

CORPORATION OF THE TOWN OF GANANOQUE

BY-LAW NO. 2011-136

BEING A BY-LAW TO AUTHORIZE THE TOWN OF GANANOQUE TO
ENTER INTO A LEASE AGREEMENT WITH THE HISTORIC 1000 ISLANDS
VILLAGE FOUNDATION (ARTHUR CHILD
HERITAGE MUSEUM).

WHEREAS by Section 5 of the Municipal Act, 2001, S.O. 2001, c. 25, the powers of a municipal corporation are to be exercised by its Council;

AND WHEREAS the Municipal Act, 2001, S.O. 2001, c. 25, provides that the powers of every Council are to be exercised by Bylaw

NOW THEREFORE be it resolved that the Council of the Corporation of the Town of Gananoque enacts as follows;

1. That the Council hereby authorizes entering into a four year lease arrangement, with the Arthur Child Heritage Museum, as set out in Schedule 'A' attached hereto.
2. That this bylaw shall come into force and effect on January 01, 2012.

READ A FIRST, SECOND, and THIRD TIME, passed, signed, and sealed with the corporate seal this 20th day of December, 2011.



Mayor, Erika Demchuk



Clerk, Bonnie Dingwall



LEASE
(Commercial)

Made the _____ day of _____, 2011.

BETWEEN

THE CORPORATION OF THE TOWN OF GANANOQUE
(the "Landlord")

-AND-

**HISTORIC 1000 ISLANDS VILLAGE FOUNDATION (ARTHUR CHILD
HERITAGE MUSEUM)**
(the "tenant")

In consideration of the rents, covenants and obligations stipulated herein the Landlord and the Tenant have agree to enter into a Lease of the premises locate in the Thousand Islands Historic Village in the Town of Gananoque and more particularly as follows:

BUILDING NO: Arthur Child Heritage Museum

MUNICIPAL ADDRESS: 125 Water Street

hereinafter referred to as the "Premises".

1. GRANT OF LEASE

- (1) The Landlord leases the Premises to the Tenant:
 - (a) at the Rent set forth in Section 2;
 - (b) for the Term set forth in Section 3; and
 - (c) subject to the conditions and in accordance with the covenants, obligations and agreements herein.
- 2) The Landlord covenants that he has the right to grant the leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. RENT

- (1) The Tenant covenants to pay all other sums required by this Lease to be paid by it and agrees that all amounts payable by the Tenant to the Landlord or to any other party pursuant to the provisions of this Lease shall be deemed to be additional rent ("Additional Rent") whether or not specifically designated as such in this lease.
- (2) The Tenant shall pay a rental fee of \$1.00 per year of which the Landlord hereby recognizes receipt of same.
- (3) The Landlord and the Tenant agree that it is their mutual intention that this Lease shall be a completely carefree net lease for the Landlord and that the Landlord shall not, during the Term of this Lease, be required to make any payments in respect of the Premises other than charges of a kind personal to the Landlord (such as income and estate taxes and mortgage payments):

(a) and to effect the said intention of the parties the Tenant promises to pay the following expenses related to the Premises as Additional Rent;

- (i) utilities (including but not limited to gas, electricity, water and sewer);
- (ii) services supplied to the Premises, provided that this does not in any way oblige the Landlord to provide any services, unless otherwise agreed in this Lease;
- (iii) maintenance items such as carpet and window cleaning, additional landscape other than what is provided by the Town, etc.; (beyond the items provided for those indicated in 2. (2) (a) (iv))
- (iv) the Landlord shall be responsible for maintenance items as listed herein:
 - grass cutting;
 - pressure washing the building exterior;
 - spraying for insects as required;
 - health and safety requirements such as the elevator and fire sprinkler inspection; and
 - machinery items such as HVAC and heating.

3. TERM AND POSSESSION

(1) The Tenant shall have possession of the Premises for a period of four (4) years, commencing on:

the 1st day of January, 2012

and ending on :

the 31st day of December 2015,
(the "Term").

