

Sublease/Rental Agreement

THIS AGREEMENT made as of the 30th day of November, 2020;

BETWEEN:

THE CORPORATION OF THE COUNTY OF PRINCE EDWARD
(hereinafter the "Sublandlord" or the "Landlord")

- and -

TENACITY MARINA CORPORATION.
(hereinafter the "Subtenant" or the "Tenant")

WHEREAS the Ministry of Natural Resources and Forestry ("MNRF") is the registered and beneficial owner of the real property located at 1 Head Street, Picton, as better described in Schedule "A" (the "Premises");

AND WHEREAS the Landlord is the owner of the equipment better described in Schedule "B" (the "Equipment");

AND WHEREAS the Landlord has entered into a Lease Agreement with MNRF for use of the Premises and the installation of the Equipment associated for the operation of a marina on the Premises, commonly known as the Picton Marina (the "Marina") a copy of which is attached as schedule "c" (the "Head Lease");

AND WHEREAS the Landlord desires to sublease the Premises to the Tenant and to rent the Equipment to the Tenant pursuant to the terms and conditions of this Agreement (the "Sublease")

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements hereinafter contained, and other good and valuable consideration (the receipt and sufficiency is hereby acknowledged) the parties covenant and agree each with the other as follows:

Sublease

Disclaimer: the agreement Sublease this municipal property does not constitute in any way an endorsement, position or acceptance of the Tenant's policies, opinions or undertakings on the part of the County of Prince Edward.

1. GRANT OF SUBLEASE

The Landlord Subleases 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, and subject to compliance by the Tenant with all obligations of the Landlord as Head Tenant or "Corporation" pursuant to Head Lease.

2. RENT

- (1) Rent means the amounts payable by The Tenant to the Landlord pursuant to this Section and includes Additional Rent.
- (2) 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 of one and one half (1 ½) per cent per month or as established or updated through the County of Prince Edward Rates and Fees By-Law for late charges.
- (3) the Tenant covenants to pay to the Landlord, during the Term of this Sublease rent as follows:

- (a) The sum of \$1.00+ HST per year shall be paid in advance, on the 1st day of April, for the term of the agreement.
- (b) All amounts due to the MNRF on account of gross revenue pursuant to s.9(i) and (ii) of the Head Lease. The Tenant acknowledges and agrees that it shall fully comply with and provide reports, lists, receipts and expenditures and auditor's certificates as required pursuant to s.8 of the Head Lease.
- (c) The annual rental rate may be negotiated preceding lease renewal.

3. TERM AND POSSESSION

- (1) The Tenant shall have possession of the Premises for a period of **5 years** commencing on the **1st day of January 2021** and ending on the **31st day of December, 2025** (the "Term").
- (2) the Tenant shall have the right to renew the Term on three (3) separate occasions, each for an additional five (5) years, upon written notice to the Landlord no later than ninety (90) days prior to the expiration of the Term or any renewal, Sublease, subject to the following:
 - (a) the Rent for the renewal term(s) shall be the same rate of rent as set forth in section 2(3)(a) herein for the first renewal term only (equal to two terms of 5 years). Subsequent renewals shall have been agreed upon not later than 30 days prior to commencement of the renewal term, failing which the Sublease shall be deemed to be terminated upon expiry of the current term of this Sublease;
 - (b) the Tenant must have satisfactorily operated the Marina and maintained the tangible Equipment in good working order, making all required repairs, maintenance and replacement, reasonable wear and tear excepted;
 - (c) Complaints made to the County regarding the operation of the marina Property will have been dealt with by The Tenant to the satisfaction of the Landlord, acting reasonably;
 - (d) The Sublease and the Head Lease shall be in good standing and the Tenant will not be breach thereof,
- (3) Provided that any Term and renewal term shall be conditional upon the Head Lease remaining in full force, and in good standing.
- (4) Subject to the Landlord's rights under this Sublease, and as long as the Sublease and Head Lease is in good standing the Landlord covenants that The Tenant shall have quiet enjoyment of the Premises during the Term of this Sublease without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming through the Landlord.

4. PREMISES

The Tenant hereby acknowledges that it has examined the Premises before taking possession hereunder and the Tenant takes the Leased Premises "as is". The Tenant agrees that there is no promise, representation or undertaking by or binding upon the Landlord with respect to any construction, fixturing, finishing, alteration of or installation of equipment or fixtures in the Premises, except such, if any, as are expressly set forth in this Sublease.

5. UTILITIES

The Tenant shall be responsible for and shall promptly pay all charges for electricity used or consumed in respect to the Premises. In no event shall the Landlord be liable for, nor have any obligation with respect to, any interruption or cessation of, or any failure in the supply of any utilities, services or systems whether or not supplied by the Landlord or others.

6. WATER

The Tenant shall be responsible for and shall promptly pay all charges for municipal water used or consumed in respect to the Premises as well as wastewater transferred from the Picton Marina holding tank to municipal wastewater infrastructure.

