

Lease Agreement

Between

South Huron Automotive

(herein referred to as the “Lessee”)

of the First Part

and

The Corporation of The Municipality of South Huron

(herein referred to as the “Municipality”)

of the Second Part:

This is to confirm the Agreement between South Huron Automotive and the Corporation of the Municipality of South Huron regarding the terms and conditions on which the Municipality agrees to permit the Lessee to rent municipal lands (hereinafter referred to as the “Parking Lot”) within the site located at the Francis Street extension off of Alexander in Exeter. The Francis Street extension located between 99 Alexander Street and 71 Alexander Street.

1.0 The Lessee’s Covenants:

- 1.1 The Lessee agrees to Lease from the Municipality those lands and/or premises of the Municipality as outline in blue on Schedule ‘A’ attached hereto (the “Site”)
- 1.2 The Lessee agrees to Lease the land for the term of five (5) years to commence on October 1, 2019 until December 31, 2023.
- 1.3 The Lessee agrees to pay the Lessor on an annual basis, every year, during the said term and hereby agrees to pay \$1,220.40 Dollars per year including

H.S.T., of lawful money of Canada, without any deduction, defalcation or abatement whatsoever to be payable annually on the following days and times, that is to say:

The sum of \$1,220.40 including H.S.T. on October 1st of each year during the term herein.

- 1.4 Late payment under this Agreement is subject to a 1.25% per month interest penalty in accordance with Municipal policy, as amended from time to time. In accordance with the Municipal collection policy the defaulted account shall be referred to a collection agency thirty (30) days after the third collection letter is sent and the debtor has not responded. The debtor will be notified by letter that the account is being referred to a collection agency and that future correspondence should be with that agency.

If the annual lease payment is not paid in full to the Municipality after 120 days from the due date of October 1st of each year, the Lease Agreement shall be terminated immediately. The defaulted annual lease payment for the year the Agreement is terminated shall remain the debt of the Lessee.

- 1.5 The Lessee agrees to maintain the Parking Lot during the term of this Agreement.
- 1.6 In performing its responsibilities, the Lessee shall take care not to damage or destroy the lands, premises or personal property of the Municipality or within the vicinity. Should any damage occur, the Lessee shall, at its expense, repair or replace any of the Municipality's property damaged or destroyed by the Lessee.
- 1.7 The Lessee agrees to insure against damage or destruction and shall maintain appropriate public liability and property damage insurance covering the Lessee's operation on Site.
- 1.8 The Lessee agrees to indemnify and hold the Municipality harmless from and against all liability that the Municipality maybe incur as a result of damage or destruction to property and injury or death to persons in any way caused by the installation of the Lessee located on the Site, or due to the negligence of the Lessee or its contractors.
- 1.9 The Lessee shall be responsible for any and all costs for the restoration of the property to its original condition upon termination of this lease.
- 1.10 The Lessee agrees to use the Parking Lot during normal business hours.
- 1.11 The Lessee agrees not to assign or sub-let without leave, nor will during the said term, assign, transfer or set over or otherwise by any act or deed

procure the said premises or any of them to be assigned, transferred, set over or sub-let unto any person or persons whomsoever without the consent in writing of the lessor first had and obtained.

2.0 Municipality's Covenants:

- 2.1 The Municipality grants the Lessee permission to install and maintain the Parking Lot at the location agreed upon referred to in this lease as the "Site".
- 2.2 During the term of the Agreement, the Municipality agrees to permit the Lessee and its contractors to enter upon the Site, at all reasonable times, for the purpose of operation and maintaining the Parking Lot.
- 2.3 The Lessee grants the Municipality permission to cross over the Site for access to adjacent lands.

3.0 Mutual Covenants:

- 3.1 This Agreement shall ensure to the benefit of and is binding upon each of the party's respective heirs, executors, administrators, successors and assigns.

4.0 Renewals:

- 4.1 The Municipality grants the Lessee the option to extend the Term of this Agreement for one successive five year period, unless the Municipality of Lessee gives written notice of cancellation to the other not less than 180 days prior to the expiration of this Agreement. The renewal shall be upon the same terms and conditions herein or as otherwise agreed to by the Municipality and the Lessee.
- 4.2 Continuation of the Agreement will maintain the annual lease rate increase to the Consumer Price Index for Ontario as of June annually. The Lessee will be invoiced annually and for payment due in October of that year.

5.0 Taxes:

- 5.1 In the event that the site is or becomes liable for municipal taxes as a result of the Lessee's use of the Premises, the Lessee shall pay any and all municipal taxes, including local improvements, realty taxes and business taxes assessed against the Site at any time during the Term and any Extended Term.

6.0 Notice:

6.1 Any notice or other communications provided shall be sufficiently given if personally served or sent by mail, electronic mail or facsimile and addressed to the Party to which it is intended as indicated below. Any Party may change its address or particulars for the purposes of receipt of any communications by giving 10 days prior written notice of such change to the other Party. Any notice of communication to be given hereunder, if delivered personally or by electronic mail or by facsimile shall be assumed to be given the same day.

6.2 The addresses of the Parties for purposes of service hereunder are as follows:

For South Huron Automotive:
South Huron Automotive
106 Alexander Street West
Exeter, ON N0M 1S3
Attention: Paul Overholt

For the Corporation of the Municipality of South Huron:
322 Main Street South
P.O. Box 759
Exeter, ON N0M 1S6
Attention: Clerk

7.0 Breach of Agreement:

7.1 Upon evidence of a breach in agreement conditions by the Lessee, the Lessee shall be given appropriate notice and allowed 30 days to rectify the breach. Upon failing to do so, the Agreement will be considered terminated by both parties and the Lessee agrees to be responsible for all costs incurred to restore the property to its original condition.

8.0 Termination of the Agreement:

8.1 Either party may terminate the Agreement by providing 90 days written notice to the other party. Upon termination of the Agreement under this provision, the Lessee will be allowed a period of 90 days to return the property to its original condition.

-----Signature page to follow-----

In Witness Whereof the Parties of this Agreement have hereunto set their hands and seals this day of August, 2019.

South Huron Automotive

Per: _____

**Name: Paul Overholt
Position: President**

Date:

I have authority to bind the Corporation.

The Corporation of The Municipality Of South Huron

Per: _____

George Finch, Mayor

Date

Rebekah Msuya-Collison, Clerk

Date:

We have authority to bind the Corporation.

Schedule "A" to Agreement between South Huron Automotive and the Municipality of South Huron

