

THIS INDENTURE made this 11th day of January, 2021.

IN PURSUANCE OF THE SHORT FORM OF LEASES ACT

B E T W E E N:

1935362 ONTARIO LIMITED
(hereinafter called the "Landlord")

OF THE FIRST PART

- and -

THE CORPORATION OF THE TOWN OF GODERICH
(hereinafter called the "Tenant")

OF THE SECOND PART

IN CONSIDERATION of the mutual covenants contained in this lease agreement the parties agree as follows:

ARTICLE I
DEFINITIONS

1.01 DEFINED TERMS

In this lease:

"BUILDING" means the building block at 112-120 Courthouse Square, 29-37 Kingston Street, and 33-35 St. David Street, Goderich, Ontario which is to be, or has been, registered as a condominium corporation pursuant to the Condominium Act, 1998.

"33-35 ST. DAVID" means the portion of the Building owned by Steenstra Holdings Inc. at 33-35 St. David Street and which is legally described as set out on Schedule "A".

"LEASE" means this Lease.

"PREMISES" means that portion of the Building municipally numbered 33 St. David Street which will form Units 6 and 7, Level 1 on the Condominium Plan.

"DEMISED PREMISES" means that portion of the Premises leased to the Tenant, which Demised Premises is outlined on Schedule "B".

"RENT" means the Rent provided for in Paragraph 3.04 hereof, including "Base Rent" as provided in Sub-Paragraph 3.04 (a) and "Additional Rent" as provided in Sub-Paragraph 3.04 (b).

“TENANT'S PROPORTIONATE SHARE” shall mean the following:

- (a) 100% of any amount paid with respect to the Demised Premises alone;
- (b) 57.69 % of any amount paid with respect to the Premises (*1,500 square feet of 2,600 square feet*).
- (c) 26.70% of any amount paid with respect to 33-35 St. David Street (*1,500 square feet of 5,620 square feet*).
- (d) 6.57 % of any amount paid with respect to the Building (*1,500 square feet of 22,844 square feet*)

“TERM” means the term of this Lease as stipulated in paragraph 3.03.

“LANDLORD’S CONSULTANT” means the architect or engineer qualified to practice and practising in the Province of Ontario as named from time to time by the Landlord.

ARTICLE II **INTERPRETATION**

2.01 SCHEDULES

The schedules to this document are a part of this Lease and consist of:

SCHEDULE “A”	Legal Description of Building
SCHEDULE “B”	Plan of Premises and Demised Premises

2.02 NUMBER AND GENDER

Wherever the singular and the masculine are used throughout this Lease, the same shall be construed as meaning the plural or the feminine or neuter, where the context so requires.

2.03 HEADINGS AND CAPTIONS

The table of contents, article numbers, paragraph numbers, article headings and paragraph headings are inserted for convenience of reference only and are not to be construed when interpreting this Lease.

2.04 ENTIRE AGREEMENT

This Lease contains all the representations, warranties, covenants, agreements, conditions and understandings between the Landlord and the Tenant concerning the Premises or the subject matter of this Lease.

2.05 OBLIGATIONS AS COVENANTS

Each obligation of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

2.06 JOINT AND SEVERAL OBLIGATIONS

If there should be more than one Landlord or more than one Tenant, the obligations imposed under this Lease upon either the Landlord or the Tenant shall be joint and several.

2.07 SUCCESSORS

It is agreed by the parties hereto that the within Lease and all of the terms and provisions thereof shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators and assigns.

ARTICLE III
DEMISE, TERM AND RENT

3.01 DEMISE

The Landlord, in consideration of the rents and covenants hereinafter stipulated to be paid and performed by the Tenant, leases to the Tenant, for the term, the Demised Premises.

3.02 TERM

The Tenant shall have the right to hold the Demised Premises for a full term of Five (5) Years commencing on the 1st day of February, 2021 and continuing until the 31st day of January, 2026.