7. ADDITIONS, ALTERATIONS OR IMPROVEMENTS

The Tenant shall not make any additions, alterations, replacements, decorations or improvements, shoreline alterations, any docks, decks, pilings, retaining walls or any additional structures (all or any one of the foregoing being hereinafter called "Improvements") whatsoever to any part of the Premises without the Landlord's written approval, which approval may not be unreasonably and arbitrarily withheld. If the Tenant desires to make any such Improvements, the Tenant shall, at its sole cost and expense, at the time of its application for the Landlord's consent, submit to the Landlord:

- a. details of the proposed work including, where reasonably required, drawings and specifications prepared by qualified designers and conforming to good engineering practice;
- b. an agreement to indemnify the Landlord against liens, costs, damages and expenses in such form as the Landlord shall reasonably require; and
- c. evidence satisfactory to the Landlord that the Tenant has obtained all necessary consents, permits, licenses and inspections from all governmental authorities having jurisdiction.
- d. All Improvements by the Tenant shall be at the sole cost of the Tenant and, unless the work is performed by volunteers, shall be performed by competent workmen fully covered by Workplace Compensation, shall be performed in a good and workmanlike manner in accordance with the drawings and specifications which the Landlord has approved, and shall be subject to the reasonable supervision and direction of the Landlord. The Tenant's contractors shall carry property damage and liability insurance satisfactory to the Landlord for their operations. Any such Improvements made by the Tenant without the prior written consent of the Landlord or which are not in accordance with the drawings and specifications approved by the Landlord shall, if requested by the Landlord, be promptly removed by the Tenant at its expense and the Leased Premises restored to their previous condition.

8. FIXTURES AND ATTACHMENTS

The Tenant covenants and agrees that it will not, except as hereinafter provided, erect or affix on the Premises or on the docks, boardwalk or Equipment any antennae, sign, fixture or attachment of any kind without the prior written consent of the Landlord, which consent may not be arbitrarily or unreasonably withheld.

9. APPLICABLE LEGISLATION AND AUTHORIZATIONS

The Tenant acknowledges and agrees that the Landlord's execution of this Lease does not constitute a permit or authorization for any use, building, structure, or appurtenance pursuant to the Conservation Authority Act, the Public Lands Act, the Navigable Water Protection Act, Fisheries Act nor any other applicable legislation or regulations. This includes any infrastructure temporary or permanent within the Picton Harbour water lots included in this lease. The Tenant has the sole responsibility for obtaining the required permits or authorizations and for compliance with same.

10. PROVISIONS OF LAW AND LEGISLATION

The Tenant will comply with all provisions of law including, but not limited to, federal and provincial legislative enactments, zoning and building by-laws and environmental laws, regulations and guidelines and any other governmental or municipal regulations in respect of its operation or use of the Premises and the construction or erection of any structure, appurtenance or equipment thereon. The Tenant will comply with all building, zoning, police, fire and sanitary regulations or By-Laws imposed by federal, provincial or municipal authority or made by fire insurance underwriters, and with all governmental and municipal regulations and other requirements governing the use of the Premises and the Equipment.

(1) Specifically, the Tenant shall adhere to the Comprehensive Zoning Bylaw 1816-2006 as it pertains to Boat House, Pump House and Docking Facilities.

11. ENVIRONMENTAL

(1) Definitions

In this Sublease:

- a. "Environmental Laws" means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction:
 - (i) relating to pollution or the protection of human health or the environment;
 - (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or
 - (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance; and
- b. "Hazardous Substance" means any substance capable of posing a risk or damage to health, safety, property or the environment including, without limitation, any contaminant, pollutant, dangerous or potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable or explosive material, radioactive material, urea-formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled under any Environmental Law.

(2) Compliance with Environmental Law

Without limiting any other obligation of the Tenant in this Sublease, the Tenant covenants and agrees that it shall, at its sole cost and expense, observe and other wise comply with, and cause its sublessees, invitees and all other occupants of the Premises to observe and comply with all Environmental Laws. Without limiting the generality of the foregoing, the Tenant covenants and agrees that:

- a. it shall not cause or permit any Hazardous Substance to be brought into, stored, kept or used in or about the Premises or Building or any part thereof, other than any Hazardous Substance that is used in the ordinary course of the permitted use being carried on at the Premises and which is stored, kept and used in strict compliance with all Environmental Laws pertaining thereto;
- b. it shall not permit any emissions, discharges or releases of Hazardous Substances or materials containing Hazardous Substances either from or on to the Premises or the Harbour Lands or the waters of Picton Bay or the bed thereof.
- c. it shall not construct or install any underground or aboveground storage tank in the Premises or docks, unless with the prior written consent of the County and which shall exclude the underground tanks currently located in the Premises; and
- d. on the expiration or earlier termination of this Sublease, it shall cause each and every Hazardous Substance which is then located on the Premises or docks to be removed from the Premises in compliance with all Environmental Laws pertaining thereto, which excludes the underground tanks currently located in the Premises.

(3) Notice of Orders

The Tenant shall immediately provide the Landlord with written notice of any order, direction, notice of default or notice of legal action received by the Tenant pursuant to any Environmental Laws and relating to the Premises, the use and occupation of the Premises or any business or activity carried on at the Premises.