(2) Subject to the Landlord's rights under this Lease, and as long as the Lease is in good standing the Landlord covenants that the Tenant shall have quiet enjoyment of the Premises during the Term of this Lease without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming through the Landlord.

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

(4) If the reasons beyond the Landlord's control, vacant possession of the Premises cannot be given to the Tenant on the commencement date of the Term of the Lease, the Lease shall remain in effect but the Tenant shall not be required to pay Rent until the date when possession is actually given to the Tenant;

(a) But if possession is not given within ninety (90) clear days from the commencement date of this Lease either party may terminate this Lease by written notice to the other;

(b) And any delay in the actual occupation by the Tenant of the Premises shall not extend to Term of the Lease.

4. ASSIGNMENT

(1) The Tenant shall not assign this Lease or sublet the whole or any part of the Premises unless he first obtains the consent of the Landlord in writing,

which consent shall not unreasonable be withheld, and the Tenant hereby waives its right to the benefit of any present or future Act of the Legislature of Ontario which would allow the Tenant to assign this Lease or sublet the Premises without the Landlord's consent.

- (2) The Landlord hereby grants permission for the Gananoque and District Historical Society to occupy a portion of the premises.
- (3) The consent of the Landlord to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.
- (4) Any consent granted by the Landlord shall be conditional upon the assignee, sub lessee or occupant executing a written agreement directly with the Landlord agreeing to be bound by all the Terms and Conditions of this Lease as if the assignee, sub lessee or occupant had originally executed this Lease as Tenant.
- (5) Any consent given by the Landlord to any assignment or other disposition of the Tenant's interest in this Lease or in the Premises shall not relieve the Tenant from its obligations under this Lease, including the obligation to pay Rent and Additional Rent as provided for herein.

5. USE

- (1) During the Term of this Lease the Premises shall not be used for any purpose other than a museum and gift shop purposes, including but not limited to workshops, community group uses, seminars, displays and educational programming. The product lines purchased for retail shall be exclusive to this business. In the event of duplication or merchandizing conflict with the commercial tenants within the Historic Village, seniority of tenure with the product shall prevail.
- (2) The Board of Directors of the Historic 1000 Islands Village Foundation shall operate/administer the facility in accordance with its mission and mandate with due diligence in accordance with the criteria as outlined in 5 (1).
- (3) In consideration of the Tenant entering into this lease the Term, the Landlord covenants with the Tenant that during the Term of this Lease, it shall not Lease any other space within the 1000 Islands Historic Village to any person for a primary purpose that is materially the same as the primary purpose for which the Premises have been leased by the Tenant.
- (4) The Tenant shall not do or permit to be done at the Premises anything which may:
 - (a) Constitute a nuisance;
 - (b) Cause damage to the Premises;
 - (c) Cause injury or annoyance to occupants of neighbouring premises;
 - (d) Make void or voidable any insurance or cause any increase in the premium payable by the Landlord for insurance upon the Premises; or
 - (e) Constitute a breach of any by-law, statute, order or regulation of any municipal, Provincial or other competent authority relating to the Premises.
- (5) The Tenant covenants and agrees that every effort will be made to conserve energy as it relates to hydro and water consumption, which the Landlord shall review on an ongoing basis.

6. REPAIR AND MAINTENANCE

- (1) The Tenant covenants that during the term of this Lease and any renewal thereof the Tenant shall keep in good condition and Premises including all alterations and additions made thereto, and shall, with or without notice, promptly make all needed repairs and all necessary replacements as would a prudent owner, but the Tenant shall not be liable to affect repairs attributable to reasonable wear and tear, or to damage caused by fire, lightning or storm.
- (2) The Tenant shall permit the Landlord or a person authorized by the Landlord to enter the Premises to examine the condition thereof and view the state of repair at reasonable times:
 - (a) and if upon such examination repairs are found to be necessary, written notice of the repairs required shall be given to the Tenant by or on behalf of the Landlord and the Tenant shall make the necessary repairs within the time specified in the notice.
 - (b) and if the Tenant refuses or neglects to keep the Premises in good repair the Landlord may, but shall not be obliged to, make any necessary repairs, and shall be permitted to enter the Premises, by himself or its servants or agents, for the purpose of affecting the repairs without being liable to the Tenant for any loss, damage or inconvenience to the Tenant in connection with the Landlord's entry and repairs, and if the Landlord makes repairs the Tenant shall pay the cost of them immediately as Additional Rent.
- (3) Upon the expiry of the Term or other determination of this Lease the Tenant agrees peaceably to surrender the Premises, including any alterations or additions made thereto, to the Landlord in a state of good repair, reasonable wear and tear and damage by fire, lightning and storm only excepted.
- (4) The Tenant shall immediately give written notice to the Landlord of any substantial damage that occurs to the Premises from any cause.