3.03 RENT

The Tenant shall pay to the Landlord during the Term of this Lease Rent which shall consist of Base Rent and Additional Rent as follows:

From February 1, 2021 to January 31, 2022 inclusive, \$21,000.00 per annum being \$1,750.00 per month, based upon \$14.00 per sq. feet

From February 1, 2022 to January 31, 2023 inclusive, \$21,315.00 per annum being \$1,776.25 per month, based upon \$14.21 per sq. feet

From February 1, 2023 to January 31, 2024 inclusive, \$21,630.00 per annum being \$1,802.50 per month, based upon \$14.42 per sq. feet

From February 1, 2024 to January 31, 2025 inclusive, \$21,960.00 per annum being \$1,830.00 per month, based upon \$14.64 per sq. feet

From February 1, 2025 to January 31, 2026 inclusive, \$22,620.00 per annum being \$1,885.00 per month, based upon \$15.08 per sq. feet

- (b) The Tenant shall pay additional rent to a Common Area Maintenance Fee to be set for 2021 at \$8.63 per square foot rented, with the set amount yearly based on the Common Area Maintenance fee set for the building.
- (c) HST shall be payable in respect of Base Rent and Additional Rent as provided for in Paragraph 6.17 hereof.

ARTICLE IV
TENANT COVENANTS WITH THE LANDLORD AS FOLLOWS:

4.01 USE

To use the Demised Premises for the purpose of the provision of educational instruction and training by Fanshawe College and as a Community Services location for the Ontario Provincial Police and activities directly related thereto and for no other business or purpose without the written consent of the Landlord, which consent shall not be unreasonably withheld.

4.02 RENT

To pay Rent without demand.

4.03 UTILITIES

To pay water rates, electric rates and gas rates separately metered to the Demised Premises, including its heating, ventilating and air conditioning equipment and, subject to the Landlord's obligation to maintain the heating equipment, to ensure that the Demised Premises are heated as required. In the event that there is not a separate meter for the water delivered to the Demised Premises, the Tenant will pay to the Landlord upon Thirty (30) days written demand, as Additional Rent, amounts equal to the portions of all water rates paid by the Landlord which are attributable to the use of water within the Demised Premises as determined by internal check meters installed by the Landlord.

4.04 REPAIRS

To carry out promptly, at its own expense, all repairs, maintenance and painting of the said Demised Premises, excluding structural repairs and any obligations of the Landlord, so as to keep the Demised Premises in the same condition and state of repair as they are in when this Lease commences, reasonable wear and tear and damage by fire, lightning and tempest only excepted. Without limiting the generality of the foregoing, the Tenant's obligation to repair and maintain shall include:

- (a) the interior of the Demised Premises including all improvements and alterations;
- (b) the electrical and plumbing systems within the Demised Premises and all fixtures attached to those systems; and

- (c) keeping the Demised Premises free from vermin and obtaining and paying for any pest control services as may be needed from time to time.

The Landlord hereby represents and warrants that all items covered by this Section 4.04 are in good working order at the date of commencement of the Term of this Lease.

4.05 DAMAGE INSURANCE

To take out and keep in force all risks direct damage insurance, to full replacement value, upon its personal property, equipment, furniture, fixtures, improvements and all parts of the Demised Premises which the Tenant is obligated to keep in repair.

4.06 WORKERS, COMPENSATION INSURANCE

If the nature of the Tenant's operation is such as to place all or any of its employees under the coverage of local workers' compensation or similar statutes, the Tenant also will keep in force, at its expense, so long as this Lease remains in effect, worker's compensation or similar insurance affording statutory coverage and containing statutory limits.

4.07 COMPREHENSIVE GENERAL LIABILITY INSURANCE

To take out and keep in force throughout the term a comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of all operations of the Tenant and subtenants, concessionaires, licensees and other persons conducting business on or from the Demised Premises, indemnifying and protecting the Landlord and the Tenant to a limit of \$2,000,000.00 inclusive.

The parties acknowledge that this limit represents the level of liability insurance normally carried by a prudent operator of a business operation comparable to that of the Tenant. In the event that the term of this Lease is for a period greater than five years, or in the event that this Lease is renewed or extended beyond a date five years from the date of its commencement, then, upon the fifth anniversary of the commencement of the Lease, and upon the anniversary date of every subsequent five year period of time, the Landlord may request in writing that the Tenant increase the limit of this coverage to such an amount as the Landlord and Tenant, both acting reasonably, agree to be the level of insurance carried at that time by a prudent operator of a business comparable to the Tenant's.