(4) Right of Inspection

The Landlord and agents, servants, employees, consultants and representatives shall have the right (but not the obligation), from time to time, to inspect (including the right to conduct an

environmental audit or assessment) the Premises for the purpose of determining whether the Tenant is in compliance with its obligations in this Article. The Tenant shall pay, as Additional Rent, any reasonable costs incurred by the Landlord in making such inspections of the Premises if, by virtue of said inspection, the Tenant is determined to be in default under this Lease. Such costs shall be paid forthwith on demand. The Landlord shall also have the right to examine all of the Tenant's relevant files, books, records, statement, plans and other written information in the Tenant's possession relating to the compliance with Environmental Laws at the Premises. The Tenant authorizes the Landlord to make inquiries from time to time with any governmental authority having jurisdiction in respect of matters relating to the Tenant's compliance with Environmental Laws at the Premises, and the Tenant agrees to provide any further authorizations as may be required to facilitate the obtaining of such information.

(5) Rectification of Breach

In the event that it is determined that the Tenant is in breach of its obligations in this Article, the Landlord may, without limiting any other rights or remedies, provide the Tenant with notice in writing of the breach, and the Tenant shall commence to rectify such breach at the Tenant's sole cost and expense, and shall complete such rectification as soon as reasonable possible. In the event that the Tenant does not commence to rectify such breach, the Landlord may, at its option and in its sole discretion, terminate this Lease without any further notice, or may rectify such breach at the cost of the Tenant, and the Tenant shall forthwith, on demand, reimburse the Landlord for the cost of rectification together with an administration fee of ten (10%) percent of the cost of rectification. Such amount shall be payable and collectible as Additional Rent.

(6) Remediation

If any governmental authority shall require the clean-up of any Hazardous Substance held, released, spilled, abandoned or placed on the Premises or the docks or released into the environment by the Tenant, its sublessees or anyone permitted on the Premises by the Tenant, or as a result of the use or occupancy of the Premises by the Tenant or its sublessees, invitees or other occupants, the Tenant shall, at its own expense:

- a. prepare all necessary studies, plans and proposals required as a result thereof;
- b. obtain all necessary approvals of such authorities required to complete the remediation and other work required;
- c. provide all bonds and other security by such authorities; and
- d. carry out and complete the remediation and other work required. The Tenant shall also provide the Landlord with copies of the plans and proposals and keep the Landlord advised from time to time as to the status of its remediation and other work.

(7) Hazardous Substances Remain Property of Tenant

Subject to subsection (11) hereof, if the Tenant or its sublessees or anyone else permitted on the Premises or docks by the Tenant creates or brings to the Premises any Hazardous Substance, or if the conduct of business at or occupation of the Premises shall cause there to be any Hazardous Substance at the Premises, unless then, notwithstanding any provision in this Lease or rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant, and shall not become the property of the Landlord notwithstanding the degree of affixation to the Premises of the Hazardous Substance or the goods containing Hazardous Substance, and notwithstanding the expiration or earlier termination of this Lease.

(8) Tenant Indemnity

Subject to subsection (11) hereof, the Tenant agrees to indemnify and save harmless MNRF the Landlord, its agents, servants, contractors, consultants, employees and others for whom the Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines,

monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all costs, all remediation and other clean-up costs and expenses) arising in any manner whatsoever out of: any breach by the Tenant of any provisions of this Article, or any noncompliance by the Tenant, its sublessees, invitees and other occupants with any Environmental Laws;

- a. any generating, manufacture, refinement, treatment, transportation, storage, handling, disposal, transfer, production or processing of any Hazardous Substance by the Tenant, its sublessees, invitees and other occupants; and
- b. any illness, injury or death of persons, or any loss or damage to property, on or about the Premises or Building.

(9) Survival of Obligations

The covenants and agreements of, and indemnification by, the Tenant contained in the foregoing Articles 10(1) to 10(b) inclusive, shall survive the expiration or earlier termination of this Sublease notwithstanding anything herein contained to the contrary but shall not apply in respect to environmental issues or Hazardous Substances which existed prior to the Tenant's first use of the Premises as set forth in subsection (11) herein.

(10) Surrender of Premises

On the termination of this Sublease for any reason the Tenant will surrender the Premises to the Landlord in the condition in which they are required by this Sublease to be kept by the Tenant.

(11) Landlord's Representation and Warranty

The Landlord represents and warrants to the Tenant that, except as disclosed in writing to the Tenant, the Landlord is aware of no Hazardous Substances on the Premises. The Landlord represents and warrants to the Tenant that, except as disclosed to the Tenant in writing, the Landlord is not aware of any pending environmental investigations or proceedings by any governmental agencies of any kind relating to the Premises and that the Landlord has fully complied with all Environmental Laws in relation to the Premises. The Landlord shall fully indemnify and hold the Tenant harmless from any Hazardous Substances found on the Premises which relate to the time prior to the Tenant's possession and occupancy of the Premises or which were placed on the Premises at any time by the Landlord or its agents. Further provided that any Hazardous Substances located on the Premises prior to the Tenant's possession and occupancy of the Premises shall remain the property of the Landlord.

12. USE

- (1) During the Term of this Sublease the Premises shall not be used for any purpose other than the operation of the Marina and for the uses as a commercial tourism location, without the express written consent of the Landlord.
- (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 lands and premises;
 - c. cause injury or annoyance to the occupants of neighbouring premises;
 - d. make void or voidable any insurance upon the Premises;
 - e. constitute a breach of any by-law, statute, order or regulation of any municipal or other competent authority relating to the Premises.