7. ALTERATIONS AND ADDITIONS

- (1) If the Tenant, during the Term of this Lease or any renewal of it, desires to make any alterations or additions to the Premises, including but not limited to: erecting partitions, attaching equipment, and installing necessary furnishings or additional equipment of the Tenant's business, the Tenant may do so at its own expense, at any time and from time to time, if the following conditions are met:
 - (a) before undertaking any alteration or addition the Tenant shall submit to the Landlord a plan showing the proposed alterations or additions and items included in the plan which are regarded by the Tenant as "Trade Fixtures" shall be designated as such on the plan, and the Tenant shall not proceed to make any alteration or addition unless the Landlord has approved the plan, and the Landlord shall not unreasonably or arbitrarily withhold its approval;
 - (b) any and all alterations or additions to the Premises made by the Tenant must comply with all applicable building code standards and by-laws of the municipality in which the Premises are located.
- (2) The Tenant shall be responsible for and pay the cost of any alterations, additions, installations or improvements that any governing authority, municipal, provincial or otherwise, may require to be made in, on or to the Premises.
- (3) No sign, advertisement or notice shall be inscribed, painted or affixed by the Tenant, or any other person on the Tenant's behalf, on any part of the

building in which the Premises are located unless the sign, advertisement or notice has been approved in every respect by the Landlord, which approval may be withheld if the Landlord determines in its absolute discretion that such sign, advertisement or notice is not consistent with the image and general appearance and character of the 1000 Islands Historic Village.

- (4) All alterations and additions to the Premises made by or on behalf of the Tenant, other than the Tenant's Trade Fixtures, shall immediately become the property of the landlord without compensation to the Tenant.
- (5) The Tenant agrees, at its own expense and by whatever means may be necessary, immediately to obtain the release or discharge of any encumbrance that may be registered against the Landlord's property in connection with any additions or alterations to the Premises made by the Tenant or in connection with any other activity of the Tenant.
- (6) If the Tenant has complied with its obligations according to the provisions of this lease, the Tenant may remove its Trade Fixtures at the end of the Term or other termination of this Lease and the Tenant covenants that he will make good and repair or replace as necessary any damage caused to the Premises by the removal of the Tenant's Trade Fixtures.
- (7) Other than as provided in paragraph 7 (6) above, the Tenant shall not, during the Term of the Lease or anytime thereafter remove from the premises any Trade Fixtures or other goods and chattels of the Tenant except in the following circumstances:
 - (a) the removal is in the ordinary course of business;
 - (b) the Trade Fixture has become unnecessary for the Tenant's business or is being replaced by a new or similar Trade Fixture; or
 - (c) the Landlord has consented in writing to the removal;but in any case the Tenant shall make good any damage caused to the Premises by the installation or removal of any Trade Fixtures, equipment, partitions, furnishings and nay other objects whatsoever brought onto the Premises by the Tenant.
- (8) The Tenant shall, at its own expense, if requested by the Landlord, remove any or all additions or improvements made by the Tenant to the Premises during the Term and shall repair all damage caused by the installation or the removal or both.
- (9) The Tenant shall not bring onto the Premises or any part of the Premises any machinery, equipment or any other thing that might in the opinion of the Landlord, by reason of its weight, size or use, damage the Premises or overload the floors of the Premises, and if the Premises are damaged or overloaded the Tenant shall restore the Premises immediately or pay to the Landlord the cost of restoring the Premises.