4.08 INSURANCE POLICIES

That each insurance policy referred to herein will name the Landlord as an additional insured as its interests may appear; will contain, if available and as appropriate, a waiver of rights of subrogation against the Landlord and the Tenant, or a cross-liability clause protecting the Landlord and other insureds designated by it against claims as if the Landlord was separately insured; and will contain a clause that the insurer will not cancel or change or refuse to renew the insurance without first giving the Landlord thirty (30) days' prior written notice.

All policies of insurance will be with insurers acceptable to the Landlord and in form satisfactory to the Landlord. The Tenant will cause to be delivered to the Landlord a certificate of the insurer, addressed to the Landlord, with respect to each of the policies and each renewal thereof. If the Tenant fails to take out or keep in force any policy of insurance referred to herein,

the Landlord may do so and pay the premiums, and in that event the amount so paid as premiums plus ten percent (10%) for overhead shall be due and payable as Rent in arrears.

All policies will be kept in force throughout the term and during such other time as the Tenant occupies the Demised Premises or any part thereof.

4.09 INCREASE IN LANDLORD'S INSURANCE PREMIUMS

That nothing will be done, omitted to be done, kept, used, sold or offered for sale on or from the Demised Premises that may contravene any of the Landlord's or the Condominium Corporation's policies insuring any part of the Premises, or that may result in increased insurance premiums, or which will prevent the Landlord or the Condominium Corporation from procuring policies with companies acceptable to the Landlord, and the Condominium Corporation; and the Tenant covenants to pay any increase in insurance premiums charged to the Landlord or the Condominium Corporation or other tenants due to the Tenant's use of the Demised Premises. In determining whether increased premiums are the result of the use of the Demised Premises a schedule issued by the organization setting the insurance rate on the Property or the Building showing the various components of the rate will be conclusive evidence of the several items and charges which make up the fire insurance rate on the Property or the Building.

4.10 CANCELLATION OF INSURANCE

That if an insurance policy upon part of the Property or the Building is cancelled or threatened by the insurer to be cancelled, or the coverage thereunder reduced or threatened to be reduced by the insurer because of the use and occupation of the Demised Premises, and if the Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation, reduction, or threatened reduction of coverage within forty-eight (48) hours after notice thereof by the Landlord or the Condominium Corporation, the Landlord may at its option:

- (a) re-enter the Demised Premises in the same manner as when rent is in arrears, or
- (b) enter the Demised Premises and remedy the condition giving rise to the cancellation or reduction or threatened cancellation or reduction, and the Tenant will pay to the Landlord the cost thereof on demand as rent, and the Landlord will not be liable for damage or injury caused to the property of the Tenant or others located on the Demised Premises as a result of the entry.

4.11 LOSS AND DAMAGE

The Landlord or the Condominium Corporation are not liable for death, injury, loss or damage of or to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Premises or from the pipes, appliances or plumbing works or from the roof, street or sub-surface or from any other place or by dampness or by other cause of any kind except arising from the Landlord's, or anyone for whom the Landlord is responsible, negligence or wilful misconduct. The Landlord or the Condominium Corporation are not liable for death, injury, loss or damage caused by other tenants or occupants or other persons on the Property or in any part of the Property, or resulting from construction, alteration or repair except any death, injury, loss or damage arising from the Landlord's or anyone for whom the Landlord is responsible, negligence or wilful misconduct. All property of the Tenant kept or stored on the Demised Premises will be kept or stored at the risk

of the Tenant only and the Tenant will hold the Landlord harmless from all claims arising out of damage to it, including subrogation claims by the Tenant's insurers.

4.12 NUISANCE AND GARBAGE

Not to cause, permit or suffer any unusual or objectionable noises or odours to emanate from the Demised Premises or its use of the common area. The Tenant shall deposit all garbage, debris, trash and refuse in the areas and manner designated by the Landlord or the Condominium Corporation. If garbage, debris, trash and refuse is not collected and picked up by the appropriate municipal authorities, such collection and pickup shall be at the expense of the Tenant.

4.13 COSTS

To pay to the Landlord all reasonable legal fees (on a solicitor and the solicitor's own client basis) and disbursements incurred in enforcing any covenants contained in this Lease or in recovering possession and re-letting of the Demised Premises or with respect to any other litigation arising from this Lease as between the Landlord and the Tenant, in each case, only in the event that the Landlord is substantially successful in enforcing any covenant contained in this Lease or in recovering possession and re-letting of the Demised Premises or with respect to any other litigation, as the case may be.