13. REPAIR AND MAINTENANCE AND REPLACEMENT

- (1) The Tenant covenants that during the Term of this Sublease and any renewal thereof the Tenant shall notify the Landlord of any concerns of damages to the Equipment.
- (2) The Landlord shall be permitted to access the Premises for inspection or repair with notification to the Tenant forthwith
- (3) If the Premises the Equipment or any part thereof, becomes out of repair or is damaged or destroyed, save and except for reasonable wear and tear, through the negligence, carelessness, misuse or abuse of or by the Tenant, its servants, agents, employees, invitees or anyone under its control or permitted by the Tenant to be in any building or on the Premises, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant.

At all times during the Term the Tenant shall keep and maintain the whole of the Premises and the Equipment, capital assets, ancillary structures and every part thereof in good order and shall promptly make all needed repairs and replacements, save and except for reasonable wear and tear. The Tenant shall keep the Premises and Equipment well cleaned and in a tidy condition, save and except for reasonable wear and tear, all as a careful owner would do and shall keep the Premises free of garbage and debris. The Landlord will continue to remove waste from public walkways (including boardwalks), all other waste is the responsibility of the Tenant.

- (4) No later than thirty (30) days prior to the renewal of the Term, both parties shall complete an inspection of the Equipment and all capital assets. Should the Equipment and/or capital assets not be in good working order, save and except for reasonable wear and tear, the Landlord shall notify the Tenant, in writing with clear directions, within five (5) days of inspection, of the repairs to the Equipment and/or capital assets that are required. If the Tenant fails to repair the Equipment and/or capital assets to a good working order, save and except for reasonable wear and tear, prior to the expiration of the Term, the Landlord shall have the right not to renew the Sublease and hold the Tenant responsible for the cost of any required repairs or replacements.
- (5) The Landlord, as owner of the capital assets located on the Premises, shall be responsible for maintenance and repair of capital assets required as a result of age and reasonable wear and tear, such as roof repair / replacement. Any such work will be carried out within a reasonable timeframe and any such work will be scheduled in advance with the tenants.
- (6) Any upgrade or modification made by the Tenant to a capital asset located on the Premises must be approved by the Landlord in writing before any work commences.
- (7) The Tenant may choose to upgrade the power source located on and servicing the Premises, provided the Tenant shall do so at their own cost and liability.
- (8) The Tenant covenants and agrees to permit the Landlord at all reasonable times to enter upon and view the state of cleanliness of the Premises and equipment and the Tenant shall comply with all reasonable requirements of the Landlord with respect to same.
- (9) Further to the obligations of the Tenant contained in Section 12(3) hereof, the Tenant shall, where the repair is the responsibility of the Tenant pursuant to Section 12(3) commence to repair upon five (5) days' notice in writing from the Landlord, but failure to give notice shall not relieve the Tenant from its obligation to repair.
- (10) The Landlord shall ensure wastewater in the holding tank is measured by volume in order to fairly account and bill the Tenant for wastewater processed through the Picton Marina site. The Landlord shall prepare and install a device to ~~and~~ enable automatic pumping from the holding tank to the municipal wastewater collection system ~~access~~ at Bridge and Head Street.

The Landlord will have completed the installation of the wastewater monitoring device and automatic pump on or before May 1, 2021.

Provided, further, that if the Tenant, upon written notice being given pursuant to this Section, refuses or neglects to repair properly to the reasonable satisfaction of the Landlord as required by Section 12(3) hereof, the Landlord may, but shall not be obliged to, make such repairs without liability to the Tenant for any loss or damage that may accrue to the Tenant's merchandise, fixtures or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay to the Landlord the Landlord's costs for making any such repairs plus a sum equal to ten (10%) per cent thereof for overhead as Additional Rent.

14. Public Access and Green Space

- a. The Tenant shall adhere to the spirit of their original Expression of Interest in terms of public access which was to establish a revitalized marina operation, which will service both the travelling public and local residents with access to improved marina facilities, services and boat launch
- b. Tenacity Marina Corporation will operate on the property in consultation with Quinte Conservation Authority to ensure public access to the shoreline is optimized and enhanced with pedestrian amenities that reflect the vibrancy of the waterfront while respecting the natural habitat through lighting, seating, signage, and environmental preservation measure as guided and governed by Quint Conservation Authority.

15. Insurance

- (1) The Tenant covenants to keep the MNRF pursuant to s.10 of the Head Lease and to keep the Landlord indemnified against all claims and demands whatsoever by whether in respect of damage to person or property, caused or occasioned by the Tenant, or its officers, agents, servants, employees, contractors, customers, invitees or licensees, or as a result of the use or occupancy of the Premises by the Tenant or its sublessees, invitees or other occupants. 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:
- (2) The Tenant shall provide confirmation of coverage for minimum of \$5 Million (\$5,000,000) Commercial General Liability for its operations, the housing of fuel tanks on site as well as the Tenant's Legal Liability.
- (3) The Tenant shall provide confirmation of site-specific Environmental Impairment Liability Insurance, providing coverage for both sudden and accidental and gradual seepage from any operations of the fuel tanks as part of the Equipment and the Marina.
- (4) The Tenant shall name the Landlord and the MNRF as additional insured on each policy and provide confirmation of all coverage with a certificate of insurance.
- (5) The Tenant shall confirm that it has sufficient Premises coverage for The Tenant's contents, equipment and any improvements being made at the location.
- (6) The parties agree that the foregoing indemnities shall survive the expiration or termination of this Sublease, for a period of two (2) years, notwithstanding any provisions of this Sublease to the contrary

16. Lien

- (1) The Tenant shall promptly pay all its contractors and materialmen and shall do any and all things necessary so as to minimize the possibility of a lien attaching to the Premises and, should any such lien be made or filed, the Tenant shall discharge it immediately, provided however that the Tenant may contest the validity of any such lien and in so doing shall obtain an order of a court of competent jurisdiction discharging the lien or encumbrance from the title to the Premises by payment into court or by furnishing to the Landlord as security satisfactory to the

Landlord in nature and amount against all loss or damage which the Landlord might suffer or incur thereby.

