

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

BY-LAW NO. 08-818

Being a by-law to authorize the Mayor and Chief Administrative Officer/Clerk to execute a lease with Ontario Northland for the lease of a part of the Temagami Station Grounds for a parking lot.

AND WHEREAS under Section 9. (1) (a) and (b) of the Municipal Act, 2001, S.O., 2001, c.25, as amended, the powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues.

WHEREAS under Section 8 of the Municipal Act, 2001, S.O., 2001, c.25, as amended, a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other act;

NOW THEREFORE the Council of the Corporation of the Municipality of Temagami hereby enacts as follows:

1. That the Chief Administrative Officer is hereby authorized and directed to execute the agreement attached hereto as Schedule "A" to this bylaw.
2. This bylaw shall come into force and take effect upon final passing thereof.

BE TAKEN AS READ A FIRST time on this 13th day of November, 2008.

READ A SECOND AND THIRD time and finally passed this 13th day of November, 2008.

MAYOR

CAO/Clerk

Ontario Northland

555 Oak Street East.
North Bay, Ontario P1B8L3
Telephone: (705) 472-4500
Fax: (705) 476-5598

555, rue Oak est
North Bay (Ontario) P1B 3L3
Telephone: (705) 472-4500
Télécopieur: (705) 476-5598

Direct Fax Line: (705) 472-1051
Voice Mail Extension: 353
E-mail: dproctor@ontc.on.ca

29 October 2008

Municipality of Temagami
PO Box 220
Temagami ON POH 2H0

ATTENTION: Karen Beauchamp

Dear Madam:

**RE: Lease of Part of Temagami Station Grounds
Parking Lot
My File 7518-1004 H**

Please find enclosed the above mentioned document, in duplicate. Please have the enclosed document executed, in duplicate, by the Municipality's proper signing authorities affix the corporate seal and return, in duplicate to my attention for completion by Ontario Northland.

We would appreciate it if you would indicate the name and title of each of the signing officers below their signatures. Once executed by Ontario Northland, the duplicate completed document will be returned to you.

Also, please arrange to have your insurance broker provide us with a certificate of insurance outlining the insurance coverage as set out in the attached document.

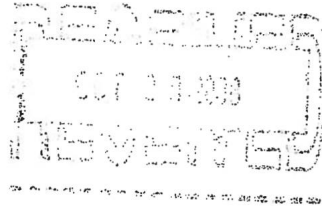
I am also enclosing a copy of the appraisal that was completed for this matter together with a copy of the appraiser's invoice dated 6 August 2008. As per your letter dated 12 June 2008 the Municipality agreed to reimburse Ontario Northland for half of the appraiser's fee. It would therefore be appreciated if you would arrange to have cheque payable to Ontario Northland in the amount of \$1,100 sent to my attention. You will be invoiced for the lease fees after the agreement is completed.

Thank you for your co-operation in this regard. If you have any questions, please do not hesitate to contact me.

Yours very truly,



Dale W. Proctor
Legal Assistant



1236.

File ☐ Incoming ☐ Other
Mayor ☐ /
Council 01 OAC+IC
CAO ☐
Building 0 /
Finance GS, DC Ai?
Ec Dev DS DC
Parks & Rec DS DC
Planning DS DC
Public Wks DS DC
PPP D
Social Services D
D _____
Q _____

This Indenture

made the day of
two thousand and eight

In Pursuance of the Short Forms of Leases Act

Between

ONTARIO NORTHLAND TRANSPORTATION COMMISSION

hereinafter called the "Lessor"

OF THE FIRST PART

- and -

THE CORPORATION OF THE MUNICIPALITY OF TEMAGAMI

hereinafter called the "Lessee"

OF THE SECOND PART

1) PREMISES

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the said Lessee, to be paid, observed and performed, the said Lessor has demised and leased and by these presents doth demise and lease unto the said Lessee the surface rights of that certain parcel or tract of land and premises described as part of the Temagami railway station grounds fronting on Stevens Road as shown on Schedule "A" attached hereto (the "Premises").