8. INSURANCE

- (1) During the Term of this Lease and any renewal thereof the landlord shall maintain with respect to the Premises insurance coverage insuring against:
 - (a) loss or damage by fire, lightning, storm and other perils that may cause damage to the Premises or the property of the Landlord in which the Premises are located as are commonly provided for as extended perils coverage or as may be reasonably required and obtained by the Landlord, and the insurance policy shall provide coverage on a replacement cost basis in an amount sufficient to cover the cost of all signs and leasehold improvements;

- (b) liability for bodily injury or death or property damage sustained by third parties up to such limits as the Landlord in its sole discretion deems advisable;
- (c) rental income protection insurance with respect to fire and other perils to the extent of one year's Rent payable under this lease;

but such insurance and any payment of the proceeds thereof to the Landlord shall not relieve the Tenant of its obligations to continue to pay rent during any period of rebuilding, replacement, repairing or restoration of the Premises except as provided in Section 9.

- (2) The Tenant covenants to keep the Landlord indemnified against all claims and demands whatsoever by any person, whether in respect of damage to person or property, arising out of or occasioned by the maintenance, use or occupancy of the Premises or the subletting or assignment of same or any part thereof. And the Tenant further covenants to indemnify the Landlord with respect to any encumbrance on or damage to the Premises occasioned by or arising from the act, default, or negligence of the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees and the Tenant agrees that the foregoing indemnity shall survive the termination of this lease notwithstanding any provisions of this Lease to the contrary.
- (3) The Tenant shall carry insurance in its own name insuring against the risk of damage to the Tenant's property within the Premises caused by fire or other perils and the policy shall provide for coverage on a replacement cost basis to protect the Tenant's stock-in-trade, equipment, Trade Fixtures, decorations and improvements.
- (4) The Tenant shall carry public liability and property damage insurance in which policy the Landlord shall be a named insured and the policy shall include a cross-liability endorsement;
- (5) The Tenant shall provide the Landlord with a copy of the above policies.

9. DAMAGE TO THE PREMISES

- (1) If the premises at the building in which the Premises are located; are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply.
 - (a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence within 120 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the Landlord, and the Rent from the time of the surrender shall abate;
 - (b) if the Premises can with reasonable diligence be repaired and rendered fit for occupancy within 120 days from the happening of the damage or destruction, but the damage renders the Premises wholly unfit for occupancy, then the rent hereby reserved shall not accrue after the day that such damage occurred, or while the process of repair is going on, and the Landlord shall repair the Premises with all reasonable speed, and the Tenant's obligation to pay Rent shall resume immediately after the necessary repairs have been completed.
 - (c) If the leased Premises can be repaired within 120 days as aforesaid, but the damage is such that the leased Premises are capable of being partially used, then until such damage has been repaired, the Tenant shall continue in possession and the rent shall abate proportionately.

- (2) Any question as to the degree of damage or destruction or the period of time required to repair or rebuild shall be determined by an architect retained by the landlord.
- (3) Apart from the provisions of Section 9 (1) there shall be no abatement from or reduction of the Rent payable by the Tenant, nor shall the Tenant be entitled to claim against the Landlord for any damages, general or special, caused by fire, water, sprinkler systems, partial or temporary failure or stoppage of services or utilities which the Landlord is obliged to provide according to this lease, from any cause whatsoever.

10. ACTS OF DEFAULT AND LANDLORD'S REMEDIES

(1) An Act of Default has occurred when:

- (a) the Tenant has failed to pay Rent for a period of 15 consecutive days, regardless of whether demand for payment has been made or not;
- (b) the Tenant has breached its covenants or failed to perform any of its obligations under this Lease; and
 - (i) the Landlord has given notice specifying the nature of the default and the steps required to correct it; and
 - (ii) the Tenant has failed to correct the default as required by the notice;
- (c) the Tenant has;
 - (i) become bankrupt or insolvent or made an assignment for the benefit of Creditors;
 - (ii) had its property seized or attached in satisfaction of a judgment;
 - (iii) had a receiver appointed;
 - (iv) committed any act or neglected to do anything with the result that a Construction Lien or other encumbrance is registered against the Landlord's property;
 - (v) without the consent of the Landlord, made or entered into an agreement to make a sale of its assets to which the Bulk Sales Act applies;
 - (vi) taken action if the Tenant is a corporation, with a view to winding up, dissolution or liquidation;
- (d) any insurance policy is cancelled or not renewed by reason of the use or occupation of the Premises, or by reason of non-payment of premiums;
- (e) the premises;
 - (i) become vacant or remain unoccupied for a period of 30 consecutive days between the 1st day of May and the 31st day of October in any lease year during the Term; or
 - (ii) are not open for business on any twelve (12) consecutive business days between the 1st day of May and the 31st day of October in any lease year during the Term; or
 - (iii) are not open for business on more than thirty (30) business days between the 1st day of May and the 31st day of October in any lease year during the Term; or

- (iv) are used by any other person or persons, or for any other purpose than as provided for in this lease without the written consent of the Landlord.
- (2) When an Act of Default on part of the Tenant has occurred:
- (a) the current month's rent together with the next three months' rent shall become due and payable immediately; and
 - (b) the Landlord shall have the right to terminate this Lease and to re-enter the Premises and deal with them as he may choose.
- (3) If because an Act of Default has occurred, the landlord exercises its right to terminate this Lease and re-enter the Premises prior to the end of the Term, the Tenant shall nevertheless be liable for payment of Rent and all other amounts payable by the Tenant in accordance with the provisions of this Lease until the Landlord has re-let the Premises or otherwise dealt with the premises in such manner that the cessation of payments by the Tenant will not result in loss to the Landlord, and the Tenant agrees to be liable to the Landlord, until the end of the Term of the Lease for payment of any difference between the amount of Rent hereby agreed to be paid for the Term hereby granted and the Rent any new tenant pays to the Landlord.
- (4) The Tenant covenants that notwithstanding any present or future Act of the Legislature of the Province of Ontario, the personal property of the Tenant during the term of this lease shall not be exempt from levy by distress for Rent in arrears:
- (a) the Tenant acknowledges that it is upon the express understanding that there should be no such exemption that this Lease is entered into, and by executing this Lease:
 - (i) the Tenant waives the benefit of any such legislative provisions which might otherwise be available to the Tenant in the absence of this agreement; and
 - (ii) the Tenant agrees that the Landlord may plead this covenant as an estoppel against the Tenant if an action is brought to test the Landlord's right to levy distress against the Tenant's property.
- (5) If, when an Act of Default has occurred, the Landlord chooses not to terminate the Lease and re-enter the premises, the Landlord shall have the right to take any and all necessary steps to rectify and or all Acts of Default of the Tenant and to charge the costs of such rectification to the tenant and to recover the costs as Rent.
- (6) If, when an Act of Default has occurred, the landlord chooses to waive its right to exercise the remedies available to it under this Lease or at law the waiver shall not constitute condonation of the Act of Default, nor

11. TERMINATION UPON NOTICE AND AT END OF TERM

- (1) If the Landlord desires at any time to remodel or demolish the Premises or any part thereof, to an extent that renders continued possession by the Tenant impracticable, the Tenant shall upon receiving one hundred and eight (180) clear days' written notice from the landlord;
- (a) surrender this Lease, including any unexpired remainder of the Term; and
 - (b) vacate the Premises and give the landlord possession
- (2) The Tenant agrees to permit the landlord during the last nine months of the Term of Lease to display "For Rent" or "For Sale" signs or both at the Premises and to show the Premises to prospective new tenants or purchasers

and to permit anyone having written authority of the Landlord to view the Premises at reasonable hours.