- (2) If the Tenant shall fail to discharge any lien, then in addition to any other right or remedy of the Landlord, the Landlord may, but it shall not be so obligated, discharge the lien by paying the amount claimed to be due into court and the amount paid by the Landlord together with all costs and expenses including solicitor's fee (on a solicitor and his own client basis) incurred for the discharge of the lien shall be due and payable by the Tenant to the Landlord as Additional Rent on demand.

17. Written Consent for Sublease

Except for day use by visitors or members of the public, the Tenant shall not assign this Lease in whole or in part, nor sublet all or any part of the Premises, nor mortgage or encumber this Sublease or the Premises or any part thereof, nor suffer or permit the occupation of, or part with or share possession of, all or any part of the Premises by any person (all of the foregoing being hereinafter collectively referred to as a "Transfer"), without the prior written consent of the Landlord in each instance, which consent may not be unreasonably withheld, notwithstanding any statutory provision to the contrary including, without limitation, the provisions of Section 23 of the Commercial Tenancies Act, R.S.O. 1990 c.L.7 as amended, or any statute subsequently passed to take the place of or to amend the said Act. The consent by the Landlord to any Transfer, if granted, shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. This prohibition against a Transfer is construed so as to include a prohibition against any Transfer by operation of law and no Transfer shall take place by reason of a failure by the Landlord to reply to a request by the Tenant for consent to Transfer.

18. Complying with provisions of law

The Tenant shall, at its expense, comply with all provisions of law including, without limitation, federal and provincial legislative enactments, building bylaws and any other governmental or municipal regulations which relate to the use of the Premises including the Equipment (inside and outside) and to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises and to comply with all police, fire and sanitary regulations imposed by any federal, provincial or municipal authorities and to observe and obey all governmental and municipal regulations and other requirements governing the conduct of any business or occupation of the Premises including the Equipment.

18. TERMINATION UPON NOTICE AT END OF TERM

- (1) If the Premises are expropriated or condemned by any competent authority the Landlord shall have the right to terminate this Sublease by giving fifteen (15) clear days' notice in writing to the Tenant.

18. RULES AND REGULATIONS

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 Sublease and/or as the Landlord may reasonably make from time to time.

19. NOTICE

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

To the Landlord at:	332 Main Street, Picton, Ontario K0K 2T0
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To the Tenant at the Premises or at: c/o CJ Thompson
PEC Innovation Centre
8-35 Bridge Street
Picton, Ontario
K0K 2T0

- (2) Any notice given by one party to the other in accordance with the provisions of this Sublease 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.

20. INTERPRETATION

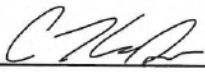
- (1) The words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice versa.
- (2) Unless the context otherwise requires, the word "Landlord" and the word "Tenant" wherever used herein shall be construed to include the executors, administrators, successors and assigns of the Landlord and Tenant, respectively.

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

THE CORPORATION OF THE COUNTY
OF PRINCE EDWARD

Per: 

TENACITY MARINA CORPORATION

Per: 

Per: _____

I have authority to bind the Corporation

SCHEDULE 'A'

THE PREMISES

1. Picton Marina Property 1 Head Street, Picton, Ontario K0K2T0. Legal Description: Plan 24 pt lots 1025 & 1076, RP 47R2099 Part of Part 1, RP 47R5921 Part 1
2. The part water lots as described in the Head Lease as it pertains to this sublease: **Part 1** and **Part 2** of designated on a Plan and Field Notes of Water Lot Location CL 2654, on record in the Ministry of Natural Resources at Peterborough, a copy of which plan and field notes is attached to and forms part of this agreement.

(collectively the "Premises")

SCHEDULE 'B'**THE EQUIPMENT**

The following goods, chattels, fixtures and assets, in the possession of the Landlord and used in the operation of the Marina, shall be rented from the Landlord to the Tenant in accordance with the Sublease, with the Tenant having full use and control thereof:

1. Customer lists;
2. Books and records;
3. Tradenames and trademarks "Picton Marina" and/or "Tip of the Bay";
4. All branded Apparel with the names "Picton Marina" and/or "Tip of the Bay";
5. All marketing materials with the names "Picton Marina" and/or "Tip of the Bay";
6. Docks;
7. Water lines;
8. Signage;
9. Utility Shed;
10. Life Jackets;
11. Tools, hardware and cleaning supplies;
12. Global payments machine and replacement rolls;
13. Lawn mower;
14. Picnic tables;
15. Lawn chairs;
16. Flower pots;
17. Washroom door locks;
18. Luggage cart;
19. Wheelbarrow;
20. Lighting standrds;
21. Marine radio;
22. Phone line and Telephone Number for the Marina;
23. Ice machine and related rental contract;
24. Soft drink machine and related rental contract;
25. Small fridge;
26. Use, including passwords for the Marina's facebook page, website, linkedin page, dropbox, email addresses and domain name;

