

Lease Agreement

THIS AGREEMENT made as of the ● day of ●, 2021,

BETWEEN:

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

(the "Lessor")

OF THE FIRST PART

AND:

THE BLUE MOUNTAIN ATTAINABLE HOUSING CORPORATION

(the "Lessee")

OF THE SECOND PART

1. PREMISE

That in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor demises and leases to the Lessee the lands and premises situate, lying and being in the Town of Thornbury, in the County of Grey and Province of Ontario municipally known as **19 Napier Street, Thornbury, Ontario**, as legally described in **Schedule "A"** attached hereto and all buildings and fixtures thereon, all of which property is hereinafter referred to as the "**Premises**". The Lessee agrees to accept the Premises in an "as is" condition on the Commencement Date. Whenever in this Lease reference is made to the Premises, it shall include all structures, improvements and erections in or upon the Premises or any part thereof from time to time.

2. TERM AND HOLDING OVER

To have and to hold the Premises, unless such term shall be sooner terminated as hereinafter provided, for and during the term of ● (**66**) months (the "**Term**"), commencing on ●, **2021** (the "**Commencement Date**") and ending on ●, ● unless terminated earlier pursuant to the terms hereof. If the Lessee shall continue to provide attainable rental of the Premises to a Tenant selected by the Lessee after the expiration of this Lease without the consent of the Lessor and without any further written agreement, the Lessee shall be deemed to be a monthly Lessee at a monthly rental of one hundred and fifty per cent (150%) of the rent payable for the last month of the Term and otherwise on the terms and conditions herein set forth, except as to the length of tenancy.

3. USE OF PREMISES

The Lessee shall provide attainable rental use of the Premises to a tenant(s) that have been selected by the Lessee only for conducting the business thereon of the rental of the Premises to residential tenant(s) in accordance with the requirements of the Lessor, and for no other purpose whatsoever. Provided the Lessee in the use and occupation of the Premises and in the prosecution or conduct of any business therein, shall comply with all requirements of all laws, orders, ordinances, rules and regulations of the Federal, Provincial and/or Municipal authorities and with any direction or certificate of occupancy issued pursuant to any law. The Lessee covenants that it will not do or omit or permit to be done or omitted upon or about the Premises anything which shall be or result in a nuisance or menace to the Lessor or owners or occupiers of neighbouring premises.

For the purposes of this Lease Agreement, "attainable rental" shall mean the rental of the premises to a tenant in accordance with the Lessee's definition of "Attainable Housing" as amended from time to time.

4. RENT, ADDITIONAL RENT AND UTILITIES

- (a) **Rent** means the amounts payable by the Lessee to the Lessor pursuant to this Section.
- (b) The Lessee covenants to pay to the Lessor during the Term of this Lease, semi-gross rent as follows:

Years	Monthly	Annually
December 1, 2021 – November 30, 2022	\$850	\$10,200
December 1, 2022 – November 30, 2023	The prior year’s rent plus the increase in the CPI over the prior year	The prior year’s rent plus the increase in the CPI over the prior year
December 1, 2023 – November 30, 2024	The prior year’s rent plus the increase in the CPI over the prior year	The prior year’s rent plus the increase in the CPI over the prior year
December 1, 2024 – November 30, 2025	The prior year’s rent plus the increase in the CPI over the prior year	The prior year’s rent plus the increase in the CPI over the prior year
December 1, 2025 – November 30, 2026	The prior year’s rent plus the increase in the CPI over the prior year	The prior year’s rent plus the increase in the CPI over the prior year

“CPI” means:

- i. the Consumer Price Index (all items for Regional Cities, base year 1992=100) for the city in which the Premises is located, or, if there is no Consumer Price Index for that city, for the city in Canada nearest the Premises for which there is a Consumer Price Index published by Statistics Canada (or by a successor or other governmental agency, including a provincial agency) measured on a year over year basis as of the 1st day of the month preceding each anniversary of the Commencement Date (or if the Commencement Date is not the first of a month, the first of the following month); or
- ii. if the Consumer Price Index is no longer published, an index published in substitution for the Consumer Price Index or any replacement index designated by Lessor. If a substitution is required, Lessor shall make the necessary conversions. If the base year for the Consumer Price Index (or the substituted or replacement index) is changed by Statistics Canada (or by its successor or other governmental agency), Lessor shall make the necessary conversion.