(3) If the Premises are subject to an Agreement of Purchase and Sale or if the Premises are expropriated or condemned by any competent authority:

(a) the Landlord or Tenant shall have the right to terminate this Lease by giving thirty (30) clear days' notice in writing to the other party;

(4) If the Tenant remains in possession of the Premises after termination of this Lease as aforesaid and if the Landlord then accepts rent for the Premises from the Tenant, it is agreed that such over-holding by the Tenant and acceptance of Rent by the Landlord shall create a monthly tenancy only but the tenancy shall remain subject to all the terms and conditions of this Lease except those regarding the Term.

12. ACKNOWLEDGEMENT BY TENANT

(1) The Tenant agrees that he will at any time or times during the Term, upon being given at least forty-eight (48) hours prior written notice, execute and deliver to the Landlord a statement in writing certifying;

(a) that this lease is unmodified and is in full force and effect (or if modified stating the modifications and confirming that the Lease is full force and effect as modified);

(b) the amount of Rent being paid;

(c) the dates to which Rent has been paid;

(d) other charges payable under this Lease which have been paid;

(e) particulars of any prepayment of Rent or security deposits; and

(f) particulars of any sub-tenancies.

13. SUBORDINATION AND POSTPONEMENT

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

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

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

14. RULES AND REGULATIONS

(1) The Tenant agrees on behalf of itself and all persons entering the premises with the Tenant's authority or permission to abide by such reasonable Rules and Regulations that Form Part of This Lease as set out Schedule 'B' attached hereto and forming part of this agreement; and as the Landlord may make change from time to time.

15. NOTICE

- (1) Any notice required or permitted to be given by one party to the other pursuant to the terms of this Lease may be given;

To the Landlord at:

The Corporation of the Separate Town of Gananoque
20 King St E., PO Box 100
Gananoque, ON K7G 2T6

Attention: Chief Administrative Officer

613-382-2149 (telephone)
613-382-8587 (fax)

To the Tenant at the Premises or at:

The Arthur Child Heritage Museum
125 Water St
Gananoque, ON K7G 3E3

613-382-2535 (telephone)
613-382-2912 (fax)

- (2) The above addresses may be changed at any time by giving ten (10) days written notice.
- (3) Any notice given by one party to the other in accordance with the provisions of this Lease shall be deemed conclusively to have been received on the date delivered if the notice is served personally or seventy-two (72) hours after mailing if the notice is mailed.

16. REGISTRATION

- (1) The Tenant shall not at any time register notice of or a copy of this Lease on title to the property of which the premises form part without consent of the Landlord.

17. INTERPRETATION

- (1) The words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice versa.
- (2) Unless the context otherwise requires, the word "Landlord" and the word "Tenant" wherever used herein shall be construed to include the executors, administrators, successors and assigns the Landlord and Tenant, respectively.
- (3) When there are two or more Tenants bound by the same covenants herein contained, their obligations shall be joint and several.

18. INDEMNITY

- (1) In consideration of the Landlord's execution of this Lease, the indemnifier covenants jointly and severally with the Tenant, as a principal obligor and

not as a surety, that the Tenant will perform all of its obligations under this Lease, and that the indemnifier will execute the indemnify Agreement in the form attached as Schedule "A". The indemnity Agreement shall be deemed to have been executed and delivered by the indemnifier to the Landlord on the execution and delivery of this lease, whether or not the indemnify Agreement is separately executed and delivered.


In Witness of the foregoing covenants the Landlord and the Tenant and, if applicable, the indemnifier, have executed this Lease.

THE CORPORAIOTN OF THE SEPARATED TOWN OF GANANOQUE

Per:



Mayor, Erika Demchuk



Clerk, Bonnie Dingwall

**HISTORIC 1000 ISLANDS VILLAGE FOUNDATION
(ARTHUR CHILD HERITAGE MUSEUM)**

Per:

Board Chair

Board Secretary

Schedule "A"

IDEMNITY AGREEMENT

This Agreement is made the _____ day of _____, 2012.