4.14 ARREARS IN PAYMENTS ON BEHALF OF TENANT

That when and so often as it shall neglect or omit to pay any water, gas or electric rates, telephone charges, business or other taxes, costs, or any other amount, which in accordance with the terms and provisions hereof, is payable by the Tenant, the Landlord may pay the same and then a sum equal to the amount so paid shall forthwith become due and payable to the Landlord as if the same were a rent in arrears. The Landlord shall not pay any amount on behalf of the Tenant unless the amount to be so paid shall be an amount to be paid by the Tenant in accordance with the terms of this Lease and the Tenant shall not have paid the same after ten (10) days written notice from the Landlord. All arrears of rent, arising under this paragraph or otherwise, shall bear interest at the rate of twelve percent (12%) per annum calculated monthly, not in advance.

4.15 COMPLIANCE WITH LEGISLATION

To observe and fulfil the lawful provisions and requirements of all statutes, by-laws, rules and regulations, municipal, provincial or federal, relating to the Demised Premises and applicable to the Tenant, and in particular and without limiting the generality of the foregoing, to maintain all equipment and apparatus now installed or required to be installed from time to time by any municipal, provincial or federal authority on the Demised Premises and required pursuant to the provisions hereof, to be maintained by the Tenant.

ARTICLE V **THE LANDLORD COVENANTS AS FOLLOWS:**

5.01 UTILITIES

To pay water, gas and electrical rates not payable by the Tenant directly.

5.02 PROPERTY TAXES

To pay property taxes.

5.03 SNOW REMOVAL

To cause, when reasonably necessary, the sidewalks adjacent to the Building to be kept free of ice and snow.

5.04 REPAIRS

To keep the roof, Common Areas and structure of the Building, in a good state of repair provided that the Tenant informs the Landlord in writing of any required structural repairs to the Demised Premises as soon as the need for such repairs becomes apparent to the Tenant. Without limiting the generality of the foregoing, the Landlord's obligation to repair and maintain shall include:

- (a) the outer surface of all exterior walls except for any signs or improvements added or attached thereto by the Tenant or on the Tenant's behalf;
- (b) the heating, ventilating and air conditioning equipment and systems provided that the Landlord shall not be liable for indirect or consequential damages for personal discomfort or illness by reason of the operation or non-operation of such equipment;
- (c) all portions of the electrical and plumbing systems which are not the Tenant's obligation to repair.

5.05 QUIET ENJOYMENT

That the Tenant shall and may peacefully and quietly have, hold, occupy, possess and enjoy the Demised Premises and use the Common Areas together with others for the term hereinbefore provided, and during any renewals or extensions thereof, provided that the Tenant pays the rent as hereinbefore set forth and keeps, observes and performs all of the other covenants and provisions as required in this Lease.

5.06 CONDOMINIUM REGISTRATION

Provided that during the period of time that the Premises shall be registered as a Condominium Corporation, in any case where the Condominium Corporation does not fulfill an obligation to the Tenant in this Lease, the Landlord shall remain responsible to the Tenant for fulfillment of that obligation.

ARTICLE VI **THE LANDLORD AND TENANT MUTUALLY AGREE AS FOLLOWS:**

6.01 RE-ENTRY

That the Landlord has a right of re-entry on non-payment of rent or non-performance of covenants, subject to the provisions of this Lease.

6.02 FAILURE TO PAY RENT OR OBSERVE COVENANTS

That if the Tenant shall fail to pay any instalment of base rent or additional rent payable hereunder when due or shall fail, after ten (10) days written notice of default, to comply with any other covenant, condition or agreement contained herein, then the Lease hereby granted may at the option of the Landlord be terminated and the estate hereby vested in the Tenant and any other rights of the Tenant hereunder shall thereupon immediately cease and expire.

6.03 RIGHT OF ENTRY TO PERFORM COVENANT

That if the Tenant shall default in the performance of any covenant in this Lease (except the covenant to pay rent) and if such default shall continue for ten (10) days after written notice thereof to the Tenant, the Landlord may perform that covenant on the Tenant's behalf and may enter the Demised Premises for that purpose and the Landlord shall not be liable to the Tenant for any loss or damage to the Tenant's stock or business caused by so doing.