2) TERM

TO HAVE AND TO HOLD the said demised Premises for and during the term of five years to be computed from the 1st day of November 2008 and from thenceforth ensuing and to be fully completed and ended on the 31st day of October 2013, unless sooner terminated by written notice as hereinafter mentioned.

3) RENTAL

- (1) YIELDING AND PAYING THEREFOR yearly during the said term hereby granted, unto the said Lessor, the sum of \$1,300.00 per annum plus G.S.T., the first payment to be made on the 1st of November 2008.
- (2) THE Lessee further covenants to pay all other sums required by this Lease to be paid by it and agrees that all amounts payable by the Lessee to the Lessor 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.
- (3) THE Lessor and the Lessee agree that it is their mutual intention that this Lease shall be a completely carefree net lease for the Lessor and that the Lessor 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 Lessor (such as income and estate taxes and mortgage payments):
 - (a) and to effect the said intention of the parties the Lessee promises to pay the following expenses related to the Premises as Additional Rent:
 - (i) utilities (including but not limited to gas, electricity, water, heat, air-conditioning);
 - (ii) services supplied to the Premises, provided that this does not in any way oblige the Lessor to provide any services, unless otherwise agreed in this Lease;
 - (iii) maintenance;
 - (iv) insurance premiums;
 - (v) any tax or duty imposed upon, or collectable by the Lessor which is measured by or based in whole or in part directly upon the Rent including, without limitation, the goods and services tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise tax or duty or any tax similar to any of the foregoing;
 - (vi) real property taxes, rates, duties and assessments including such portion of real property taxes formerly known as business taxes.

- (b) and if any of the foregoing charges are invoiced directly to the Lessee, the Lessee shall pay same as and when they become due and produce proof of payment to the Lessor immediately if requested to do so, but the Lessee may contest or appeal any such charges at the Lessee's own expense;
- (c) and the Lessee hereby agrees to indemnify and protect the Lessor from any liability accruing to the Lessor in respect of the expenses payable by the Lessee as provided herein;
- (d) and if the Lessee fails to make any of the payments required by this Lease then the Lessor may make such payments and charge to the Lessee as Additional Rent the amounts paid by the Lessor, and if such charges are not paid by the Lessee on demand the Lessor shall be entitled to the same remedies and may take the same steps for recovery of the unpaid charges as in the event of Rent in arrears.
- (4) ALL payments to be made by the Lessee pursuant to this Lease shall be delivered to the Lessor at the Lessor's address for service set out in Section 24 or to such other place as the Lessor may from time to time direct in writing.
- (5) THE Lessee acknowledges and agrees that the payments of Rent and Additional Rent provided for in this Lease shall be made without any deductions for any reason whatsoever unless expressly allowed by the terms of this Lease or agreed to by the Lessor in writing, and 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.

4) REMOVAL OF STRUCTURES UPON TERMINATION OF LEASE

AT the expiration of the term or upon the earlier termination of this Lease, the Lessee shall within sixty (60) days remove off the Premises of the Lessor at the Lessee's expense all buildings, structures, improvements, other facilities and materials thereon not belonging to the Lessor which the Lessee shall have placed thereon, leaving the property in as good condition in all respects as it was before the erection of the said buildings, structures, improvements, other facilities and materials. If the Lessee shall not remove the buildings, structures, improvements, other facilities and materials as aforesaid the same shall belong to the Lessor without any right to the Lessee to have compensation therefore, or the Lessor may if it sees fit remove or cause to be removed the buildings, structures, improvements, other facilities and materials at the expense of the Lessee who shall pay to the Lessor forthwith the cost of such removal. The Lessee shall have no claim against the Lessor for injury, if any, done to the Premises by any such removal.