In the event the CPI for a preceding year has not been determined by the anniversary date of the next lease year, the Lessee shall pay the previous year’s semi-gross rent until the CPI has been determined in accordance with this Section 4.(b) and then the Lessee shall pay over the difference to the Lessor upon demand and thereafter pay the newly adjusted rent for that year.

- (c) **Semi-Gross Lease:** The Lessor and the Lessee agree that it is their mutual intention that this Lease shall be a semi-gross lease for the Lessee save and except as expressly provided for otherwise herein.
- (d) **Additional Rent:** To affect the said intention of the parties the Lessee agrees to pay all utilities and other costs and expenses expressly provided for herein related to the use or occupancy of the Premises as Additional Rent ("**Additional Rent**").
- (e) **Realty Taxes:** The Lessor will, in each and every year during the Term, pay and discharge all taxes (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the Premises or any part thereof and without limiting the generality of the foregoing, every other tax, charge, rate, assessment or payment which may become a charge or encumbrance upon or levied or collected upon or in respect of the Premises or any part thereof, whether billed to the Lessor or Lessee's name and whether charged by any Municipal, Parliamentary or other body during the Term. The Lessee shall not have the right to contest by appropriate legal proceedings the validity of any tax, rate, including local improvement rates, assessment or other charges referred to in this section.
- (f) **Utilities:** The Lessee shall pay as the same become due respectively all charges, whether billed to the Lessor or Lessee's name, for public and private utilities, including, without limitation, water, gas, electrical power or energy, telecommunication, steam or hot water used upon or in respect of the Premises and for fittings, machines, apparatus, meters or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public or private utilities.
- (g) **Interest on Arrears:** All Rent in arrears and all sums paid by the Lessor for expenses incurred which should have been paid by the Lessee shall bear interest from the date payment was due or made or expense incurred at a rate per annum equal to the prime commercial lending rate of the Lessor's bank plus five (5) percent.
- (h) **Post-Dated Cheques:** The Lessee shall at the commencement of the Term and on each anniversary date thereafter deliver to the Lessor a series of post dated cheques for the Rent
- (i) **No Set-off:** The Lessee acknowledges and agrees that the payments of Rent and Additional Rent provided for in this Lease shall be made without any deductions, setoff or abatement for any reason whatsoever unless expressly allowed by the terms of this Lease or agreed to by the Lessor in writing.
- (j) **Partial Payment:** No partial payment by the Lessee which is accepted by the Lessor shall be considered as other than a partial payment on account of Rent owing and shall not prejudice the Lessor's right to recover any rent owing.

5. **PAYMENT**

All payments required to be made by the Lessee under and in respect of this Lease shall be made to the Lessor at the Lessor's office at:

Town of The Blue Mountains
32 Mill Street,
Thornbury, Ontario
N0H 2P0
Attention: Director of Finance

6. **LESSEE'S COVENANTS**

The Lessee covenants with the Lessor:

(a) **Rent**

To pay Rent and Additional Rent provided for in the Lease.

(b) **Repairs, Replacements and Maintenance**

The Lessee, at its sole cost and expense, shall maintain and keep the Premises and every part thereof in good order and condition and promptly make all needed repairs (reasonable wear and tear and structural defects or weaknesses only excepted) and without limiting the generality of the foregoing, the Lessee shall keep the Premises clean and in such condition as a careful owner would do including without limitation, all snow and ice clearing and salting to comply with applicable laws and Lessor's reasonable requirements.. The obligation to repair and maintain as aforementioned shall extend to repairs and maintenance (other than capital repairs and replacements) to all driveways, sidewalks, parking areas, roof and landscaping generally. The Lessee shall keep, maintain and repair all portions of the parking areas, if any, and driveways in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice. The Lessor reserves the right to determine the extent of structural and or capital repairs and replacement that are reasonable with the consideration of the rent that is being applied through this agreement. If over the course of a 12 month period commencing January 1st of each year, the cumulative costs to repair and or replace does not exceed a 24 month rental payment the Lessor shall be responsible for all structural and capital repairs and replacements other than those resulting from the act or omission of the Lessee or those for whom it is responsible at law for which Lessee shall be responsible to pay for in accordance with the Lessor's demand.