SCHEDULE 'C'
EQUIPMENT AND CAPITAL ASSET MAINTENANCE

The following equipment must be maintained by the Tenant, municipal staff will inspect these items annually as per 12 (4) of this agreement or if there are complaints made by an inspector or a member of the public. This list is not exhaustive:

1. Holding tank for sewage must be monitored regularly depending on the rate of pump out and use of washrooms at the facility. Note, during the season, the tank should be emptied at least once a day by turning on the pump;
2. Regular cleaning and maintenance of washrooms;
3. Municipal staff should have access to equipment in case of emergency (keys, codes, etc.);
4. Winterizing: the Marina must be winterized at the end of the season to ensure pipes do not burst;
5. The removable dock must be removed at the end of the boating season. Ensure cleats which secure boats to dock are intact;
6. All docks and dock skirting must be regularly maintained for safety and longevity;
7. Fuel tank must be inspected by Technical Standards and Safety Authority (TSSA), Tenant's staff must be trained by TSSA to properly operate the fuel pump system. The TSSA will inspect fuel tanks and pump at least once per year;
8. Ensure water does not seep into fuel tanks, should water seep in it must be removed immediately to not contaminate the fuel;
9. Inspect fuel hoses on reels monthly;

SCHEDULE 'D'

CAPITAL ASSET MAP

SCHEDULE 'E'

MAPS OF WATER LOTS INCLUDED IN SUBLEASE PREMISES

SCHEDULE 'F'

PICTON MARINA PROPERTY MAP

SCHEDULE 'D'

HEAD LEASE

THE CORPORATION OF THE COUNTY OF PRINCE EDWARD**By-law No. 3043-2012**

**A BY-LAW TO AUTHORIZE THE EXECUTION OF A BEACH
MANAGEMENT AGREEMENT BETWEEN THE CORPORATION OF THE
COUNTY OF PRINCE EDWARD AND THE MINISTER OF NATURAL
RESOURCES (Minister) (Picton Harbour).**

WHEREAS Section 10 (1) of the Municipal Act, 2001, S.O. 2001, c.25 as amended, a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS under Section 44 of the Public Lands Act the Minister and a municipality may enter into an agreement respecting the control and management by the municipality of any public lands composed of beaches or lands covered with water;

AND WHEREAS The Corporation of the County of Prince Edward deems it advisable to enter into a Beach Management Agreement with the Minister of Natural Resources for the management of the Picton Harbour in accordance with the terms and conditions as set out in the Beach Management Agreement attached to this By-law as Schedule 'A'.

NOW THEREFORE the Council of the Corporation of the County of Prince Edward enacts as follows;

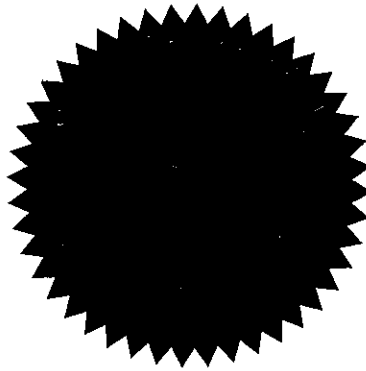
1. **THAT** the Beach Management Agreement substantially in the form attached hereto as Schedule 'A' to this by-law between the Corporation of the County of Prince Edward and the Minister of Natural Resources be and the same is hereby approved.
2. **THAT** the Mayor and the Clerk be and are hereby authorized and directed to execute the said Beach Management Agreement.

3. **THAT** the provisions of this by-law shall come into force and effect on the day of final passing thereof.

Read a first, second and third time and finally passed this 10th day of April, 2012.


Victoria Leskie, CLERK


Peter A. Mertens, MAYOR





Ministry of
Natural
Resources

BEACH MANAGEMENT AGREEMENT

NO. 5

THIS AGREEMENT made the fourteenth day of March, two thousand and twelve under Section 44 of the Public Lands Act,

BETWEEN:

THE MINISTER OF NATURAL RESOURCES
for the Province of Ontario,
hereinafter referred to as the
"Minister",

OF THE FIRST PART;

-and-

THE CORPORATION OF THE COUNTY OF
PRINCE EDWARD, hereinafter referred
to as the "Corporation",

OF THE SECOND PART

WHEREAS under Section 44 of the Public Lands Act the Minister and a municipality may enter into an agreement respecting the control and management by the municipality of any public lands composed of beaches or lands covered with water;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of ONE THOUSAND DOLLARS (\$1,000.00) now paid by the Corporation to the Minister, the receipt whereof is hereby acknowledged, and the mutual agreements and undertakings herein, the parties hereto covenant and agree with each other as follows;

1. The public lands described in the Schedule attached hereto and hereinafter referred to as the "control area" are placed under the control and management of the Corporation for a period of twenty-five years from the first day of January, 2009.
2. Before commencing any development of the control area, the corporation shall submit plans and specifications of the proposed development to the local District Manager of the Ministry of Natural Resources hereinafter referred to

