

LEASE AGREEMENT

THIS Lease Agreement made as of the 17th day of May, 2023.

BETWEEN:

[Redacted] and [Redacted] (hereinafter called the "Landlords")

OF THE FIRST PART;

- and -

Phil Sift and Paul Donaldson (hereinafter called the "Tenants")

OF THE SECOND PART

WHEREAS:

- A. [Redacted] is the owner/operator of a local marina located at 1930 Mortimer's Point Road, Port Carling, Ontario P0B 1J0 ("Mortimer's Marina").
- B. [Redacted] is the owner/operator of a landing located at 1935 Mortimer's Point Road, Port Carling, Ontario P0B 1J0 ("Mortimer's Point Landing").
- C. The Tenants are the registered owners of real property located on Meda Island in Lake Muskoka, legally described as: *Parcel 20741 Section Muskoka; Part Meda Island Medora, designated as Part 1 on Plan BR1165; Township of Muskoka Lakes; District Municipality of Muskoka.*
- D. The Tenants have applied to the Township of Muskoka Lakes to create five (5) new water access only lots – for a total of six (6) resultant lots on the Tenants' property on Meda Island (Consent File Nos.: B/32/33/34/35/36/21/ML) and the Township of Muskoka Lakes Official Plan Policy B.5.24 d) requires that the Tenants secure adequate long term parking and docking facilities.

In consideration of the rents, covenants and obligations stipulated herein the Landlords and the Tenants have agreed to enter into a lease for parking and docking on the following terms:

1. DOCKING and PARKING

- a. The property being leased is described as six (6) existing boat slips – SLIP #8-13 (see attached Schedule A) and six (6) existing parking spots – CAR #5-10 located at Mortimer's Marina (see attached Schedule B), plus six (6) additional parking spots in the existing parking area located at Mortimer's Point Landing (see attached Schedule C) (the "Property").
- b. The parties agree that should expected future docking and/or parking become available at Mortimer's Marina, at such time as Township of Muskoka Lakes Consent File Nos.: B/32/33/34/35/36/21/ML, and all associated or required Official Plan Amendments and Zoning By-Law Amendments have been approved and all conditions of any approval satisfied, the leased property shall instead be described as six (6) boat slips – SLIP #8-13 (see attached Schedule B) and six (6) existing parking spots – CAR #5-10 located at

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Mortimer's Marina (see attached Schedule B), plus six (6) additional parking spots in the existing parking area located at Mortimer's Point Landing (see attached Schedule C).

- c. The term Property will be used throughout this Lease Agreement but is intended to include the Property described in clause 1. a. or the Proposed Property described in clause 1. b., if approval has been received for same.

The Parties may choose to mutually amend the Lease Agreement to re-describe the Property and other terms should alternate parking and docking become available at Mortimer's Marina or Mortimer's Point Landing.

- d. Use of the Property is for six (6) designated boats and twelve (12) designated personal motor vehicles, see attached Schedule D, or as approved and registered with the Landlords from time to time.
- e. The Tenants are limited to docking and parking on the Property. For clarity, there is no parking privileges for guests or services beyond the designated boat slips and parking spots provided in this agreement.
- f. Additional motor vehicle parking is available on property adjacent to Mortimer's Marina at the going daily, weekly, monthly, or seasonal rate set from time-to-time. Any additional parking to be arranged privately by the Tenant and not part of this Lease Agreement.

2. TERM and RENEWAL RIGHTS

- a. The term shall be for five (5) consecutive years, ending on April 30th, 2028 (the "Term").
- b. The Tenants shall have the right of first refusal upon expiration of the lease for continued rental of the Property for up to three (3) additional five (5) year terms – the maximum rental period being twenty (20) years.
- c. In the event the lease is renewed the Rent as set out below is subject to increase at the sole discretion of the Landlords and the new rental fees by boat slip/parking spot shall be provided by June 1st of the final year of the Term. The Tenants shall notify the Landlords in writing of their decision by June 1st of the final year of the Term. If notice is not received Tenants are deemed to have refused to renew.