6.04 BANKRUPTCY AND SEIZURE

That if the term or any of the goods or chattels of the Tenant shall be at any time seized or taken in execution or in attachment by any creditor of the Tenant, or if a writ of execution shall be issued against the goods and chattels of the Tenant and remain unsatisfied for ten (10) days, or if the Tenant shall make any assignment for the benefit of creditors or any bulk sale or shall be adjudged bankrupt or insolvent by any court of competent jurisdiction under any legislation then in force or shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors or shall attempt to abandon the Premises or to sell or dispose of its goods and chattels so that there would not remain after such sale or disposal sufficient distress on the Demised Premises, in the opinion of the Landlord, for the then accruing rent, then the current month's rent together with the rent for the said three months next ensuing shall immediately, at the option of the Landlord, become due and payable, and the term shall, at the option of the Landlord forthwith be terminated and in each of the above cases, such accelerated rent and additional rent shall be recoverable by the Landlord as if it were rent in arrears.

If the Tenant removes any of its goods and chattels from the Premises, the Landlord may follow them for thirty (30) clear days in the manner provided in the Commercial Tenancies Act. The Tenant covenants with the Landlord, in consideration of the making of this Lease, that despite anything contained in the Commercial Tenancies Act, none of the goods and chattels of the Tenant on the Demised Premises are exempt from levy by distress for rent in arrears, and that upon a claim being made for exemption by the Tenant or on distress being made by the Landlord, this section may be pleaded as an estoppel against the Tenant in an action brought to test the right to levy upon goods named as exempted.

6.05 ENTER PREMISES

That the Landlord or its agents, during normal business hours, may enter upon and view the state of repair of the Demised Premises and the Tenant agrees to comply with all reasonable requirements of the Landlord with regard to the care, maintenance and repair thereof, to the extent that the Tenant is responsible under this Lease for such care, maintenance and repair,

and the Landlord may place, "For Rent" or "For Sale" signs in or before the Demised Premises, provided that "For Rent" signs shall not be placed in or before the Demised Premises prior to ninety (90) days before the expiration of the term or any renewal thereof. The Tenant will not remove or permit the removal of any such signs. The Landlord shall have the right to show the Premises, including the Demised Premises, to any mortgagee or purchaser upon twenty-four (24) hours' notice to the Tenant.

6.06 SIGNS

That the Tenant shall have the right to place signs inside and outside the Building as appropriate for the Tenant's business requirements, provided that it shall have first obtained the Landlord's consent in writing as to the specifications and location therefore and provided the sign or signs conform to all municipal regulations and by-laws, and provided that the sign or signs conform with all provisions of the Condominium Act, the Declaration and the By-Laws. The Landlord covenants that all signs approved by it will conform to the Condominium Act, Declaration and By-Laws.

6.07 HOLDOVER

That in the absence of any new agreement to the contrary, any holdover after the end of the term herein conveyed or any extensions or renewals thereof shall be construed to be a tenancy from month to month, at the same rental and on the same terms as specified herein, or any renewal hereof.

6.08 PARKING

The Tenant acknowledges that this Lease does not include any rights or privileges with respect to parking areas on the Property.

6.09 REMEDIES OF LANDLORD ACCUMULATIVE

That no exercise of a specific right or remedy by the Landlord or by the Tenant precludes it from or prejudices it in exercising another right or pursuing another remedy or maintaining an action to which it may otherwise be entitled either at law or in equity.

6.10 NO WAIVER

That the waiver by the Landlord or the Tenant of a breach of a term, covenant or condition of this Lease will not be considered to be a waiver of a subsequent breach of the term, covenant or condition or of another term, covenant or condition. The subsequent acceptance of rent by the Landlord will not be considered to be a waiver of a preceding breach by the Tenant of a term, covenant or condition of this Lease, and regardless of the Landlord's knowledge of the preceding breach, it will not be considered to have been waived by the Landlord or by the Tenant unless the waiver is in writing signed by the Landlord or by the Tenant, as the case may be.

6.11 SUBLET OR ASSIGN

That the Tenant may not sublet or assign or transfer its interest in this Lease without securing the written consent of the Landlord, which consent will not be unreasonably withheld, provided, however, that if the consent is granted, the Tenant shall remain liable for all the Tenant's obligations under this Lease. Notwithstanding this paragraph 6.11, the Landlord consents to the immediate subletting of the Demised Premises to The Fanshawe College of Applied Arts and Technology provided that The Fanshawe College of Applied Arts and Technology enters into a sublease agreement with the Tenant under the terms of which it agrees to be bound by the terms of this Lease as if it had originally executed this Lease with the Landlord.