- as the "District Manager", and shall not proceed with the development until the plans and specifications have been approved in writing by the District Manager, who may approve them as submitted or with such alterations therein as he deems advisable.
3. The Corporation shall enact such by-laws as are necessary to enable it to comply with the proposed uses and developments set forth in the plans and specifications referred to in paragraph 2.
 4. The Corporation shall be responsible for all costs of any survey work deemed necessary by the Minister to establish the external boundaries of the control area and, within the control area, any boundary lines between public lands and privately-held lands.
 5.
 - (i) The Corporation covenants that forthwith upon the execution of the agreement, it will enter into negotiations with the existing holders (if any) of leases, licences of occupation, or land use permits issued by the Crown in the control area, to continue in occupation and/or use under terms and conditions and at rents agreed upon and evidenced by leases to be issued by the Corporation, but no such lease shall be issued by the Corporation for a term in excess of the then unexpired term of this agreement.
 - (ii) A copy of every lease to be issued by the Corporation pursuant to clause 5(1) shall be filed with the District Manager and thereupon the District Manager will arrange for cancellation of the leases, licences of occupation, or land use permits issued by the Crown and send a copy of the notice of cancellation to the Corporation.
 6. Apart from the leases that may be issued by the Corporation under clause 5(1), the Corporation may grant leases permitting occupation of any other part or parts of the control area to such person or persons and for such term or terms which the Corporation sees fit, provided only that no such lease shall be for a term that exceeds the then unexpired term of this agreement.
 7. The Minister or any authorized officer of the Ministry of Natural Resources may enter and inspect the control area and buildings or structures thereon at any time.
 8. The Corporation shall file with the Minister on or before the 31st day of March in each year an annual report of its progress, including an itemized list of all receipts and expenditures in such form and with such auditor's certificates and other information as the Minister may require.

9. (i) Subject to subparagraph (ii) of this paragraph the Corporation agrees to pay to the Minister of Finance on or before the 31st day of March in each year a sum equal to ten per cent (10%) of the gross revenue shown in the statement referred to in paragraph 8.
- (ii) The Corporation agrees that the percentage of the gross revenue payable by the Corporation to the Minister of Finance under subparagraph (i) of this paragraph shall be subject to review and adjustment in each year during the term of this agreement.
10. The Minister shall be under no liability whatsoever to any person, firm or corporation for any damages or injury, including death, of any person or persons caused by or resulting from the control and management of the control area by the Corporation, its servants or agents, and the Corporation will indemnify and save harmless the Minister, his servants or agents, from and against all claims of any nature whatsoever and from whatever source arising, for damages to property or injury to or death of any person or persons arising from, caused by or resulting from the control and management of the control area by the Corporation, its servants or agents.
11. The Corporation shall, at it's sole cost and expense, take out and maintain in full force and effect, at all times throughout the term of this agreement, general liability and property damage insurance, including personal liability, contractual liability, tenants legal liability, non-owned automobile liability and owners and contractors protective insurance coverage with respect to the control area, written on a comprehensive basis with inclusive limits of at least \$5,000,000.00 for each occurrence, or such higher limit as the Minister, acting reasonably, may require from time to time.

PROVIDED that,

- a) Upon the expiration or sooner determination of this agreement, the Corporation shall remove from the premises any building, structure or thing thereon where the Minister or a person authorized by him, within thirty days after the expiry or sooner determination of the agreement, requests the Corporation in writing to remove any such building, structure or thing;
- b) In the event that a request is made pursuant to paragraph (a), the Corporation shall, within twelve months from the expiry or sooner determination of the agreement, remove at the expense of the Corporation the building or buildings, structure or structures, or thing or things which the Minister or the person authorized by him has requested be removed from the premises and the Corporation shall leave the premises in a safe and clean condition

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satisfactory to the Minister or the person authorized by him and;

- c) In the event that the Corporation neglects or refuses to comply with the request referred to in paragraph (a), the Minister or a person authorized by him may remove any or all buildings, structures or things from the premises and restore the premises to a safe and clean condition and the cost thereby incurred by the Minister or a person authorized by him shall be a debt to the Minister and may be recovered from the Corporation at the suit of the Minister in any court of competent jurisdiction.