5) ASSIGNMENT

- (1) THE Lessee shall not assign this Lease or sublet the whole or any part of the demised Premises unless he first obtains the consent of the Lessor in writing, which consent shall not unreasonably be withheld, and the Lessee hereby waives its right to the benefit of any present or future Act of the Legislature of Ontario which would allow the Lessee to assign this Lease or sublet the demised Premise without the Lessor's consent.
- (2) THE consent of the Lessor to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.
- (3) ANY consent granted by the Lessor shall be conditional upon the assignee, sub-lessee or occupant executing a written agreement directly with the Lessor agreeing to be bound by all the terms of this Lease as if the assignee, sub-lessee or occupant had originally executed this Lease as Lessee.
- (4) ANY consent given by the Lessor to any assignment or other disposition of the Lessee's interest in this Lease or in the demised Premises shall not relieve the Lessee from its obligations under this Lease, including the obligation to pay rentals provided for herein.
- (5) IF the party originally entering into this Lease as Lessee or any party who subsequently becomes the Lessee by way of assignment or sublease or otherwise as provided for in this Lease, is a corporation then:

- (a) The Lessee shall not be entitled to deal with its authorized or issued capital or that of an affiliated company in any way that results in a change in the effect of voting control of the Lessee unless the Lessor first consents in writing to the proposed change;
- (b) If any change is made in the control of the Lessee's corporation without the written consent of the Lessor then the Lessor shall be entitled to treat the Lessee as being in default and to exercise the remedies stipulated in the Lease and any other remedies available in law;
- (c) The Lessee agrees to make available to the Lessor or its authorized representatives the corporate books and records of the Lessee for inspection at reasonable times.

AND the said Lessee covenants with the said Lessor, its successors and assigns:

6) ACCESS

THAT the Lessor, its servants or agents, shall have full and free access for inspection purposes during normal business hours and in the presence of the Lessee or a representative of the Lessee to any part of the leased land comprising said Premises; it being expressly understood and agreed, however, that in cases of emergency, the Lessor, its officers, servants or agents shall at all times and for all purposes have full and free access to the leased land comprising said Premises.

7) USE

THE demised Premises shall be used by the Lessee for the purpose only of public vehicle parking.

8) MAINTENANCE

- (1) THE Lessee accepts the Premises in an "as is" condition and any improvements made to the said Premises by the Lessee at any time during the Lease, to make the Premises suitable for the operations of the Lessee hereunder, shall be at the risk, cost and expense of the Lessee and to the satisfaction of the Lessor.
- (2) THE Lessee covenants that during the term of this Lease and any renewal thereof the Lessee shall keep in good condition the Premises including all alterations and additions made thereto, and shall, with or without notice, promptly make all needed repairs and all necessary replacements as required by the Lessor.
- (3) THE Lessee shall permit the Lessor or a person authorized by the Lessor to enter the Premises to examine the condition thereof and view the state of repair at reasonable times, and if:
 - (a) upon such examination repairs are found to be necessary, written notice of the repairs required shall be given to the Lessee by or on behalf of the Lessor and the Lessee shall make the necessary repairs within the time specified in the notice;
 - (b) the Lessee refuses or neglects to keep the Premises in good repair the Lessor may, but shall not be obliged to, make any necessary repairs, and shall be permitted to enter the Premises by itself or its servants or agents, for the purpose of effecting the repairs without being liable to the Lessee for any loss, damage or inconvenience to the Lessee in connection with the Lessor's entry and repairs, and if the Lessor makes repairs the Lessee shall pay the cost of them immediately as Additional Rent.
- (4) UPON the expiry of the Term or other determination of this Lease, the Lessee agrees peaceably to surrender the Premises, including any alterations or additions made thereto, to the Lessor in a state of good repair.
- (5) THE Lessee shall immediately give written notice to the Lessor of any substantial damage that occurs to the Premises from any cause.
- (6) THE Lessee shall maintain, at the cost and expense of the Lessee, the said Premises and shall keep the Premises free of debris and neat and tidy to the reasonable satisfaction of the Lessor.