6.12 INSURANCE

That the Condominium Corporation has the obligation to take out and keep in force throughout the term all risks direct damage insurance on the Building and improvements, but which may exclude foundations and the improvements upon which the Tenant is obligated to take out insurance under this Lease.

6.13 DESTRUCTION OF PREMISES

That if during the term of the Lease or any renewal thereof, the Buildings or the Demised Premises are destroyed or damaged by any cause then the following provisions shall apply:

- (a) If the Demised Premises shall be so badly damaged as to be unfit for occupancy, and as to be incapable of being repaired with reasonable diligence within two hundred and seventy days of the happening of such damage or if the Condominium Corporation should vote to terminate pursuant to Section 43 of the Condominium Act, then the term hereby granted shall cease and be at an end and to all intents and purposes from the date of such damage or destruction, and the Tenant shall immediately surrender the same, and yield up possession of the Demised Premises to the Landlord and the rent from the time of such surrender shall be apportioned;
- (b) If the Demised Premises shall be capable, with reasonable diligence, of being repaired and rendered fit for occupancy within two hundred and seventy days from the happening of such damage as aforesaid and if the Condominium Corporation does not vote to terminate pursuant to Section 43 of the Condominium Act, but if the damage is such as to render the Demised Premises wholly unfit for occupancy, then the rent hereby observed shall not run or accrue after such damage, or while the process of repair is going on, and the Landlord shall repair the same with all reasonable speed, and the rent shall recommence immediately after such repairs shall be completed.
- (c) If the Demised Premises shall be repaired within two hundred and seventy days as aforesaid, and if the Condominium Corporation does not vote to terminate pursuant to Section 43 of the Condominium Act, and if the damage is such that the said Premises are capable of being partially used, then until such damage shall have been repaired, the rent shall abate in the proportion that the part of the

Demised Premises rendered unfit for occupancy bears to the whole of the Demised Premises.

6.14 ALTERATIONS

That the Landlord covenants to permit the Tenant to make, with the consent of the Landlord and the Condominium Corporation, such consent not to be unreasonably withheld, such changes, alterations and improvements to the Demised Premises as will, in the judgment of the Tenant, better adapt them to the purposes of its business; provided, however, that no such changes, alterations or improvements shall impair the structural strength of the Building. All fixtures (including trade fixtures), improvements, erections, changes or alterations, shall be left with the Demised Premises on the termination of this Lease and shall thereafter belong to the Landlord, or at the Landlord's option shall, upon the termination of this Lease, be removed from the Demised Premises by the Tenant at its expense; provided, however, that if any injury or damage shall be caused to the Demised Premises by such removal, the Tenant shall forthwith cause such injury or damage to be repaired at its expense, and if the Tenant does not make such repairs or cause them to be made promptly, they may be made by the Landlord for the account of the Tenant.

Notwithstanding the provisions of this paragraph 6.14, the Tenant may, upon obtaining consent for the installation of trade fixtures, identify such trade fixtures as it wishes to remove from the Demised Premises, in which event it shall be entitled to remove such identified trade fixtures, provided that it shall be responsible for injury or damage caused in such removal as aforesaid.

6.15 CONSENT OR APPROVAL

Where any consent or approval of the Landlord is required hereunder, such consent or approval shall not be unreasonably withheld, delayed or conditioned. The Landlord and each person acting for or on behalf of the Landlord, in making a determination, designation, calculation, estimate, conversion or allocation under this Lease will act reasonably and in good faith.

6.16 POSTPONEMENT

That this Lease and everything herein contained shall be deemed, at the option of the Landlord, to be subordinate to any charge or charges from time to time created by the Landlord by mortgage or charge on the Premises and that the Tenant shall promptly at any time as required by the Landlord, execute all documents and give such further assurances as may be reasonably required to postpone its rights and privileges to the holder of any charge or mortgage.