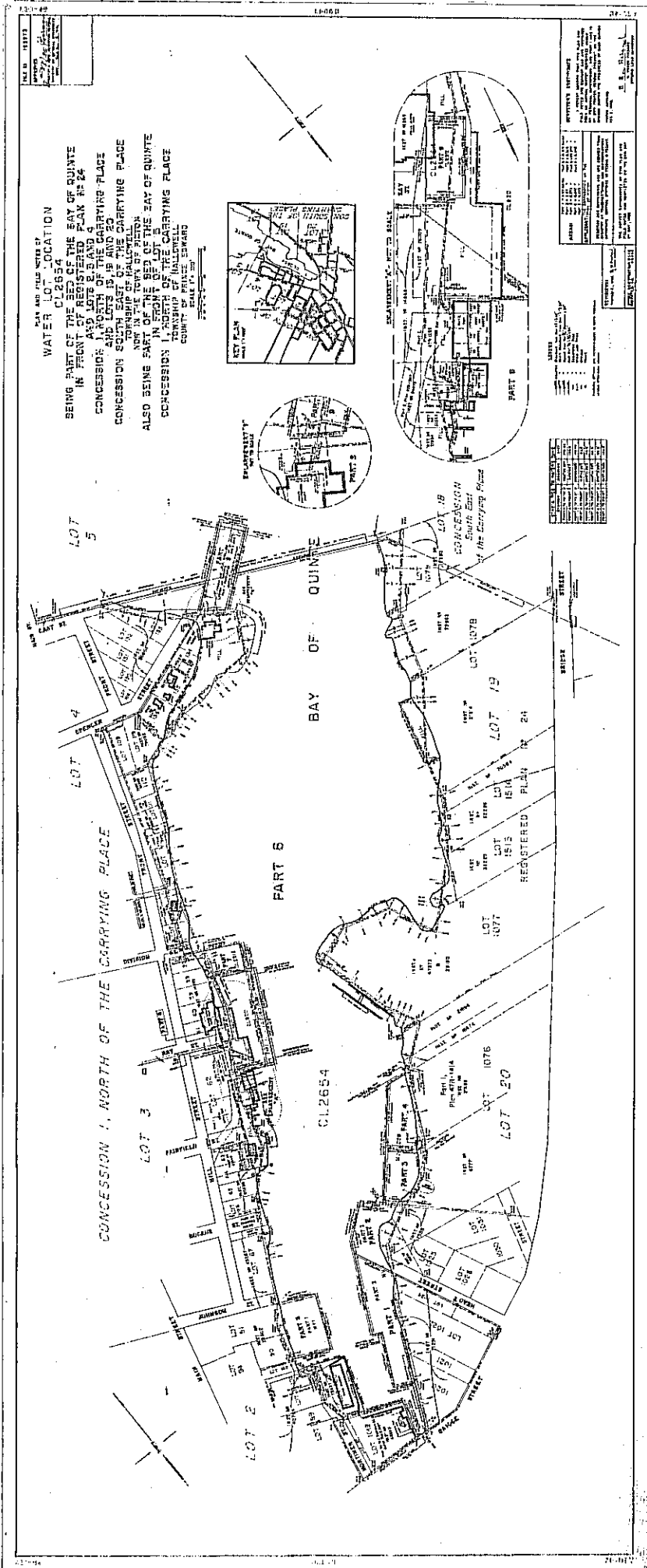
12. (i) If the Corporation is in breach of any condition, agreement, affirmative covenant, negative covenant or any other obligation contained herein, the Minister shall give written notice of the breach and shall specify a reasonable time within which the breach must be remedied, taking into account the nature of the breach and the consequences thereof.

(ii) If the Corporation fails to remedy the breach within the time specified in the notice:

- (a) The Corporation may be subject to prosecution pursuant to Section 69.1 of the Public Lands Act; and/or
- (b) The Minister shall have the right but not the obligation to remedy the breach and take steps to rectify or mitigate the consequences of the breach and recover its reasonable expenses in relation thereto from the Corporation as additional fees; and/or
- (c) The Minister may exercise a right of re-entry and may terminate this agreement.

SCHEDULE

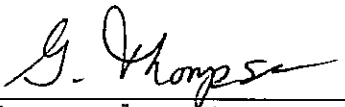
All that parcel or tract of land,
Being part of the bed of the Bay of Quinte of Lake Ontario,
In front of Registered Plan No. 24,
And in front of Lots 2, 3, 4 and 5,
Concession 1, North of The Carrying Place,
And in front of Lots 18, 19 and 20,
Concession South East of The Carrying Place,
Geographic Township of Hallowell,
City of Prince Edward County,
Containing 19.23 hectares, more or less,
Designated as Parts 1 to 9, both inclusive, on a Plan and Field
Notes of Water Lot Location CL 2654, on record in the Ministry of
Natural Resources at Peterborough, a copy of which plan and field
notes is attached to and forms part of this agreement.

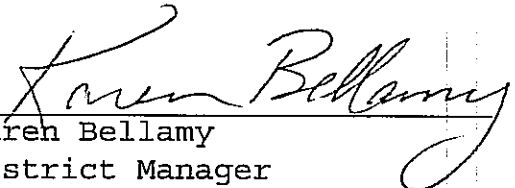


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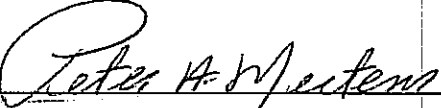
IN WITNESS WHEREOF the Minister has executed this agreement under the hand of an officer duly authorized in that behalf and the seal of the Ministry of Natural Resources, and the Corporation has hereunto set its seal attested by its officers duly authorized in that behalf by By-Law No. 3043-2012 dated the tenth day of April, 2012.

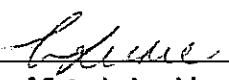
SIGNED, SEALED and DELIVERED
in the presence of


Witnessed as to execution
by District Manager


Karen Bellamy
District Manager
Peterborough District
for and on behalf of the
Minister of
Natural Resources

THE CORPORATION OF THE COUNTY OF
PRINCE EDWARD

By: 
Peter A. Mertens, Mayor

And by: 
Victoria Leskie, Clerk

Beach Management Agreement No. 5

Main Office File No. 193973

Beach Management Agreement Mailed to:

The Corporation of the County of Prince Edward
332 Main Street
Picton, Ontario
K0K 2T0

Attention: Kim White, Deputy Clerk