

**L E A S E
(COMMERCIAL)**

Made effective the _____ day of May, 2018

B E T W E E N

DEAMS HOLDINGS INC.

(the "**Landlord**")

-and-

THE CORPORATION OF THE TOWNSHIP OF NORTH HURON

(collectively, the "**Tenant**")

In consideration of the rents, covenants and obligations stipulated herein the Landlord and the Tenant have agreed to enter into a Lease of the premises known municipally as 392 Queen Street, Blyth, Ontario (the "**Premises**"). The Premises forms part of the buildings located on and the lands described in Schedule A (the "**Property**").

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 it has the right to grant the leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. RENT

(1) Rent means the amounts payable by the Tenant to the Landlord pursuant to this Section and includes both Base Rent and Additional Rent.

(2) The Tenant covenants to pay to the Landlord, during the Term of this Lease base rent ("**Base Rent**") of Nine Hundred Seventy One Dollars and Ninety Eight Cents (\$971.98) per month plus Harmonized Sales Tax (H.S.T.) of One Hundred Twenty Six Dollars and Thirty Five Cents (\$126.35) for total monthly Base Rent of One Thousand Ninety Eight Dollars and Thirty Three Cents (\$1,098.33).

(3) The Tenant further 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.

(4) 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) Business Improvement Association and / or Chamber of Commerce fee / dues relating to the Tenant's business or operations;
 - (ii) all utilities, **save and except heat, hydro water and sewer charges, which utilities are to be provided by and paid for by the Landlord and are included in Base Rent;**
 - (iii) services supplied to the Premises (including without limitation cleaning services and garbage disposal), provided that this does not in any way oblige the Landlord to provide any services, unless otherwise agreed in this Lease;
 - (iv) insurance premiums for the insurance required by Section 8(3) and 8(4) and any other insurance taken out by the Tenant;
 - (v) sales tax, HST and any other taxes imposed on the Landlord respecting the Rent;
 - (vi) all other charges, impositions, costs and expenses of every nature and kind whatsoever relating to the Premises, **save and except that the Landlord shall be responsible for all property taxes related to the Premises and for payment of its own insurance as required by Section 8(1);**
- (b) and if any of the foregoing charges are invoiced directly to the Tenant, the Tenant shall pay same as and when they become due and shall produce proof of payment to the Landlord immediately if requested to do so, but the Tenant may contest or appeal any such charges at the Tenant's own expense;
- (c) and the Tenant hereby agrees to indemnify and protect the Landlord from any liability accruing to the Landlord in respect of the expenses payable by the Tenant as provided for herein;
- (d) and if the Tenant fails to make any of the payments required by this Lease then the Landlord may make such payments and charge to the Tenant as Additional Rent the amounts paid by the Landlord, and if such charges are not paid by the Tenant on demand the Landlord 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.

(5) All payments to be made by the Tenant pursuant to this Lease shall be delivered to the Landlord at the Landlord's address for service set out in Section 15 or to such other place as the Landlord may from time to time direct in writing.

(6) All Rent in arrears and all sums paid by the Landlord for expenses incurred which should have been paid by the Tenant shall bear interest from the date payment was due, or made, or expense incurred at a rate per annum equal to the prime commercial lending rate of the Landlord's bank plus two (2) per cent.

(7) The Tenant acknowledges and agrees that the payments of Rent and Additional Rent provided for in this Lease shall be made without any deduction for any reason whatsoever unless expressly allowed by the terms of this Lease or agreed to by the Landlord in writing. No partial payment by the Tenant which is accepted by the Landlord shall be considered as other than a partial payment on account of Rent owing and shall not prejudice the Landlord's right to recover any Rent owing.

3. TERM AND POSSESSION

(1) The Tenant shall have possession of the Premises for a period commencing on June 1, 2018 and ending on the 31st day of December, 2018 (the "**Term**"). "Term" shall be deemed to include any renewal Term as set out in the next paragraph.

(2) This Lease shall automatically renew annually, for a renewal Term of January 1 to December 31, unless either party gives the other party written notice on or before August 31 of the then-current lease year that the Lease shall not be renewed for the subsequent year. Base Rent shall be adjusted effective January 1 of each renewal Term based on the annual percentage change in the Consumer Price Index (CPI) for Ontario for the one-year period ended the October preceding the renewal Term. For example, the change in Base Rent for the period January 1, 2019 to December 31, 2019 will be based on the change in Ontario CPI for the period October 2017 to October 2018. Provided, however, that in no circumstances will Base Rent be lower than the previous lease year notwithstanding any negative change in CPI. In the event of a negative change in CPI, Base Rent for the year shall be the same as the preceding year.

(3) 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 (including any renewal Term) without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming through the Landlord.