6.17 NOTICE

Any notice, consent or other writing required or permitted to be given to any Party hereunder for the purposes hereof (hereinafter referred to as a "Notice") shall be sufficiently given if such Notice is delivered by personal delivery to such Party or transmitted to such Party by facsimile or other similar electronic transmission facilities, if the Party to whom such Notice is to be given has such facilities, or mailed, by prepaid mail, addressed to such Party, at the following addresses:

If to: The Landlord
1935362 Ontario Limited
258 Burritt Street
PO Box 1010
Stratford, Ontario N5A 6W4

Facsimile No.: (519) 271-2815

If to: The Tenant
The Corporation of the Town of Goderich
57 West Street
Goderich, Ontario N7A 2K5

Facsimile No.: (519) 524-7209

or at such other address or facsimile number as the Party to whom such Notice is to be given shall have last notified in writing all other parties hereto of a change of address or a change of telecopier number for the purposes of this provision. Any Notice personally delivered to the Party to whom such Notice is to be given shall be deemed to have been given and received by the Party to whom it is addressed on the day it is personally delivered. Any Notice transmitted by facsimile or other similar electronic transmission facilities shall be deemed to have been given and received by the Party to whom it is addressed on the day it is transmitted, if transmitted prior to 5:00 p.m. on such day and otherwise, on the day next following the date of transmission, provided that if such day falls on a weekend or statutory holiday, then the Notice shall be deemed to have been given and received on the business day next following such day. Any Notice mailed as aforesaid shall be deemed to have been given and received by the Party to whom it is addressed on the fourth business day following the date of its mailing. In the event of a postal disruption, Notices given hereunder must be personally delivered or, if the Party to whom such Notice is to be given has facsimile or other similar electronic transmission facilities, by such facilities.

6.18 NET LEASE

That it is the intention of the parties that the rent herein provided to be paid shall be net to the Landlord and clear of all taxes (excepting the Landlord's income taxes), costs and charges arising from or relating to the Premises and that the Tenant shall pay its proportionate share of all charges, impositions and expenses of every nature and kind relating to the Premises, and the Tenant hereby covenants with the Landlord accordingly.

Despite any other section or clause of this Lease, the Tenant shall pay to the Landlord an amount equal to any and all goods and services taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Landlord with respect to rent payable by the Tenant to the Landlord under this Lease, or in respect of the rental of space under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, business transfer tax or otherwise (herein called "Sales Taxes"), it being the intention of the parties that the Landlord shall be fully reimbursed by the Tenant with respect to any and all Sales Taxes payable by the Landlord. The amount of the Sales Taxes so payable by the Tenant shall be calculated by the Landlord in accordance with the applicable legislation and shall be paid to the Landlord at the same time as the amounts to which such Sales Taxes apply are payable to the Landlord under the terms of this Lease or upon demand at such other time or times as the Landlord from time to time determines. Despite any other section or clause in this Lease, the amount payable by the Tenant under this paragraph shall be deemed not to be rent, but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of rent under this Lease.

6.19 CONDOMINIUM REGISTRATION

The Tenant's right to use and occupy the Demised Premises and the Common Areas shall be subject and subordinate in all respects to the provisions of the Condominium Act, as amended, the Declaration, By-laws and Rules of the Condominium Corporation from time to time pass. The Tenant acknowledges and agrees that failure on the Tenant's part or on the part of guests, visitors and any other person or persons occupying the Demised Premises with the consent of the Tenant from time to time, to comply with the Condominium Act, said Declaration, By-laws and the Rules shall constitute a material breach of this Lease and shall entitle the Landlord to apply for an order terminating the tenancy hereby created. The Tenant shall indemnify and hold harmless the Landlord from and against any damages, direct or indirect, incurred by the Landlord as a result of the non-compliance by the Tenant and by any of the aforesaid persons with the provisions of the Condominium Act, the Condominium Corporation and the rules as hereinbefore described.

IN WITNESS WHEREOF the corporate parties hereto have hereunto set their seals as attested to by their proper officers and the other parties have hereunto set their hands and seals.

LANDLORD

1935362 ONTARIO LIMITED

Per: _____
 Lisa Hyde, Authorized Signing Officer
 I have the authority to bind the Corporation

TENANT

THE CORPORATION OF THE TOWN OF
GODERICH

Per: _____
John C. Grace, Mayor

Per: _____
Andrea Fisher, Clerk

We have the authority to bind the Corporation

SCHEDULE "A"

Part of Lots 71 and 72 on Plan 457 for the Town of Goderich as in Instrument No. R285967, subject to the easements in Instrument Nos. R113036 and R336699.