9) ALTERATIONS AND ADDITIONS

- (1) THE Lessee shall not construct or erect any buildings or other structures on the said Premises without obtaining the approval of the Lessor or its designated representative, of plans showing the design and nature of construction of such building or structures and their proposed location, and all such buildings or structures shall be constructed and thereafter maintained by and at the cost and expense of the Lessee to the reasonable satisfaction of the Lessor.
- (2) NO building, structure or piles of material over four feet (4') in height shall be placed at less distance than six feet (6') at right angles from the gauge side of the nearest rail of any railway track; if the track is curved, no building, structure or piles of material over four feet (4') in height shall be placed at less distance than ten feet (10') from the gauge side of the nearest rail of such track without first obtaining the approval of the Lessor.
- (3) ANY and all alterations or additions to the Premises made by the Lessee must comply with all applicable building code standards and by-laws of the municipality in which the Premises are located.
- (4) THE Lessee 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.
- (5) IF at any time during the term of Lease or any renewal thereof, the Lessee defaults in its obligation of maintaining the said Premises and the said buildings, structures and improvements and every of them, in accordance with the requirements of this Lease, the Lessor may give written notice, specifying the respect in which such maintenance is deficient.
- (6) THE Lessee 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 Lessor's property in connection with any additions or alterations to the Premises made by the Lessee or in connection with any other activity of the Lessee.
- (7) THE Lessee shall, at its own expense, if requested by the Lessor, remove any or all additions or improvements made by the Lessee to the Premises during the Term and shall repair all damage caused by the installation or the removal or both.

10) RULES AND REGULATIONS

- (1) THAT the Lessee will at all times during the occupancy of the demised Premises observe and conform to such reasonable rules and regulations as shall be made by the Lessor from time to time.
- (2) THAT the Lessee will comply with and conform to all laws, by-laws, orders, rules and regulations of any lawful authority having jurisdiction whether municipal, parliamentary or otherwise, respecting all buildings, structures, other facilities, goods and other property on the demised Premises and the Lessee's use of the demised Premises including the rules and regulations set forth in Schedule "B" attached hereto and of which the Lessee shall be notified, such rules and regulations being deemed to be incorporated in and form part of these presents.

11) DISTRESS

AND the Lessee further covenants, promises and agrees with the Lessor that notwithstanding any present or future Act of the Legislature of the Province of Ontario, none of the goods or chattels of the Lessee at any time during the continuance of the term hereby created on the said demised Premises shall be exempt from levy by distress for rent in arrears by the Lessee as provided for by the said Section of said Act, and that upon any claim being made for such exemption by the Lessee or on distress being made by the Lessor, this covenant and agreement may be pleaded as an estoppel against the Lessee in any action brought to test the right to the levying upon any such goods as are named exempted in the said Section, the Lessee waiving as he hereby does all and every benefit that could or might have accrued to him under and by virtue of the said Section of the said Act but for the above covenant.

The Lessor covenants with the Lessee for quiet enjoyment.

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

12) ACTS OF DEFAULT
AND LESSOR'S REMEDIES

(1) AN Act of Default has occurred when:

- (a) the Lessee 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 Lessee has breached its covenants or failed to perform any of its obligations under this lease; and
 - i) the Lessor has given notice specifying the nature of the default and the steps required to correct it; and
 - ii) the Lessee has failed to correct the default as required by the notice;
- (c) the Lessee has:
 - i) become bankrupt or insolvent or made an assignment for the benefit of creditors;
 - ii) had its properties 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 Lessor's property;
 - v) without the consent of the Lessor, 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 Lessee 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 demised Premises, or by reason of non-payment of premiums;
- (e) the demised Premises:
 - i) become vacant or remain unoccupied for a period of thirty (30) consecutive days; or
 - ii) are not open for business on more than thirty (30) business days in any twelve (12) month period or any twelve (12) consecutive business days;
 - iii) are used by any other person or persons, or for any other purpose than as provided for in this Lease without the written consent of the Lessor.