3. ANNUAL RENT – rent shall be broken down by boat slip/parking spot and is due and payable annually upon receipt of an invoice from the Landlords, or payable as negotiated between the Parties:

- a. Annual rent in the amount of \$ [REDACTED], plus HST for SLIP #8, CAR #5, and the additional parking spot at Mortimer's Point Landing;
- b. Annual rent in the amount of \$ [REDACTED], plus HST for SLIP #9, CAR #6, and the additional parking spot at Mortimer's Point Landing;

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- c. Annual rent in the amount of \$ [REDACTED], plus HST for SLIP #10, CAR #7, and the additional parking spot at Mortimer's Point Landing;
- d. Annual rent in the amount of \$ [REDACTED], plus HST for SLIP #11, CAR #8, and the additional parking spot at Mortimer's Point Landing;
- e. Annual rent in the amount of \$ [REDACTED], plus HST for SLIP #12, CAR #9, and the additional parking spot at Mortimer's Point Landing;
- f. Annual rent in the amount of \$ [REDACTED], plus HST for SLIP #13, CAR #10, and the additional parking spot at Mortimer's Point Landing;

The total sum of 3. a.-f. together is considered the "Rent" payable by the Tenants.

The Parties agree that annual Rent payable is subject to yearly market increases at the discretion of the Landlords. Should the Proposed Property become available, and covered boat slips or boathouses are constructed on the Proposed Property, the Parties agree that the minimum annual rent for each of 3. a.-f. shall increase from \$ [REDACTED] to \$ [REDACTED] plus HST, but such annual rent shall not include any mechanical services that may be required for winter storage.

4. USE

- a. The Tenants agree to use the Property for the parking of personal vehicles and boats and not for any commercial use or use by contractors or other third party designation unless same has been approved in writing by the Landlords.
- b. Should covered boat slips or boathouses be constructed on the Proposed Property in the future, the Tenants shall be allowed to store their boats as identified in Schedule C during the winter months on the Property.
- c. Subletting of the Property by the Tenants is strictly prohibited without written consent from the Landlords, which may be withheld at their sole discretion.

5. ASSIGNMENT

- a. The Landlords and Tenants agree that upon the sale or transfer of any of the six (6) resultant lots proposed in Township of Muskoka Lakes of Consent File Nos.: B/32/33/34/35/36/21/ML, the Tenants will assign their rights to one (1) of the boat slips and two (2) of the parking spots that make up the Property to the new owner(s) of each Meda Island lot and the new owner(s) shall become responsible for all annual rents due for the remainder of the Term, and shall enjoy the right of first refusal for the renewal of the lease and continued use of the assigned boat slip and parking spots.
- b. Should the new owner(s) of any one (1) of the six (6) resultant lots not require docking or parking facilities with the Landlords the parties can terminate the Lease Agreement appurtenant to one (1) of the boat slips and two (2) of the parking spots, and the Landlords may rent the said docking and parking spots to new tenant(s).

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- c. Until any new owner(s) of any of the six (6) resultant lots execute a written agreement directly with the Landlords agreeing to be bound by all the terms of this lease agreement appurtenant to their assigned boat slip and parking spots – see attached Schedule E (the sample “Assumption Agreement”) or enter into a new lease agreement the Tenants are not relieved from their obligations under this agreement with respect to the assigned boat slip and parking spots.
- d. The Landlords may require any new owner(s) to complete a credit check and/or provide a credit report prior to the Landlords signing an Assumption Agreement or entering into a new lease agreement. Depending on the results of the credit check and/or credit report the parties understand that the Landlords may deny an assignment to new owner(s).


6. CONDITION PRECEDENT

- a. This agreement is conditional on the Tenants receiving approval from the Township of Muskoka Lakes for Consent File Nos.: B/32/33/34/35/36/21/ML, and all associated or required Official Plan Amendments and Zoning By-Law Amendments. Should the Tenants’ applications not be approved, or the conditions of any approval not satisfied by the statutory timelines as set out in the *Planning Act*, or as amended by statute, this agreement shall be deemed null and void. This condition is included for the benefit of the Tenants and may be waived in whole or in part, by the Tenants in writing.
- b. Notwithstanding clause 6. a. above, the Parties have agreed that the Tenants shall pay the Annual rent for one (1) boat slip and two (2) parking spots for the entire five (5) year term upon the issuance of the Notice of Decision from the Council of The Corporation of the Township of Muskoka Lakes for Consent File Nos.: B/32/33/34/35/36/21/ML and shall have use of one (1) boat slip and two (2) parking spots immediately at Mortimer’s Marina upon payment.