B E T W E E N

(the
"Indemnifier")

-and-

THE CORPORATION OF THE TOWN OF GANANOQUE
(the "Landlord")

WHEREAS the Indemnifier and _____
(the "Tenant") have requested the Landlord to enter into a lease (the "Lease") dated
_____ in the 1000 Islands Historic Village (the "Building"), and the
Landlord has agreed to do so only if the indemnifier executes and delivers this
Agreement under seal in favour of the Landlord:

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency
of which are acknowledged by the indemnifier), the indemnifier agrees with the
Landlord as follows:

1. The Indemnifier covenants with the Landlord that the Tenant will pay all Rent, Additional Rent (as defined in the Lease) and other amounts under the Lease and will observe each and every obligation contained in the Lease on the part of the Tenant to be performed and observed, all in accordance with the terms of the Lease, and that if the Tenant shall be in default under the Lease, the Indemnifier shall forthwith, on demand, pay to the Landlord such moneys and perform such obligations and pay any and all damages resulting from any non-payment or non performance. The Indemnifier agrees with the landlord that it shall be jointly and severally liable with the Tenant for all of the Tenant's obligations under the Lease, as if it were separately named as a tenant under the Lease.
2. The liability of the Indemnifier shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by, any action or omission by the Landlord in connection with the Tenant, the lease or any claim or demand, right of set-off or counterclaim which the Tenant may have in connection with the Lease, or any other circumstances which might otherwise constitute a legal or equitable defence available to, or a complete or partial release of, the Tenant in respect of the Lease or the Indemnifier in respect of this Agreement.
3. The Landlord may, without releasing, discharging, limiting, exonerating or otherwise affecting the Indemnifier in whole or in part, and without obtaining the consent of or giving notice to the Indemnifier; (a) deal with the Tenant in respect of the Lease; (b) grant time, renewals, extensions, indulgences, releases and discharges to the Tenant; (c) take security from or give up security from the Tenant, or refrain from taking security form or perfecting security of the Tenant; and (d) otherwise deal with the Tenant, the Indemnifier and all other persons and security as the Landlord may see fit. The landlord shall not be obliged to exhaust its recourse against the Tenant or other persons or any security it may hold before being entitled to payment under this Indemnity.

4. The obligations of the Indemnifier hereunder shall not be released, discharged or affected by the bankruptcy or insolvency of the Tenant or any proposal made by it or any repudiations of the Lease pursuant to the Bankruptcy and Insolvency Act, R.S.C., 1985 c. B-3, or any successors or similar legislation, or any disclaimer by any trustee in bankruptcy or by the Tenant ceasing to exist (whether by winding-up, forfeiture, cancellation, surrender of charter or otherwise) or by any event terminating the Lease. If the lease is terminated prior to the end of its term, except by surrender duly accepted by the Landlord, then, at the option of the Landlord, the Indemnifier shall execute a new lease of the Premises between the Landlord as landlord and the Indemnifier as tenant for a term equal in duration to the residue of the term remaining unexpired at the date of such termination, and in all other respect on the same terms and conditions as the Lease.
5. The Indemnifier's obligations hereunder may be assigned by the landlord, and will benefit and be enforceable by the successors and assigns of the Landlord. The Indemnifier's obligations shall be binding on it and its legal representatives, heirs, executors, administrators, successors and permitted assigns, as the case may be.
6. The grammatical changes required to make the provisions of this Agreement apply in the plural sense where the Indemnifier comprises more than one person and to corporations, firms, partnerships, or individuals, male or female, will be assumed as though in each case fully expressed, and if the Indemnifier consists of more than one person, the agreements of the Indemnifier shall be deemed to be joint and several agreements of each such person.

IN WITNESS WHEREOF the Indemnifier has executed this Agreement under seal.