(2) WHEN an Act of Default on the part of the Lessee has occurred:

- (a) the current month's rent together with the next three (3) months' rent shall become due and payable immediately; and
 - (b) the Lessor shall have the right to terminate this Lease and to re-enter the demised Premises and deal with them as it may choose.
- (3) IF, because an Act of Default has occurred, the Lessor exercises its right to terminate this Lease and re-enter the demised Premises prior to the end of the term, the Lessee shall nevertheless be liable for payment of rent and other amounts payable by the Lessee in accordance with the provisions of this Lease until the Lessor has re-let the demised Premises or otherwise dealt with the demised Premises in such manner that the cessation of payments by the Lessee will not result in loss to the Lessor and the Lessee agrees to be liable to the Lessor, until the end of the term of this Lease for payment of any differences between the amount of rent hereby agreed to be paid for the term hereby granted and the rent any new Lessee pays to the Lessor.

- (4) IF, when an Act of Default has occurred, the Lessor chooses not to terminate this Lease and re-enter the demised Premises, the Lessor shall have the right to take any and all necessary steps to rectify any or all Acts of Default of the Lessee and to charge the cost of such rectification to the Lessee and to recover the costs as rent.
- (5) IF, when an Act of Default has occurred, the Lessor chooses to waive its rights 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 shall the waiver be pleaded as an estoppel against the Lessor to prevent its exercising its remedies with respect to a subsequent Act of Default. No covenant, term, or condition of this Lease shall be deemed to have been waived by the Lessor unless the waiver is in writing and signed by the Lessor.

13) TERMINATION

EITHER party hereto may terminate this Lease at any time after the effective date hereof by giving to the other party not less than sixty (60) days' notice in writing; PROVIDED that if the Lessee shall be in breach of any of the terms, covenants, provisos or conditions herein set forth, the Lessor shall have the right to cancel this Agreement forthwith. Notice hereunder may be given by the Lessor by posting it upon the demised Premises or by mailing same addressed:

to the Lessee at: PO Box 220, Temagami, ON POH 2H0

And by the Lessee by mailing same, addressed to:

Attention: Legal Department, 555 Oak St. East, North Bay, ON P1B 8L3

14) RISKS OF INJURY

- (1) THE Lessee covenants to assume all risk of injury, loss or damage by fire, theft or other cause whatsoever, whether due to the negligence of the Lessor, its servants or otherwise and to all property of or in the custody of the Lessee on the demised Premises.
- (2) THE Lessee shall indemnify and save the Lessor harmless from and against any and all claims, actions, damages, costs and expenses (including legal expenses) which may arise by reason of the exercise of the rights and privileges granted herein by the Lessee or as a result of any breach of the terms of this Lease by the Lessee or by any act or omission of the Lessee or those for whom the Lessee is at law responsible, including all legal costs and expenses reasonably incurred by the Lessor in connection with the defence or settlement of any such claim, notwithstanding that any injury, loss, or damage may have been caused or contributed to by the negligence of the Lessor.

15) NOTICE OF ACCIDENT

THE Lessee shall give the Lessor prompt written notice of any accident or other defect in the sprinkler system, water pipes, gas pipes or wires on any part of the Premises.

16) INSURANCE

- (1) General Liability Insurance - The Lessee, at its expense, will procure and maintain throughout the term of this Lease or any renewal thereof, Commercial General Liability Insurance in form and content satisfactory to and with insurance companies acceptable to the Lessor, protecting both the Lessor and the Lessee against liability for bodily injury and death and for damage to or destruction of property by reason of any occurrence or accident in, on or about the demised Premises leased by the Lessee, including tenant's legal liability, with liability coverage in an amount of not less than five million dollars (\$5,000,000.00), and such higher limits as the Lessor may reasonably require from time to time. It is understood and agreed that the employees of the Lessee shall not be considered employees of the Lessor.

The insurance provided herein shall apply to the Lessor and the Lessee (the Insureds) in the same manner and to the same extent as if a separate policy had been issued to each and shall contain a cross liability clause. The Lessor shall be added as an additional insured to the commercial general liability insurance policy.

The Lessee agrees that the insurance provided herein does in no way limit the Lessee's liability pursuant to the indemnity provisions of this Lease.

