

Rental Unit: A79103
Lease ID: M70594
File ID: G&G-071

Land ID: P71471
Property Code: N71468
Region: LAND

LEASE EXTENSION AND AMENDING AGREEMENT #2

THIS AGREEMENT made in quintuplicate as of January 6, 2016.

B E T W E E N:

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER OF ECONOMIC
DEVELOPMENT, EMPLOYMENT AND
INFRASTRUCTURE**

(the “Landlord”)

OF THE FIRST PART

- and –

TOWNSHIP OF NORTH HURON

(the “Tenant”)

OF THE SECOND PART

WHEREAS:

By Order-in-Council No. 1617/2008, approved and ordered September 17, 2008, all the powers and duties of the Minister of Public Infrastructure Renewal (“MPIR”) relating to real property matters of the Government of Ontario pursuant to the *Ministry of Government Services Act*, R.S.O. 1990, c.M.25, as amended, were transferred and assigned to the Minister of Energy and Infrastructure (“MEI”).

By Order-in-Council No. 1320/2010, approved and ordered September 15, 2010, all the powers and duties of MEI relating to real property matters of the Government of Ontario pursuant to the *Ministry of Government Services Act*, R.S.O. 1990, c.M.25, as amended, are transferred and assigned to the Minister of Infrastructure (“MOI”).

Ontario Infrastructure and Lands Corporation (“OILC”) has been delegated MOI’s authorities and responsibilities with respect to real property in the name of MOI subject to certain conditions by Delegation of Authority of Ontario Infrastructure and Lands Corporation under the *Ministry of Infrastructure Act*, 2011 dated June 6, 2011.

By Order-in-Council No. 1376/2011, approved and ordered July 19, 2011, MOI shall exercise the powers and duties assigned by law to MOI or that may otherwise be assigned to or undertaken by MOI in respect of infrastructure and any other matters related to MOI’s portfolio.

By Order-in-Council No. 219/2015, approved and ordered February 18, 2015, all the powers and duties of MOI under Order-in-Council No. 1376/2011 relating to infrastructure and real property matters of the Government of Ontario are assigned and transferred to the Minister of Economic Development, Employment and Infrastructure.

- A. By a Right of Way Corridor Land Lease dated June 28, 2007 (the “Original Lease”), the Landlord Her Majesty the Queen in right of Ontario as represented by the Minister of Public Infrastructure Renewal leased to the Tenant sections of the Former Guelph to Goderich Rail Line running through the Town of Blyth, comprising an area of approximately 22.614 acres, in the Province of Ontario, as outlined on the plan attached to

the Lease as Schedule A -1 and A-2 thereto (the "Leased Lands") for a term of five (5) years, commencing on April 1, 2006 and expiring on March 31, 2011 (the "Original Term"), in addition to other terms and conditions as set out therein.

- B. The Tenant requested and the Landlord agreed to extend the Original Term by a Lease Extension and Amending Agreement dated July 22, 2011 (the "First Lease Extension and Amending Agreement") with an extension term commencing on April 1, 2011 and expiring on March 31, 2016 (the "Extension Term").
- C. The Tenant has requested and the Landlord has agreed to extend the Original Term in accordance with the terms of the Original Lease with an extension term commencing on April 1, 2016 and expiring on March 31, 2021 (the "Second Extension Term").
- D. The Landlord and the Tenant have agreed to amend the Original Lease as hereinafter provided.
- E. The Original Lease, as previously amended and extended, and as amended and extended herein, is hereinafter collectively referred to as the "Lease", except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) The Lease is hereby extended for the "Second Extension Term".
- (b) The Second Extension Term shall commence on April 1, 2016 and expire on March 31, 2021.

3. RENT FOR THE SECOND EXTENSION TERM

The Annual Rent payable for the Second Extension Term shall be Three Hundred and Twenty Five Dollars (\$325.00) plus Sales Taxes, payable on the first day of each year during the Second Extension Term, the first of such payments to be due and payable on April 1, 2016.

4. AMENDMENT OF LEASE

The extension contemplated in this Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) Effective April 1, 2016, the total acreage of the Leased Lands is hereby updated to 21.833 acres more or less with updated mapping and GPS co-ordinates detailed on the attached Schedule "A". Schedule "A" hereby replace Schedules "A-1" and "A-2" of the original Lease.
- (b) A new section to the Original Lease shall be added as follows:

15.17 – Special Clause

The Tenant hereby acknowledges and agrees that the pedestrian/snowmobile bridge that crosses the Leased Lands at GPS coordinates (Latitude N43°44'4.682" Longitude W81°25'11.657"), situated within the Leased Lands, shall be subject to the maintenance, construction and inspection requirements of the *Standards for Bridges*, O. Reg. 104/97 (the

“Bridges Regulation”) or any amendment, or any successor act. The Tenant shall be obligated to provide any notices or reports prepared pertaining to the bridge to the Landlord within ten (10) days of receipt. The first of such reports may be deferred, being performed no later than September 30, 2017, in order that the Tenant may encompass these inspections with other bridge inspections performed throughout the Township. In the event that the structure is identified as unsafe, either due to damage caused by fire, lightning, tempest or standard supplementary perils or by chronic damage identified by the OSIM inspections, the Tenant shall have the option to decommission the bridge taking measures to prevent further unauthorized use by all traffic, pedestrian or otherwise as an alternative to costly repairs. This decommissioning will be considered a Tenant Improvement and will be subject to all requirements including prior written approval of the Landlord. Should the bridge be decommissioned the tenant will still be responsible to ensure the safety of pedestrians crossing under the bridge and shall have the option to submit a further Tenant Improvement request for a suitable alternative including, but not limited to, a route that bypasses the pedestrian crossing under the structure.