4. ASSIGNMENT

(1) The Tenant shall not assign this Lease or sublet the whole or any part of the Premises unless it first obtains the consent of the Landlord in writing, which consent shall not be unreasonably withheld. 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 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.

(3) Any consent granted by the Landlord may be conditional upon the assignee, sublessee or occupant executing a written agreement directly with the Landlord agreeing to be bound by all the terms of this Lease as if the assignee, sublessee or occupant had originally executed this Lease as Tenant.

(4) 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 and including the indemnification obligations set out in paragraph 8(2) hereof.

(5) Notwithstanding the foregoing, the Landlord consents to the sublease of the Premises by the Tenant to the Huron County Library Board (the "Subtenant") as described in the agreement attached as Schedule C hereto (the "Sublease") and without the Subtenant delivering the written agreement contemplated by paragraph 4(3) above. Without limiting the generality of the foregoing, the Tenant specifically acknowledges that it is responsible for any breach of this Lease by the Subtenant and that the indemnification provisions of paragraph 8(2) apply to all claims or demands relating to the use of the Premises by the Subtenant or its officers, agents, servants, employees, contractors, customers, invitees or licensees. The Landlord is not responsible for satisfying the obligations of the Municipality under the Sublease save and except to the extent the Landlord is otherwise responsible for same pursuant to the terms of this Lease.

5. USE

(1) During the Term of this Lease the Premises shall not be used for any purpose other than

Public Library

without the express consent of the Landlord given in writing.

(2) 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 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.

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 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 would a prudent owner, but the Tenant shall not be liable to effect repairs attributable to reasonable wear and tear, or to damage caused by fire, lightning or storm;

- (a) provided that the Landlord shall be responsible for all maintenance, repairs and replacements of a capital nature to the roof, ceiling, structural walls, subfloor, foundation, HVAC system, plumbing system and electrical system save and except maintenance, repairs and replacements to any feature, structure or system installed by the Tenant;
- (b) Tenant shall be responsible for all other maintenance, repairs and replacements to or at the Premises, including without limitation all maintenance, repairs and replacements that relate to cosmetic rather than structural features (e.g. damage to interior walls or ceiling, replacement or repairs to flooring, etc.).

(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 effecting 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;
 - (i) 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 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;

(i) and items included in the plan which are regarded by the Tenant as "Trade Fixtures" shall be designated as such on the plan; and

(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) No sign, advertisement or notice shall be inscribed, painted or affixed by the Tenant, or any other person on the Tenant's behalf, on the outside or visible from the outside of the building in which the Premises are located unless the sign, advertisement or notice has been approved in every respect by the Landlord. All signs existing as of the date hereof are approved by the Landlord.

(3) 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.

(4) 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.

(5) 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 it will make good and repair or replace as necessary any damage caused to the Premises by the removal of the Tenant's Trade Fixtures.

(6) Other than as provided in paragraph 7(6) above, the Tenant shall not, during the Term of this 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 any other objects whatsoever brought onto the Premises by the Tenant.

(7) 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.

(8) 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.
- (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;
 - (a) 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;
 - (b) and the Tenant agrees that the foregoing indemnities 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 chattels, inventory, equipment, Trade Fixtures, decorations and improvements.
- (4) The Tenant shall carry public liability and property damage insurance in the amount of at least \$2 million in which policy the Landlord shall be a named insured and the policy shall include a cross-liability endorsement; and the Tenant shall provide the Landlord with a copy of the policy.
- (5) The Tenant covenants with the Landlord that its business to be carried on at the Premises will not be of such a nature as to increase the insurance risk on the Property or cause the Landlord to pay an increased rate of insurance premiums on the Property by reason thereof and it is distinctly understood in case said business so carried on by the Tenant is or becomes of such a nature to increase the insurance risk or causes the Landlord and/or other occupants of the Property to pay an increased rate of insurance premiums, that the Tenant will from time to time pay to the Landlord the increased amount of insurance premiums which the Landlord or other occupants have to pay in consequence thereof as Additional Rent; provided that the Tenant covenants that it will not carry on or permit to be carried on any business in the Property which may make void or voidable any insurance held by the Landlord or the other occupants of the Property.

9. DAMAGE TO THE PREMISES

- (1) If the Premises or 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 one hundred twenty (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 one hundred twenty (120) clear 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 one hundred twenty (120) clear 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 or engineer 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 fifteen (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; or
 - (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; or
- (e) the Premises:
 - (i) become vacant or remain unoccupied for a period of thirty (30) consecutive days;
 - (ii) are not open for business on more than thirty (30) business days in any twelve (12) month period or on any twelve (12) consecutive business days; or

- (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 Landlord.