- (2) Insurance on Property - The Lessee shall at its expense procure and maintain "all risks" insurance on a replacement cost basis in respect of all insurable goods, merchandise and other property in respect of which the Lessee has an insurable interest which may and anytime be on or in the demised Premises. The Lessee releases the Lessor from all claims for any loss resulting from the Lessee's neglect or failure to so insure.
- (3) Subrogation - The Lessee shall have no claim against the Lessor or the Lessor's insurance for any damage the Lessee may suffer, and the Lessee shall require the insurers under the insurance in subsections (1) and (2) to waive any right of subrogation by the insurers against the Lessor.
- (4) Evidence of Insurance - Upon the request of the Lessor, the Lessee shall provide to the Lessor evidence of such insurance having been obtained and maintained in the form of a certificate of insurance and such insurance shall not be subject to cancellation except after at least thirty (30) days' prior written notice to the Lessor.
- (5) Notification - The Lessor shall not be responsible for notifying the insurers of any occurrence or accident in or around the demised Premises leased by the Lessee.
- (6) Insurance During Assignment - Notwithstanding the provisions of the assignment clause herein, the Lessee shall ensure that any Assignee of the demised Premises shall obtain and maintain in full force and effect, during the term of such assignment, the insurance referred to in this clause. The Lessee shall obtain from such Assignee, and shall file with the Lessor, a certificate that such insurance has been obtained and is being maintained.

17) NUISANCE

THE Lessee covenants to not at any time use the demised Premises in any way considered objectionable to the Lessor, nor to obstruct or interfere with the operation, maintenance or use of any railway track, roadway or works of the Lessor, or others, in the vicinity of the demised Premises. The said Lessee also covenants not to obstruct or interfere with the rights of the Lessor or other occupants of the said Premises or in any way injure or annoy them or conflict with any of the rules and regulations of the Board of Health or with any Statute or municipal by-law.

18) ENVIRONMENT

- (1) IT is understood and agreed that the Premises are being leased to the Lessee "as is". The Lessee has satisfied itself as to the condition of the Premises and its future for the use intended. The Lessee acknowledges that it has inspected the Premises and conducted an independent investigation of current and past uses of such Premises and the Lessee has not relied on any representations by the Lessor concerning any condition of the Premises, environmental or otherwise. The Lessor makes no representations or warranties whatsoever regarding the fitness of the Premises for any particular use regarding the presence or absence upon or under such leased lands or any surrounding or neighbouring lands of leakage or likely leakage or emission from or onto the Premises or of any dangerous or potentially dangerous substance or condition.
- (2) THE Lessee shall immediately carry out all measures which the Lessor, in its sole discretion, considers necessary to keep the Premises free and clear of all contaminants or residue (hereinafter referred to as "environmental contamination") resulting from Lessee's occupation or use of the Premises. The Lessee shall be solely responsible for the cost of all work carried out to correct any environmental contamination which occurs on other lands as a result of the Lessee's occupation or use of the Premises.

- (3) IF the Lessee fails to correct any environmental contamination to the satisfaction of the Lessor or any public authority having jurisdiction, the Lessor may perform such work by its employees or agents. The Lessor may charge the Lessee from time to time for all the costs incurred by the Lessor correcting such environmental contamination plus 15% for overhead and the Lessee shall pay the Lessor's invoice for such costs within 10 days of receipt of each invoice. In the event that such remedial work is carried out by any public authority the cost of such work shall be borne by the Lessee.
- (4) THE Lessee shall comply with the provisions of any federal, provincial or municipal laws applicable to the Premises with respect to maintaining a clean environment. If any public authority having jurisdiction with respect to environmental protection, or fire protection, requires the installation of equipment or apparatus to take such measures as may be required by such public authority as a result of the Lessee's use of the Premises, the Lessee shall be solely responsible for the cost of all work carried out to comply with the requirements of the public authority.
- (5) UPON the termination of this Lease, the Lessee shall leave the Premises in a clean and tidy condition free of any environmental contamination resulting from the Lessee's occupation or use of the Premises. The Lessee shall remove such facility and contents by the date of termination of this Lease unless the Lessor consents in writing to such facility remaining on the Premises and in such case the Lessee shall have the burden of proving that any environmental contamination has not resulted from its occupation or use of the Premises.
- (6) THE Lessee shall indemnify and save harmless the Lessor from any claim, penalty, fine, cause of action or demand (including legal fees) which may result from any environmental contamination.
- (7) THE responsibility of the Lessee to the Lessor with respect to environmental obligations contained herein shall continue to be in force by the Lessor notwithstanding the termination of the Lease.