7. INSURANCE and LIABILITY

- a. The Landlords shall maintain liability and CGL for the Property.
- b. The Tenants shall provide proof of motor vehicle, vessel, and contents insurance.
- c. The Tenants acknowledge they are waiving legal rights and their ability to sue, furthermore they are relieving the Landlords of liability. The Landlords shall not in any event whatsoever be liable or responsible in any way for: (a) any personal injury or death that may be suffered or sustained; or (b) any loss of or damage or injury to any property including cars and any contents belonging to the Tenants or to any member of the Tenants’ family or to any other person while such property is on the rented premises or on the premises of the Landlords; or (c) without limiting the generality of the foregoing; any damages to any such property caused by water, rain or snow which may leak into, issue or flow from any part of the rented premises or the premises of the Landlords.


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8. DEFAULT


Any of the following constitutes an even of default under this Lease Agreement ("Events of Default"):

- a. Any Rent due is not paid within thirty (30) days after notice in writing from the Landlords to the Tenants;
- b. The Tenants have breached any of the terms, conditions, or obligations in this Lease Agreement, or fail to comply with any rules and regulations of Mortimer's Marina;
- c. The Tenants become bankrupt or insolvent;
- d. The Tenants make an assignment or sublease, other than in compliance with the terms of this Lease Agreement;
- e. Any insurance policy contemplated in this Lease Agreement is cancelled or threatened to be cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission of the Tenants or any person for whom the tenants are legally responsible;

9. REMEDIES

- a. If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlords shall have the following rights and remedies, which are cumulative and not alternative:
 - i. To terminate this Lease Agreement by notice to the Tenants, remove all persons, boats, personal motor vehicles and other personal property of the Tenants from the Property and store such property at the expense and risk of the Tenants or sell or dispose of such property in such manner as the Landlord sees fit without notice of the Tenants;
 - ii. To recover from the Tenants all damages, costs, and expenses incurred by the Landlords as a result of any default by the Tenants;
 - iii. To recover from the Tenants the full amount of the current year's Rent;
- b. Notwithstanding any provision of this Lease Agreement, or any provisions of any applicable legislation, none of the personal property of the Tenants on the Property or on the lands owned by Mortimer's Marina and/or Mortimer's Point Landing at any time during the Term shall be exempt from levy or distress for Rent in arrears, and the Tenants waive any such exemption. If the Landlords make any claim against the personal property of the Tenants by way of distress, this provision may be pleaded as an estoppel against the Tenants in any action brought to test the right of the Landlords to levy such distress.
- c. The Tenants shall pay to the Landlords all damages, costs and expenses incurred by the Landlords in enforcing the terms of this Lease Agreement, or with respect to anything which is the obligation of the Tenants under this Lease Agreement, or in respect of which the Tenants have agreed to insure or to indemnify the Landlords.


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- d. Notwithstanding any other provision of this Lease Agreement, the Landlords may from time-to-time resort to any or all of the rights and remedies available to it in the event of any default thereunder by the Tenants, wither by any provision of this Lease Agreement, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease Agreement as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlords by statute or common law.

10. NOTICE

- a. Any notice required or permitted to be given by one party to the other pursuant to the terms of this agreement may be given to the Landlords at: 1930 Mortimer's Point Road, Port Carling, Ontario P0B 1J0.
- b. Any notice required or permitted to be given by one party to the other pursuant to the terms of this agreement may be given to the Tenants at: 3687 Muskoka District Road 118 West, Port Carling, Ontario P0B 1J0.

11. REGISTRATION

- a. The Landlords have agreed that the Tenants have the right to register notice of this lease agreement on title to their Meda Island property.


12. RULES AND REGULATIONS

- a. The Tenants agree on behalf of itself and all persons entering the Mortimer's Marina property and/or the Mortimer's Point Landing property and using the Property with the Tenants' authority or permission to abide by such reasonable rules and regulations that the Landlords may make or amend from time to time.