If over the course of each 12-month period commencing January 1st of each year, the cumulative costs to repair and or replace exceeds the total of a 24-month rental payment the Lessor shall have the right to provide notice to the Lessee and Tenant of termination of this Lease Agreement and requires a 6 month notice of termination of Lease Agreement.

(c) **Entry by Lessor**

It shall be lawful for the Lessor and its agent at all reasonable times during the Term to enter the Premises to inspect the condition thereof or carry out the Lessor's obligations hereunder and at law. Where an inspection reveals maintenance, repairs or replacements are necessary, the Lessor shall give the Lessee notice in writing and thereupon the Lessee will within two (2) calendar months from the date of delivery of the notice, or earlier where same shall be required, carry out the necessary maintenance, repairs [and replacements if applicable] in a good and workmanlike manner.

(d) **End of Term Surrender of Premises**

The Lessee will at the expiration or sooner determination of the Term, be responsible for the tenant to peaceably surrender and yield up unto the Lessor the Premises and any improvements thereon broom swept and in good order, repair and condition, reasonable wear and tear only excepted.

(e) **Heat**

To heat the Premises in a reasonable manner at its own expense and to maintain, keep in good repair at its own expense the heating, air-conditioning and ventilation equipment and controls used in connection therewith.

(f) **Public Orders**

Provided the Premises comply at the commencement of the Term, the Lessee, at its own expense, shall observe and promptly comply with all statutes, orders-in-council, by-laws, rules, regulations and requirements of all Federal, Provincial and Municipal Governments and appropriate departments thereof, and the orders, rules and regulations of the Board of Fire Underwriters or any other body hereafter constituted exercising similar functions which may be applicable to the Premises and/or the use or manner of use of the Premises. The Lessee shall likewise observe and comply with the requirements of all policies of insurance at any time in force under the provisions of this Lease.

(g) **Assigning and Subletting**

The Lessee shall maintain a lease or Sublease of the Premises to a residential tenant at all times and provide notice and current and up to date Tenant contact information to the Lessor.

The Lessee shall ensure that any lease or sublease does not derogate from the rights of the Lessor as set out in this Agreement.

(h) **Lessor Insurance**

Lessor shall insure the Premises as a prudent Lessor at its sole cost and expense.

(i) **Lessee Insurance**

The Lessee shall during the Term hereof, at its own expense, take out:

- (i) comprehensive general public liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Premises and on, in or about the adjoining streets and passageways, such insurance to afford protection to the limit of not less than Five Million Dollars (\$5,000,000.00) in respect of injury or death to a single person, and to the limit of not less than Five Million Dollars (\$5,000,000.00) in respect of any one occurrence in respect of property damage, for the benefit of the Lessee, the Lessor and any holders of any mortgages or interest in the Premises, as additional insureds; and
- (ii) within ten (10) days after notice thereof, such other forms of insurance and on such terms as the Lessor requires, acting reasonably.

Lessee shall provide proof of insurance to the Lessor prior to occupancy and thereafter, at least ten (10) days prior to the anniversary of each year of the Term. The Lessee shall also provide proof of tenant's Insurance from any part the Premises are sub-let to.

7. DAMAGE AND DESTRUCTION

If and whenever during the Term the building erected on the Premises shall be destroyed or damaged by any of the perils insured against as hereinbefore stated, then and in every such event:

- (a) If the damage or destruction is such that the building erected on the Premises is rendered unfit for occupancy or it is impossible and unsafe to use and occupy, and if in either event the damage, in the reasonable opinion of the Lessor to be given to the Lessee within thirty (30) days of the happening of such damage or destruction, cannot be repaired with reasonable diligence within one hundred and twenty (120) days from the happening of such damage or destruction, then either the Lessor or the Lessee may within five (5) days next succeeding the giving of the Lessor's opinion as aforesaid, terminate this Lease by giving to the

other notice in writing of such termination, in which event this Lease and the Term shall cease and be at an end as of the date of such destruction or damage and the rent and all other payments for which Lessee is liable under the terms of this Lease shall be apportioned and paid in full to the date of such destruction or damage. In the event that neither Lessor nor Lessee shall terminate this Lease, then Lessor shall repair the building with all reasonable speed and the rent hereby reserved shall abate from the date of the happening of the damage until the damage shall be made good to the extent of enabling Lessee to use and occupy the Premises.

