Default, nor shall the waiver be pleaded as an estoppel against the Landlord to prevent his exercising his remedies with respect to a subsequent Act of Default. No covenant, term, or condition of this Lease shall be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.  

11. TERMINATION UPON NOTICE AND AT THE END OF TERM  
(1) If the landlord desires at any time to remodel or demolish the Premises or any part thereof, to an extent that renders continued possession by the Tenant impracticable, the Tenants shall, upon receiving one hundred and eighty (180) clear days’ written notice from the Landlord:
(a) surrender this Lease, including any unexpired remainder of the Term; and
(b) vacate the Premises and give the Landlord possession.

(2) If the Premises are subject to an Agreement of Purchase and Sale or if the Premises are expropriated or condemned by any competent authority:
(a) the Landlord shall have the right to terminate this Lease by giving ninety (90) clear days' notice in writing to the Tenant; or
(b) the Landlord may require the Tenant to vacate the Premises within thirty (30) days from payment by the Landlord to the Tenant of a bonus equal to three months' rent, but the payment of the said bonus shall be accompanied or preceded by written notice from the Landlord to the Tenant advising of the Landlord's intent to exercise this option.

(3) The Tenant agrees to permit the Landlord during the last three months of the Term of this Lease to display "For Rent" or "For Sale" signs or both at the Premises and to show the Premises to prospective new tenants or purchasers and to permit anyone having written authority of the Landlord to view the Premises at reasonable hours.

(4) 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.

12. ACKNOWLEDGMENT 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 been paid;
(e) particulars of any prepayment of Rent or security deposits; and
(f) particulars of any subtenancies.

13. SUBORDINATION AND POSTPONEMENT
(1) This Lease and all of the rights of the Tenant under this lease are subject and subordinate to any and all charges against the land, buildings or improvements of which the Premises form part, whether the charge is in the nature of a mortgage, trust deed, lien or any other form of charge arising from the financing or re-financing, including extensions or renewals, of the Landlord's interest in the property.

(2) Upon the request of the Landlord the Tenant will execute any form required to subordinate this Lease and the Tenant's rights to any such charge, and will, if required, attorn to the holder of the charge.

(3) No subordination by the Tenant shall have the effect of permitting the holder of any charge to disturb the occupation and possession of the Premises by the Tenant as long as the Tenant performs his obligations under this Lease.

14. MISCELLANEOUS MATTERS
(1) The Landlord agrees to pay all heat and electricity costs for the premises;

(2) The Landlord agrees to provide to the Tenant, at no extra cost, the use of the meeting room (the former Stafford and Pembroke Council Chambers) up to twelve (12) times annually. The meeting room must be booked through the Landlord.

(3) The Landlord agrees to allow the staff of the Tenant the use of one (1) outside electrical outlet.
15. **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:

R.R. #4  
460 Witt Road  
Pembroke, Ontario  
K8A 6W5

To the Tenant at the Premises or at:

R.R. #3  
1259 White Water Road  
Pembroke, Ontario  
K8A 6W4

(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.

16. **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.

17. **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 the 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.

The Corporation of the Township of Laurentian Valley  

Per:  
Landlord  
Reeve: Jack Wilson  
CAO: Darrel Ryan  
Snow Country Snowmobile Association

Per:  
Tenant  
President: Cecelia Buelow  
Vice President: Shayne O'Brien

We have the Authority to Bind the Corporation
SCHEDULE A

to Lease made between

The Corporation of the Township of Laurentian Valley

(the "Landlord")

- and -

1271904 Ontario Inc. o/a Snow Country Snowmobile Association

(the "Tenant")

LEGAL DESCRIPTION:

Part Lot 25, Concession 3, Geographic Township of Stafford, in the Township of Laurentian Valley, County of Renfrew