13. INTERPRETATION

- a. This agreement and any schedules attached thereto is the entire agreement between the parties and there are no covenants, representations, warranties, agreements, or other conditions expressed or implied, save as expressly set out herein. No amendment, variation or change to this agreement shall be binding unless the same is in writing signed by all parties.
- b. Nothing contained in this Lease Agreement shall be construed as giving to the Tenants anything more than permission to use the Property for the parking of personal vehicles and boats until such time as the Lease Agreement is terminated.
- c. This agreement will be governed by and construed in accordance with the laws of Canada and the Province of Ontario.


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- d. The words importing the singular number only shall include the plural, and vice versa, and words importing the masculine shall include the female gender, and words importing persons shall include firms and corporations and vice versa.
- e. Unless the context otherwise requires, the word "Landlords" and the word "Tenants" wherever used herein shall be construed to include the executors, administrators, successors and assigns of the Landlords and Tenants, respectively, except where as otherwise provided herein.
- f. When there are two or more Tenants bound by the same covenants herein contained, their obligations shall be joint and several.
- g. This agreement and each amendment, supplement, restatement, or termination thereof may be executed and delivered in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.
- h. If any provision of this agreement shall, to any extent, be invalid or unenforceable, the remainder of this agreement, shall not be affected and shall be separately valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED

In the presence of

[Redacted Signature]

Witness

[Redacted Signature]

Witness

[Redacted Signature]

Witness

[Redacted Signature]

Witness

2634256 ONTARIO INC.

[Redacted Signature]

Per/ Jason Mortimer

Leaves the authority to bind the Corporation

[Redacted Signature]

Daniel Mortimer

[Redacted Signature]

Paul Donaldson

[Redacted Signature]

Phil Siff

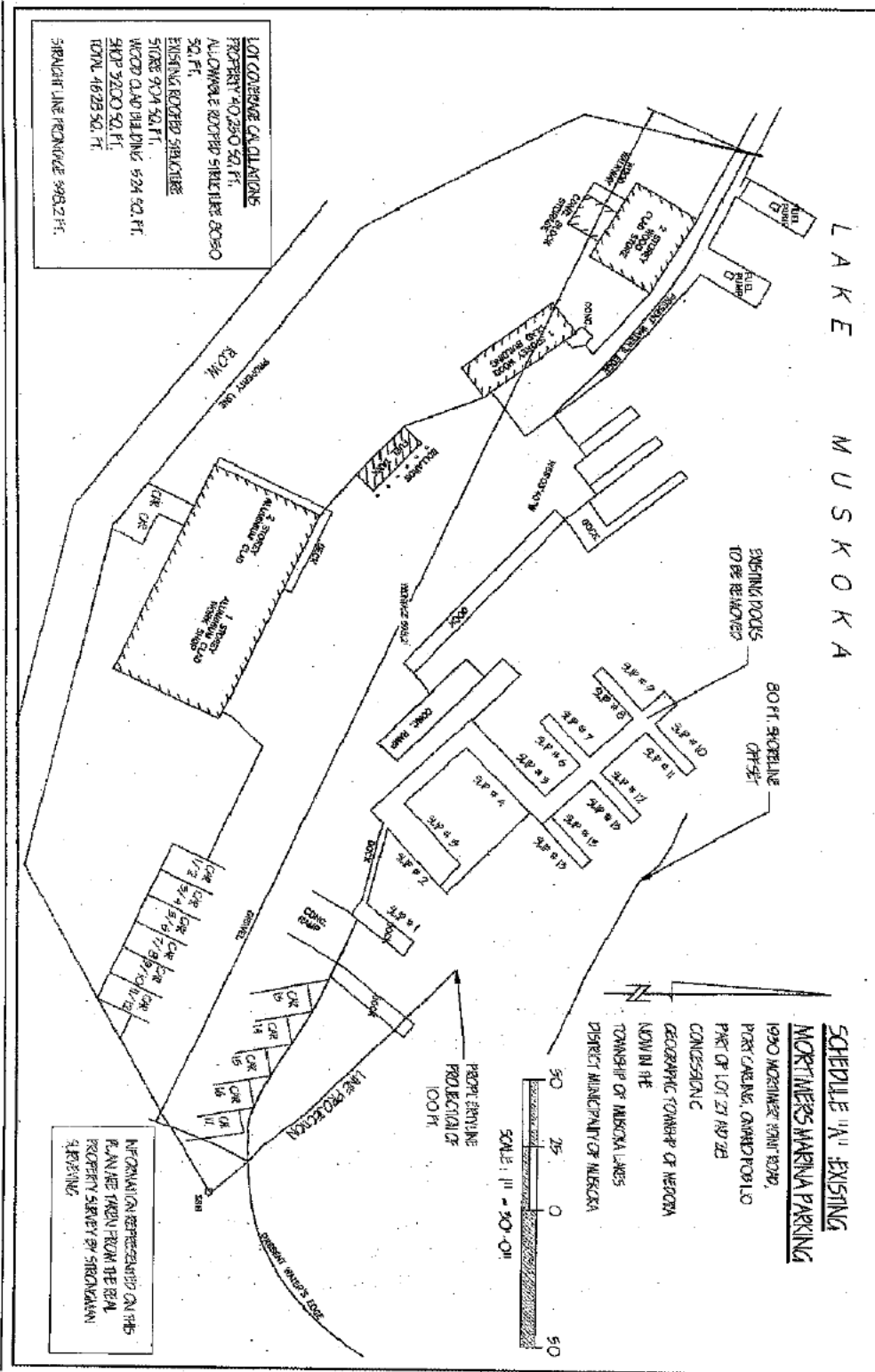
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SCHEDULE A