If the cumulative costs to repair and or replace exceeds the total of a twenty-four (24) month rental payment the Lessor shall have the right to provide notice to the Lessee and tenant of termination of this Lease Agreement and requires a six (6) month notice of termination of Lease Agreement.

- (b) If the damage be such that the building erected on the Premises is unfit for occupancy or if it is impossible or unsafe to use or occupy it but if in either event the damage, in the reasonable opinion of the Lessor to be given to the Lessee within thirty (30) days from the happening of such damage, can be repaired with reasonable diligence within one hundred and twenty (120) days from the happening of such damage, then the rent hereby reserved shall abate from the date of the happening of such damage until the damage shall be made good to the extent of enabling the Lessee to use and occupy the building and the Lessor shall repair the damage with all reasonable speed.

If the cumulative costs to repair and or replace exceeds the total of a twenty-four (24)-month rental payment the Lessor shall have the right to provide notice to the Lessee and tenant of termination of this Lease Agreement and will provide a six (6) month notice of termination of Lease Agreement.

8. **NO LESSOR LIABILITY**

(a) **Public Liability**

Unless if caused by the negligence of the Lessor or those for whom the Lessor is in law responsible, the Lessor shall not be liable or responsible for any personal injury or death that may be suffered or sustained by the Lessee or any employee of the Lessee or any other person who may be upon the Premises or for any loss or damage or injury to any property belonging to the Lessee or to its employees or to any other person while such property is on the Premises and, in particular (but without limiting the generality of the foregoing), Lessor shall not be liable for any damage to any such property caused by steam, water, rain or snow which may leak into, issue or flow from any part of the building or adjoining premises or from the water, steam, sprinkler or drainage pipes or plumbing works of the same or from any other place or quarter or for any damage caused by or attributable to the condition or arrangement of any electrical or other wiring or for any damage caused by anything done or omitted to be done by any Lessee.

(b) **Indemnification of Lessor**

Unless if caused by the negligence of the Lessor or those for whom the Lessor is in law responsible, the Lessee will indemnify and save harmless the Lessor from any and all liabilities, fines, suits, claims, demands, costs and actions of any kind or nature whatsoever to which the Lessor shall or may become liable for, or suffer by reason of any breach, violation or non-performance by the Lessee of any covenant, term or provisions hereof, or by reason of any injury, loss, damage or death resulting from, occasioned to or suffered by any person or persons, or any property by reason of any act, neglect or default on the part of the Lessee or any of its agents, customers, employees, servants, contractors, licensees or invitees in or about the Premises or any part thereof; such indemnification in respect of any such breach, violation, non-performance, damage to

property, loss, injury or death occurring during the Term of this Lease shall survive any termination of this Lease, anything in this Lease to the contrary notwithstanding.

(c) **Payments Deemed Rent**

That in the event of the Lessee failing to pay any taxes, rates, insurance premiums or other charges which it has herein covenanted to pay, the Lessor may pay the same and shall be entitled to charge the sums so paid to the Lessee, who shall pay them forthwith on demand; and the Lessor, in addition to any other rights, shall have the same remedies and may take the same steps for the recovery of all such sums (which are deemed additional rent hereunder) as it might have and take for the recovery of rent in arrears under the terms of this Lease.

(d) **Refuse**

The Lessee will keep the Premises and every part thereof in a clean and tidy condition and will not permit wastepaper, garbage, ashes or waste or objectionable material to accumulate thereon.

9. NO SET-OFF

The Lessee hereby expressly waives in favour of the holder or holders of any mortgages of the Premises during the whole of the Term and any and all extensions thereof or holding over, the benefit and right granted by section 35 of the *Commercial Tenancies Act, R.S.O.*, and amendments thereto, and any other and all future Acts of any competent legislative body having jurisdiction herein permitting or which may permit the Lessee to claim or effect any set-off in whole or in part of any debt due to the Lessee from the Lessor against the rental reserved hereby, except as is herein provided.