Name of Indemnifier

Signature of Indemnifier

THE CORPORAITON OF THE SEPARATED TOWN OF GANANOQUE
Per:

Mayor, Erika Demchuk

Clerk, Bonnie Dingwall

Schedule "B"

RULES AND REGULATIONS FORMING PART OF THIS LEASE

The Tenant shall observe the following Rules and Regulations (as amended, modified or supplemented from time to time by the Landlord as provided in this Lease):

1. The sidewalks, entrances, elevators, stairways and corridors of the building shall not be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than access to and from the Premises. Two sale display "racks" of reasonable size will be permitted external to the building being leased.
2. The floors, sky-lights and windows that reflect or admit light into passageways or into any place in the building shall not be covered or obstructed by the Tenant and no awnings shall be put over any window.
3. The toilets, sinks, drains, washrooms and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or other substances, such as chemicals, solvents, noxious liquids or pollutants shall be thrown therein, and any damage resulting to them from misuse shall be borne by the Tenant by whom or by whose employees, agents, servants, contractors or invitees the damage was caused.
4. In the event the Landlord provides utility services, such as hydro, water, and sewer the Tenant shall make every effort to conserve that resource and make every effort to control costs thereof.
5. In the event that the Landlord provides and installs a Public Directory Board inside the building, the Tenant's name shall be placed on the said Board at the expense of the Tenant.
6. The Tenant shall not perform any acts or carry on any activity that may damage the Premises or the common areas or be a nuisance to any other tenant.
7. No animals or birds shall be brought into the building or kept on the Premises except as required to accommodate the accessibility of individuals.
8. The Tenant shall not mark, drill into, bore or cut or in any way damage or deface the walls, ceilings or floors of the Premises. No wires, pipes or conduits shall be installed in the Premises without prior written approval of the Landlord. No broadloom or carpeting shall be affixed to the Premises by means of non-soluble adhesive or similar products.
9. No one shall use the Premises for sleeping apartments or residential purposes, for the storage of personal effects or articles other than those required for business purposes, or for any illegal purpose.
10. The Tenant shall not use or permit the use of any objectionable advertising medium such as, without limitation, loudspeakers, public address systems, sound amplifiers, radio, broadcast or television apparatus within the building which is in any manner audible or visible outside of the Premises.
11. The Tenant must observe strict care not to allow windows to remain open so as to admit rain or snow, or so as to interfere with the heating of the building. The Tenant neglecting this rule will be responsible for any damage caused to the property of other tenants, or to the property of the Landlord, by such carelessness. The Tenant, when closing the Premises, shall close all windows and lock all doors.
12. The Tenant shall not without the express written consent of the Landlord, place any additional locks upon any doors of the Premises and shall not permit any duplicate keys to be made therefore; but shall use only additional keys obtained from the Landlord, at the expense of the Tenant, and shall surrender to the Landlord on the termination of the Lease all keys of the Premises.

13. No inflammable oils or other inflammable, toxic, dangerous or explosive materials shall be kept or permitted to be kept in or on the Premises.
14. No bicycles or other vehicles shall be brought within the Premises, unless otherwise agreed to in writing.
15. Nothing shall be placed on the outside of windows or projections of the Premises. No air conditioning equipment shall be placed at the windows of the Premises without the consent in writing of the Landlord.
16. Canvassing, soliciting and peddling in the building is prohibited.
17. The Tenant shall first obtain in writing the consent of the Landlord to any alteration or modification to the electrical system in the Premises and all such alterations and modifications shall be completed at the Tenant's expense by an electrical contractor acceptable to the Landlord.
19. The Tenant shall first obtain in writing the consent of the Landlord to the placement by the Tenant of any garbage containers or receptacles outside the Premises or building.
20. The Tenant shall not install or erect on or about the Premises television antennae, communications towers, satellite dishes or other such apparatus.
21. The Landlord shall have the right to make such other and further reasonable rules and regulations and to alter, amend or cancel all rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the building and for the preservation of good order therein and the same shall be kept and observed by the Tenant, its employees, agents, servants, contractors or invitees. The Landlord may from time to time waive any of such rules and regulations as applied to particular tenants and is not liable to the Tenant for breaches thereof by other tenants.

Specific to the 1000 Islands Historic Village

22. The moving of all heavy equipment and office equipment or furniture shall occur only between 6:00 p.m. and 8:00 a.m. or any other time consented to by the Landlord and the persons employed to move the same in and out of the building must be acceptable to the Landlord. Safes and other heavy equipment shall be moved through the Premises and common areas only upon steel bearing plates.

Additions may be required as per Report 2011-45-CD – presented to Council on December 20, 2011.