19) NO ABATEMENT
OF RENT

THERE shall be no abatement from or reduction of the rent due hereunder, nor shall the Lessee be entitled to damages, losses, costs or disbursements from the Lessor during the term hereby created on, caused by or on account of fire, water, or sprinkler systems to the said Premises, whether due to acts of God, strikes, accidents, the making of alterations, repairs, renewals or improvements to the said Premises or the equipment or systems supplying the said services, or from any cause whatsoever; provided that the said failure or stoppage be remedied within a reasonable time.

20) RIGHT TO SHOW
PREMISES

THAT the Lessee will permit the Lessor to exhibit the demised Premises during the last three months of the term to any prospective tenant and will permit all persons having written authority therefore to view the said Premises at all reasonable hours.

21) PROHIBITED
SUBSTANCES

THE Lessee covenants that no substances of an explosive, dangerous or inflammable nature or character, including but without restricting the generality of the foregoing, dangerous or prohibited substances within the scope of any applicable environmental legislation, including orders of any other lawful authority having jurisdiction, shall be stored in or upon the said Premises, without the written consent of the Lessor and due compliance with all legislation, regulations, orders or other lawful requirements of any authority having jurisdiction.

22) DRAINAGE

THE Lessee covenants to maintain the existing drainage pattern of the demised Premises and cause no alteration therein without the prior approval of the Lessor.

23) ACCESS TO
THE PREMISES

THE Lessor does not warrant safe access to the demised Premises and access thereto shall be at the risk of the Lessee. If it is necessary to cross other lands of the Lessor or over railway tracks to have access to the demised Premises, the way used therefore shall be that designated by the Lessor.

24) NOTICES

- (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 Lessor at: Attn: Legal Dept., 555 Oak St. East, North Bay, ON, P1B 8L3

To the Lessee at: PO Box 220, Temagami, ON, POH 2H0

- (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 provision 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.

25) SUBORDINATION AND
POSTPONEMENT

- (1) THIS Lease and all the rights of the Lessee under this Lease are subject and subordinate to any and all charges against the land, buildings or improvements of which the demised 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 refinancing, including extensions or renewals, of the Lessor's interest in the property.
- (2) UPON the request of the Lessor, the Lessee will execute any form required to subordinate this Lease and the Lessee's rights to any such charge, and will, if required, attorn to the holder of the charge.
- (3) NO subordination by the Lessee shall have the effect of permitting the holder of any charge to disturb the occupation and possession of the demised Premises by the Lessee as long as the Lessee performs its obligations under this Lease.

26) REGISTRATION

THE Lessee shall not at any time register notice of a copy of this Lease on title to the property of which the demised Premises form part without the consent of the Lessor.

27) OVERHOLDING

PROVIDED further and it is hereby agreed that should the Lessee hold over after the expiration of this Lease and the Lessor thereafter accept rent for the said Premises, the Lessee shall hold the said Premises as a monthly tenant only of the Lessor but subject in all other respects to the terms and conditions of this Lease.

28) INTERPRETATION

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.

Unless the context otherwise requires, the word "Lessor" and the word "Lessee" wherever used herein shall be construed to include and shall mean the executors, administrators, successors and/or assigns of the said Lessor and Lessee, respectively, and when there are two or more Lessees bound by the same covenants herein contained, their obligations shall be joint and several.

29) RAIL OPERATIONS

THE Lessor or its assigns or successors in interest has or have a right-of-way within 100 metres from the Premises. There may be alterations to or expansion of the rail facilities on such right-of-way in the future including the possibility that the railway or its assigns or successors as aforesaid may expand its operations which expansion may affect the living environment of the residents in the vicinity. Notwithstanding the inclusion of any noise and vibration attenuating measures in the design of the development and individual dwelling(s) the Lessor will not be responsible for any complaints or claims arising from use of such facilities and/or operations on, over and under the aforesaid right-of-way.