10. FIXTURES

The Lessee covenants that no fixtures, goods or chattels of any kind will, except in the ordinary course of business, be removed from the Premises during the Term or at any time thereafter without the written consent of the Lessor first being had and obtained and until all rent in arrears as well as all rent to become due during the remainder of the Term shall have been fully paid or the payment thereof secured to the satisfaction of the Lessor. Any building, erection or improvement, other than Lessee's trade fixtures, placed or erected on the Premises at any time during the Term of this Lease shall, at the Lessor's sole option and discretion, become a part thereof and shall not be removed and shall be subject to all the provisions of this Lease.

11. RE-ENTRY ON DEFAULT

Proviso for re-entry by the Lessor on non-payment of rent or non-performance of covenants.

- (a) If and when the rent hereby reserved shall not be paid within five (5) days after notice of default in writing given to the Lessee by the Lessor; or
- (b) in case the Term or any goods or equipment of the Lessee shall be taken in execution or attachment; or
- (c) in case the Lessee shall become insolvent or bankrupt or make an assignment under or take advantage of any provisions of any Act that may be in force for the benefit of the bankrupt or insolvent debtors, or make a proposal; or
- (d) in case the Lessee shall not observe, perform and keep all and every of the covenants, agreements, provisions, stipulations and conditions herein contained to be observed, performed and kept by the Lessee (provided that fifteen (15) days' notice of default in writing has been given by the Lessor, and the Lessee has not diligently commenced within such period of fifteen (15) days to cure any such default), the full amount of the current month's rent shall immediately

become due and payable and the Lessor may, by legal process, commence proceedings to enter upon and take possession of the Premises.

Provided further that upon such re-entry of the Lessor under the terms of this paragraph or any other provision or provisions of this Lease the Lessor may, in addition to any other remedies to which the Lessor may be entitled to, at its option, at any time and from time to time, relet the Premises or any part of parts thereof for the account of the Lessee or otherwise and receive and collect the rents therefor, applying the same first to the payment of such expenses as the Lessor may have incurred in recovering possession of the Premises, including the legal expenses and solicitors' fees and for putting the same into good order or condition or preparing or altering the same for re-rental and all other expenses, commissions and charges paid, assumed or incurred by the Lessor in or about re-letting the Premises and then to the fulfilment of the covenants of the Lessee hereunder. Any such re-letting herein provided for may be for the remainder of the Term as originally granted or for a longer or shorter period. In any such case and whether or not the Premises or any part thereof be re-let, the Lessee shall pay to the Lessor the rental hereby reserved and all other sums required to be paid by the Lessee up to the time of the termination of this Lease or of recovery of possession of the Premises by the Lessor, as the case may be, and, thereafter, the Lessee covenants and agrees, if required by the Lessor, to pay to the Lessor until the end of the Term of this Lease the equivalent of the amount of all the rentals hereby reserved and all other sums required to be paid by Lessee hereunder, less the net avails of re-letting, if any, and the same shall be due and payable by the Lessee to the Lessor on the days herein provided for rental, that is to say, upon each of the days herein provided for the payment of rental, the Lessee shall pay to the Lessor the amount of the deficiency then existing.

PROVIDED and it is hereby expressly agreed:

- (e) That in case, without the written consent of Lessor, the Premises shall become and remain vacant or not used for a period of fifteen (15) days while the same are suitable for use by the Lessee, or be used by any other person than Lessee, or in case the Term or any of the goods and chattels of Lessee shall be at any time seized or taken in execution or in attachment by any creditor of Lessee or Lessee shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or any Order shall be made for the winding-up of Lessee, then and in every such case the then current month's rent shall immediately become due and payable and, at the option of the Lessor, this Lease shall cease and determine and the Term shall immediately become forfeited and void, in which event the Lessor may re-enter and take possession of the Premises as though the Lessee or any occupant or occupants of the Premises was or were holding over after the expiration of the Term without any right whatever.

- (f) **No Exceptions for Distress**

That notwithstanding the benefit of any present or future statute taking away or limiting the Lessor's right of distress, none of the goods and chattels of the Lessee on the Premises at any time during the Term shall be exempt from levy by distress for rent in arrears.

12. **QUIET ENJOYMENT**

The Lessor covenants with the Lessee for quiet enjoyment.