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**SCHEDULE E
ASSUMPTION AGREEMENT**

made in duplicate the _____ day of _____, 20_____.

BETWEEN:

_____ and _____ (the Landlords)

and

Phil Siftt & Paul Donaldson (the Tenants)

and

_____ (the Purchasers) of Lot _____ on Meda Island.

RECITALS:

- a) The Landlords and the Tenants entered into a Lease Agreement dated the 17th day of May, 2023 (the original Lease Agreement).
- b) Phil Siftt & Paul Donaldson have entered into an Agreement of Purchase and Sale to sell Lot _____ on Meda Island to the Purchasers with a scheduled Completion Date of the _____ day of _____, 20_____.
- c) The Purchasers have agreed to enter into this Assumption Agreement to confirm their obligations to proceed with the terms of the original Lease Agreement appurtenant to SLIP #_____, CAR #_____, and the additional parking spot at Mortimer's Point Landing upon completion of the sale/purchase of Lot _____ on Meda Island land from Phil Siftt & Paul Donaldson.

NOW THEREFORE in consideration for the mutual covenants contained herein, the parties agree as follows:

- i) The Purchasers assume and agree to perform all of the remaining obligations of Phil Siftt & Paul Donaldson under the original Lease Agreement appurtenant to SLIP #_____, CAR #_____, and the additional parking spot at Mortimer's Point Landing and agree to be bound by all of the covenants, terms, conditions, and obligations made by, or binding on Phil Siftt & Paul Donaldson appurtenant to SLIP #_____, CAR #_____, and the additional parking spot at Mortimer's Point Landing as though the Purchasers had been the signing party to the original Lease Agreement.
- ii) The Purchasers acknowledge and confirm that they have reviewed the original Lease Agreement, understand the terms, and have been advised of the current rules and regulations of the Landlords and Mortimer's Marina. Any adjustment for rents paid are to be made between the Purchasers, Phil Siftt and Paul Donaldson.
- iii) Phil Siftt and Paul Donaldson shall be released from any liability under the original Lease Agreement appurtenant to SLIP #_____, CAR #_____, and the additional parking spot at Mortimer's Point Landing.

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- iv) The parties agree to be bound by any and all facsimile/electronic transmissions of this Assumption Agreement and also agree that reproductions of signatures by telecommunications will be treated as originals.
- v) The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED

In the presence of

_____)
_____)
_____)

Witness

_____)
_____)
_____)

Witness

_____)

Witness

_____)

Witness

_____)

Witness

_____)
_____)

2634256, ONTARIO INC.

_____)

Per: Jason Mortimer

I have the authority to bind the Corporation

_____)
_____)

Daniel Mortimer

_____)

Paul Donaldson

_____)

Phil Sift

_____)

Purchasers

_____)
_____)

Initials of Landlords

_____)
_____)

Initials of Tenants