30) WAIVER

NO waiver on behalf of the Lessor of any breach of the Lessee's covenants will take place or be binding unless same be expressed in writing and any waiver so expressed will extend only to the particular breach to which such waiver specifically relates and will not be deemed to be a general waiver or to limit, affect or prejudice the rights of the Lessor, with respect to any failure or other breach.

31) PROVISIONS SEVERABLE

IN the event that any provision of this Lease shall be held invalid, such provisions shall be deemed severable and the remaining provisions shall remain in full force and effect.

32) ENTIRE AGREEMENT

THIS Lease, together with any attachments or schedules thereto, constitutes the final and entire agreement between the parties hereto and no provisions or representations, other than those contained herein and those implied by law, have been made by either of the parties hereto. Neither the Lessor or Lessee shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained unless made in writing and signed by both the Lessor and Lessee.

33) SUCCESSION

THIS Lease exists for the benefit of and is binding upon the Lessor, Lessee and their successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed these presents.

SIGNED, SEALED and DELIVERED

In the presence of

**ONTARIO NORTHLAND
TRANSPORTATION COMMISSION**

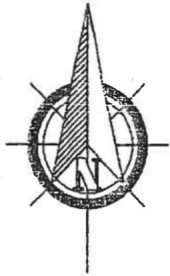
per _____
President

Secretary

**THE CORPORATION OF
THE MUNICIPALITY OF TEMAGAMI**

per _____
Name:
Title:

Name:
Title:



ONTARIO NORTHLAND RAILWAY TRACK CENTRELINE

LAND LEASE
TO
MUNICIPALITY OF
TEMAGAMI
(AREA = 0.402 Ac.)

O'CONNOR DRIVE

STEVENS ROAD

10 O'CONNOR DRIVE

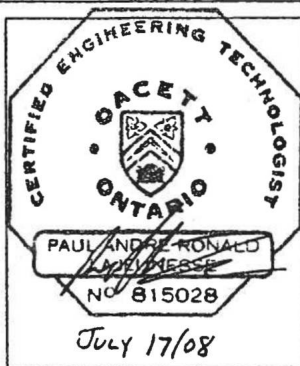


ONTARIO NORTHLAND
RAIL INFRASTRUCTURE
ENGINEERING SERVICES

LEASE OF LAND
TO THE MUNICIPALITY
OF TEMAGAMI

CHIEF ENGINEER

DATE: JULY 17, 2008	DRAWN: PAL
SCALE: NTS	CHECKED:
CAD:	NO. A-6239



SCHEDULE "B"

1. The Lessee shall, at its sole expense, erect a fence or cement barriers around the perimeter of the demised premises which are suitable for preventing users of the parking area from crossing the railway tracks of the Lessor.
2. The Lessee shall, at its sole expense, erect signage suitable for directing users of the parking area towards the O'Connor Drive public crossing over the Lessor's railway tracks.

ONTARIO NORTHLAND

555 Oak Street East
North Bay, ON P1B8L3

in accouni with

NORTH COUNTRY APPRAISALS*

(A Division of 1324315 Ontario Ltd.)

and title services

RJL1, North Cobalt, Ontario POJ IRQ

Tel/Fax (705) 672-2090

August 6,2008

Re: Appraisal Report - Parcel Block B-15 and Part Paracel 3150 Nip south of O'Connor Drive, East of Hwy 11, and Part of Parcel 3150 Nip, west side of Stevens Road, Temagami

TO attending at subject properties for inspection;
to all research and analysis, and to preparation of
narrative Appraisal Report

MY FEE HEREIN as quoted

\$2,200.00

Disbursements
included

*GST, if applicable

110.00

BALANCE OWING

\$2,310.00

E&OE

GST#871709739RT001

All accounts due when rendered. 2% interest monthly charged after 30 days.