13. **INSPECTION OF PREMISES**

The Lessor or any other person producing a written order signed by the Lessor or its agents shall have the right to enter the Premises at all reasonable times in a manner so as not to unreasonably interfere with the Lessee or any of its sublessees for the purposes of:

- (a) making any repairs or replacements to the Premises and performing any work therein that may be necessary by reason of Lessor's obligations herein or Lessee's default under the terms of this Lease continuing beyond the applicable periods of grace;
- (b) exhibiting the Premises for the purpose of sale or mortgage; and
- (c) exhibiting the Premises (within one year prior to the expiration of the Term of this Lease) to prospective Lessees.

14. LESSEE IMPROVEMENTS

Any building, erection or improvement placed or erected upon the Premises shall become a part thereof and shall not be removed, unless as set out herein to the contrary, and shall be subject to all of the provisions of this Lease. The Lessee may at any time and from time to time decorate and paint the Premises and make such alterations, changes and improvements thereto with the prior written consent of the Lessor, not to be unreasonably withheld, provided however that no changes or additions shall be made to or affecting the structure or base building systems of the Premises.

15. ASSIGNMENT BY LESSOR

The Lessee covenants and agrees with the Lessor that it will, if and whenever reasonably required by Lessor and at Lessor's expense, consent to and become a party to any instrument relating to this Lease which may be required by or on behalf of any purchaser, bank or mortgagee from time to time of the Premises; provided always that the rights of the Lessee as hereinbefore set out be not altered or varied by the terms of such instrument or document. On an assignment of the Lease by the Lessor, its shall be released from any and all liability.

16. LIMITATION OF LESSOR'S LIABILITY

The term "Lessor" as used in this Lease so far as covenants or obligations on the part of the Lessor are concerned shall be limited to mean and include only the owner or owners at the time in question of the Premises and in the event of any transfer or transfers of ownership, the Lessor herein named, and in case of any subsequent transfers or conveyances, the then vendor or transferor shall be automatically freed and relieved from and after the date of such transfer or conveyance, of all personal liability as respects the performance of any covenants or obligations on the part of the Lessor contained in this Lease thereafter to be performed, provided that:

- (a) any funds in the hands of such Lessor or the then vendor or transferor at the time of such transfer, in which the Lessee has an interest, shall be turned over to the purchaser or transferee and any amount then due and payable to the Lessee by the Lessor or the then vendor or transferor under any provision of this Lease shall be paid to the Lessee; and
- (b) upon any such transfer, the purchaser or transferee shall be deemed to have assumed, subject to the limitations of this paragraph, all of the terms, covenants and conditions in this Lease contained to be performed on the part of the Lessor; it being intended hereby that the covenants and obligations contained in this Lease on the part of the Lessor shall, subject as aforesaid, be binding on the Lessor, its successors and assigns, only during and in respect of their respective successive periods of ownership.

17. LIENS

If any construction or other liens or orders for the payment of money shall be filed against the Premises by reason or arising out of any labour or material furnished to the Lessee or to anyone

claiming through the Lessee, the Lessee shall within fifteen (15) days after notice to Lessee of the filing thereof, cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Lessee shall defend all suits to enforce such liens or orders, whether against Lessee or Lessor, at Lessee's sole expense. The Lessee hereby indemnifies the Lessor against any expense or damage as a result of such liens or orders.

18. WAIVERS, CUMULATIVE REMEDIES, ETC.

Any condoning, excusing or overlooking by the Lessor of any default, breach or non-observance by the Lessee at any time or times in respect of any covenant, proviso or condition herein contained or the acceptance of any rent while any such default, breach or non-observance exists shall not (any law, statutory or otherwise, to the contrary notwithstanding) operate as a waiver of the Lessor's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, nor so as to defeat or affect in any way the rights of the Lessor hereunder in respect of any such continuing or subsequent default, breach or non-observance and all rights and remedies herein contained of the Lessor shall be deemed to be cumulative and not alternative and the taking of any proceeding or step shall not preclude the taking of any other proceeding or step.

19. INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

20. LESSOR MAY CURE LESSEE'S DEFAULTS

If Lessee shall default in the performance of any of the terms, covenants and conditions of this Lease, the Lessor may, after thirty (30) days' notice to the Lessee specifying such default, or without notice if in the reasonable exercise of Lessor's judgment an emergency exists, but shall not be obligated to, perform the same for the account and at the expense (including reasonable counsel fees) of Lessee and the amount of any payments made or expenses incurred by Lessor for such purpose, with interest thereon at the rate of twenty-four per cent (24%) per annum, shall become due and payable by Lessee as additional rent with the next or any subsequent instalment of rent which shall become due after such expenditure by Lessor; but any such expenditure by Lessor shall not be deemed to waive or release Lessee's default or the right of Lessor to take such action as may be permissible under the terms of this Lease in the event of such default.

21. NOTICES AND CERTIFICATES

- (a) The Lessee shall, without charge, at any time and from time to time within ten (10) days after request by Lessor, certify by written instrument duly executed, acknowledged and delivered to Lessor or any other person, firm or corporation specified by Lessor:
 - (i) that this Lease is unmodified and in full force and effect or if there have been any modifications, that the same are in full force and effect as modified and stating the modifications;
 - (ii) whether or not there are then existing any set-offs or defenses against the enforcement of any of the agreements, terms, covenants or conditions of this Lease on the part of the Lessee to be performed or complied with and, if so, specifying the same; and
 - (iii) the dates, if any, to which the next rent, additional rent and any other charges hereunder have been paid.
 - (iv) Any other matter which the Lessor reasonably requires.

(b) Any notice to be given by the provisions of this Lease shall be sufficiently given if served personally or if mailed postage prepaid at any one of Her Majesty's Post Office in the Province of Ontario in a registered letter addressed:

(i) in the case of a notice to the Lessor, to it at:

Town of The Blue Mountains
32 Mil Street
Thornbury, ON N0H 2P0
Attention: ●

and

(ii) in the case of a notice to the Lessee (TBD),

or to such other address as the party concerned shall have notified the other in writing. Any notice so mailed shall be held conclusively to have been given twenty-four (24) hours after such mailing. Either party may from time to time by notice to the other change the address to which notices are to be given.

22. MISCELLANEOUS

- (a) In addition to the specific obligations elsewhere in this Lease reserved and contained on the part of the Lessee to be observed and performed and without in any way limiting the generality thereof, the condition, maintenance, operation and management of the Premises, the buildings, appurtenances thereto and other improvements from time to time thereon and all machinery, equipment and other facilities therein or thereon shall be the sole responsibility of the Lessee throughout the Term thereof, (save and except for capital repairs or replacements as herein provided for) and the Lessee shall make all payments, foreseen, unforeseen, ordinary and/or extraordinary, required to be made not only with respect to the observance and performance of such specific obligations but also with respect to the general obligation in this clause contained.
- (b) Any payment required to be made by any provision of this Lease shall be made in lawful money of Canada.
- (c) The Lessee acknowledges the Premises to be subject to all local ordinances and building restrictions as the same may affect the Premises. Lessee accepts the Lessor's title to the Premises and further accepts the Premises in their present condition.
- (d) This Lease contains the entire agreement between the parties and shall not be modified in any manner, except by an instrument in writing executed by the parties.
- (e) This Lease terminates and revokes all previous leases between the parties concerning the Premises.
- (f) Words importing the singular number only shall include the plural and vice-versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice-versa.
- (g) This Lease and everything herein contained extend to and bind and enure to the benefit of the respective heirs, executors, administrators, successors and assigns (as the case may be) of each and every of the parties hereto, subject to the consent of the Lessor being obtained as hereinbefore provided to any assignment or sublease by Lessee. All rights and powers reserved to Lessor may be exercised by either Lessor or its agents or representatives.

23. SUBORDINATION AND NON-DISTURBANCE

- (a) Provided that upon the written request of the Lessor, this Lease and everything herein contained shall be deemed to be subordinate to any charge or charges from time to time created by the Lessor with respect to the Premises by way of mortgage, and the Lessee hereby covenants and agrees that it will promptly at any time and from time to time as required by the Lessor during the Term hereof, execute all documents and give all further assurances to this proviso as may be reasonably required to effectuate the postponement of its rights and privileges hereunder to the holder or holders of such charge or charges.
- (b) Provided that such subordination will not cancel the Lease or modify it for any reason. In such event the Lessor shall use its reasonable best efforts to obtain from such mortgagee(s) a Non-Disturbance Agreement in form reasonably satisfactory to Lessee's solicitor.