- (c) A new section to the Original Lease shall be added as follows:

15.18 –Lease to the County

The Tenant acknowledges that the Landlord is currently in negotiation with the County of Huron (the “County”) to consolidate all recreational leases into one consolidated trail lease with the County as the Tenant. In accordance with this negotiation, the Landlord shall have the right to terminate this lease, in favor of the County. The County will be permitted to enter into new agreements permitting use of the trail system. The County will then operate the trail and all associated leases under a centralized stewardship, governed by the terms of the County’s Lease with the Landlord.

- (d) A new section to the Original Lease shall be added as follows:

15.19 –Subleases

The Landlord acknowledges and agrees that the Tenant shall have the option of entering into sub-Agreements with any member club of Ontario Federation of Snowmobile Clubs (OFSC) allowing for access to the leased premises for recreational snowmobiling purposes. Any such sub-agreements are subject to Licensor’s prior written approval and must be in full compliance with all clauses included in the Head Lease.

- (e) Section 1.01 (i) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for the purposes of delivering notices in accordance with Section 15.05 of the Original Lease:

Ontario Infrastructure and Lands Corporation
One Stone Road West, 4th Floor
Guelph, Ontario N1G 4Y2
Attention: Vice President, Asset Management
Fax: (519) 826-3330

With a copy to:

Ontario Infrastructure and Lands Corporation
777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8
Attention: Director, Legal Services (Real Estate and Leasing)
Fax: (416) 326-2854

And an additional copy to:

CBRE Limited
Global Corporate Services
18 King Street East, Suite 1100

Toronto, Ontario M5C 1C4
Attention: Director, Lease Administration – OILC
Fax: (416) 775-3989

And an additional copy to:

DEL Management Solutions Inc.
310 Highway 7, Green River
Locust Hill, Ontario L0H 1J0
Attention: Senior Property Manager - Leasing
Fax: (905) 472-2784

- (f) Section 1.01 (j) of the Original Lease is deleted in its entirety and replaced with the following address for the Landlord for purposes of payment of rent:

Ontario Infrastructure and Lands Corporation
c/o: DEL Management Solutions Inc.
310 Highway 7, Green River
Locust Hill, Ontario L0H 1J0
Attention: OILC PLMS Accounts Receivable
Fax: (905) 472-2784

5. GENERAL

- (a) The Landlord and the Tenant hereby mutually covenant and agree that during the Second Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Lease.
- (b) The Landlord and the Tenant acknowledge that there shall be no further right to extend Term of the Lease beyond the Second Extension Term as set out in Section 2(a) of this Lease Extension and Amending Agreement.
- (c) This Lease Extension and Amending Agreement is subject to the condition that, within sixty (60) days from the date of the Landlord's receipt of this executed Lease Extension and Amending Agreement by the Tenant, the Landlord shall have obtained all required approvals and signatures by its Senior Management or, where applicable, its Board of Directors.

This condition has been inserted for the sole benefit of the Landlord and may be waived by the Landlord at its sole discretion, or by its solicitors on its behalf. The condition shall be waived or fulfilled within the time limit, if any, as set out herein.

If the condition is not fulfilled within the applicable time period and the Landlord fails to notify the Tenant or the Tenant's solicitors that the condition has been waived or fulfilled within the applicable time period, this Lease Extension and Amending Agreement shall be null and void, notwithstanding any intermediate acts or negotiations, and, neither the Landlord nor the Tenant shall be liable to the other for any loss, costs or damages.

The execution of this Lease Extension and Amending Agreement by the Landlord waives the above condition.

- (d) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (e) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, as amended and extended.
- (f) The provisions of this Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

- (g) The Tenant acknowledges and agrees that the commercial and financial information in this Lease Extension and Amending Agreement is subject to the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended.

EXECUTED by each of the parties hereto under seal on the date written below.

**SIGNED, SEALED AND
DELIVERED**

Dated this ____ day of _____, 2016.

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF ECONOMIC
DEVELOPMENT, EMPLOYMENT AND
INFRASTRUCTURE, AS REPRESENTED
BY ONTARIO INFRASTRUCTURE AND
LANDS CORPORATION**

Per: _____
Name:
Title:

Authorized Signing Officer

Dated this ____ day of _____, 2016.

TOWNSHIP OF NORTH HURON

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Authorized Signing Officer(s)

SCHEDULE “A”

Sections of Former G&G Rail Line located within the Town of Blyth commencing to the west at GPS co-ordinates (Latitude N43°44’20.555” Longitude W81°26’5.681”) and ending to the east at GPS co-ordinates (Latitude N43°44’2.716” Longitude W81°25’8.124”) as shown on the mapping below.