(2) When an Act of Default on the 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 it 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;

- (a) and the Tenant agrees to be liable to the Landlord, until the end of the Term of this 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) and 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 any 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 him 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 Landlord to prevent it exercising its remedies with respect to a subsequent Act of Default.

(7) No covenant, term, or condition of this Lease shall be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

11. TERMINATION UPON NOTICE AND AT END OF TERM

(1) If the Premises are expropriated or condemned by any competent authority:

- (a) the Landlord shall have the right to terminate this Lease by giving ninety (90) clear days' written notice to the Tenant; or
- (b) the Landlord may require the Tenant to vacate the Premises within thirty (30) days from payment by the Landlord to the Tenant of a bonus equal to three months' rent;

- (i) but payment of the said bonus shall be accompanied or preceded by written notice from the Landlord to the Tenant advising of the Landlord's intent to exercise this option.

(2) Provided notice of non-renewal has been delivered as required by Section 3(2) hereof, the Tenant agrees to permit the Landlord during the last four (4) months of the Term of this Lease to display "For Rent" signs or at the Premises and to show the Premises to prospective new tenants and to permit anyone having written authority of the Landlord to view the Premises at reasonable hours. The Landlord shall at all times have the right to display "For Sale" signs at the Premises and to show the Premises to prospective purchasers and to permit anyone having the written authority of the Landlord to view the Premises at reasonable hours.

(3) 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 overholding 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 it 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 in 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 subtenancies.

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. PARKING & ACCESS

(1) The Tenant acknowledges that parking at the rear of the Property is shared with other tenants of the Property and that while there are currently no specific restrictions, the Landlord shall be entitled to implement reasonable rules relating to parking, including the location and number of parking spaces allocated to the Tenant.

(2) The Tenant acknowledges that the Landlord may close or restrict access to the lane exiting from the rear of the Property to Queen Street and that the Landlord has the right to do so without the consent of or further

notice to the Tenant. The Tenant agrees that any access to the parking/storage area at the rear of the Property by the Tenant shall be from Dinsley Street.

(3) The Landlord shall, at its cost, provide snow clearing for the parking area at the rear of the Property, and for the entrance door at the West side of the building.

15. 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 and as the Landlord may make from time to time, including without limitation those attached as Schedule B hereto.

16. 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 304 King Street, Blyth, ON N0M 1H0

to the Tenant at the Premises

(2) Any notice delivered by the Landlord to either person named as Tenant shall be deemed to be a notice delivered to the Tenant.

(3) The above addresses may be changed at any time by giving ten (10) days' written notice.

(4) 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.

17. 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.

18. ARBITRATION

(1) In the event of any dispute arising as to any matter hereunder (except as to the payment of Rent), the matter shall be determined by a single arbitrator acting under the provisions of the Arbitrations Act, then in force. The arbitrator shall be chosen by the parties, or failing agreement determined by the court on application. The hearing shall be in Goderich. The decision of the arbitrator may deal with costs, and such decision shall be binding on the parties.

19. GENERAL

(1) 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 of the Landlord and Tenant, respectively.

(3) When there are two or more persons named as Tenant bound by the same covenants herein contained, their obligations shall be joint and several.

(4) This Lease may be executed in any number of counterparts with the same effect as if all parties to this Lease had signed the same document, and all counterparts will be construed together and constitute one and the same instrument. This Lease may be executed and delivered by fax transmission and electronic mail.

20. SCHEDULES

- (1) See Schedule A – Property Description
- (2) See Schedule B – Rules and Regulations
- (3) See Schedule C – Sublease with The Huron County Library Board

In Witness of the foregoing covenants the Landlord and the Tenant have executed this Lease.

DEAMS HOLDINGS INC.

Per: _____
David Sparling, President
I have the authority to bind the corp.

THE CORPORATION OF THE TOWNSHIP OF NORTH HURON

Per: _____

Per: _____
We have the authority to bind the corp.

SCHEDULE A – PROPERTY DESCRIPTION

380A, 390, 392 and 394 Queen Street, Blyth, known more specifically as PT LT 3 BLK A PL 169 Blyth; PT LT 4 BLK A PL 169 Blyth; PT LT 10 BLK A 169 Blyth as in R261579; T/W R261579, if any; S/T R187520, R302873, R304575; Township of North Huron being PIN 41326-0214 (LT)

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.
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.
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. The Tenant shall not perform any acts or carry on any activity which may damage the Premises or the common areas or be a nuisance to any other tenant.
5. 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.
6. 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.
7. 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.
8. 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 therefor; 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.
9. No inflammable oils or other inflammable, toxic, dangerous or explosive materials shall be kept or permitted to be kept in or on the Premises.
10. 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.
11. 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.

SCHEDULE C – SUBLEASE WITH THE HURON COUNTY LIBRARY BOARD