24. LESSEE'S ACKNOWLEDGEMENT

The Lessee covenants and agrees with the Lessor that it will as and whenever reasonably required by the Lessor, certify or acknowledge to any purchaser, bank or mortgagee as to the status and validity of its Lease and the status of the rentals and the Lessee's account herein, in the Lessor's form.

IN WITNESS WHEREOF the parties hereto have hereunto caused to be affixed their corporate seals duly attested to by the hands of their respective proper signing officers authorized in that behalf as of the date first above written.

Dated at _____ this _____ day of _____, 2021

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS (Lessor)

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

I/We have the authority to bind the Corporation

Dated at _____ this _____ day of _____, 2021

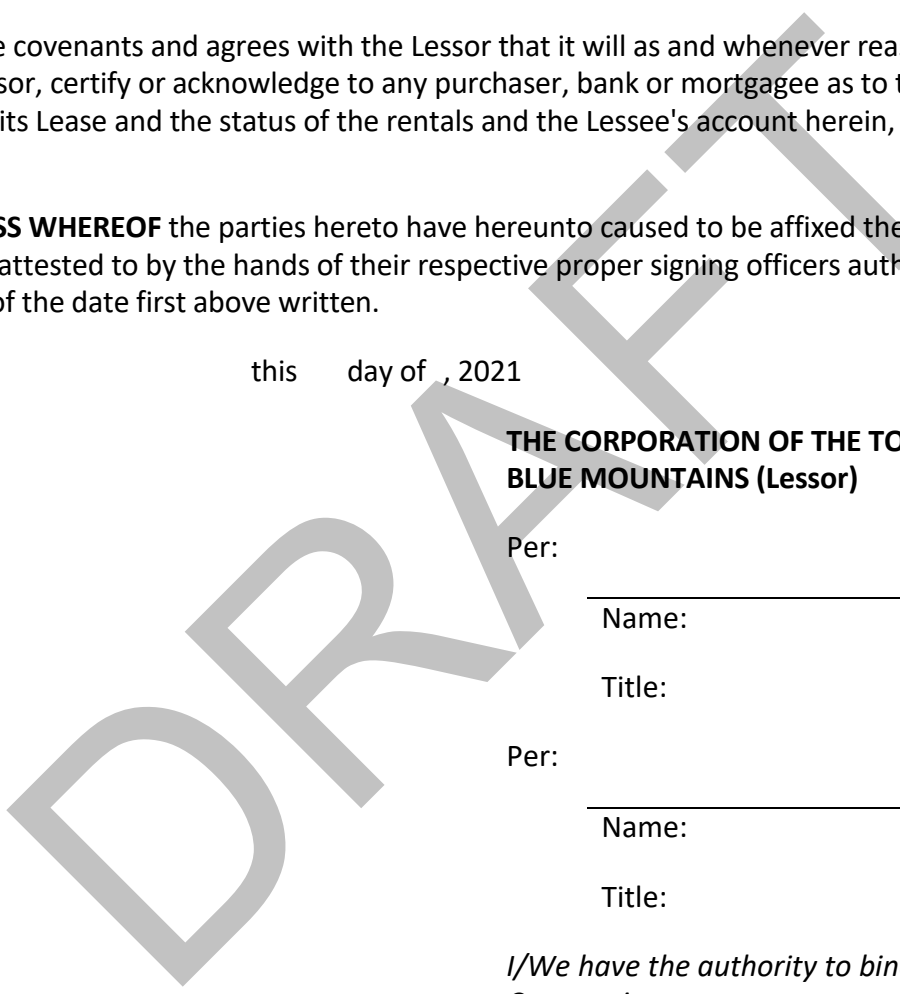
The BLUE MOUNTAIN ATTAINABLE HOUSING CORPORATION (Lessee)

Per: _____

Name: _____

Title: _____

Per: _____



Name: _____

Title:

*I/We have the authority to bind the
Corporation*

DRAFT

SCHEDULE "A"

Legal Description

19 Napier Street, Thornbury, Ontario

PIN 37140-0517 (LT)

PT PARKLT 2 SW/S NAPIER ST PL THORNBURY AS IN R432055.

DRAFT