

COMMERCIAL LEASE AGREEMENT

This lease dated 20th of December, 2022

Between:

KSC Group Corporation

(the "Landlord")

Of the First Part

And

Town of Minto

(the "Tenant")

Of the Second Part

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease agree as follows:

1. **Definitions**

When used in this Lease, the following expression will have the meanings indicated:

- a. "Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this lease;
- b. "Building" means all buildings and improvements, equipment, fixtures, property and facilities from time to time located at 1 ELORA ST. N. UNITS #3 and #4 HARRISTON, ON, N0G 1Z0, as from time to time altered, expanded or reduced by the landlord in its sole discretion;
- c. "Common Areas and Facilities" mean:
 - i. Those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are not designated or intended by the Landlord to be leased to the tenants of the Building, including without limitation, exterior weather walls, roofs, entrances and exits, parking areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and
 - ii. Those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not

- located within, adjacent to or near the Building and which are designated from time to time by the landlord as part of the Common Areas and facilities;
- d. "Leasable Area" means with respect to any rentable premises, the area expressed in square feet or all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors, and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the centre line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;
 - e. "Premises" means the office space at 1 ELORA ST NORTH, UNIT #3 and UNIT #4 HARRISTON, ON, N0G 1Z0

2. **Intent of Lease**

It is the intent of this Lease and agreed to by the parties to this Lease that rent for this Lease will be on a gross rent basis meaning the Tenant will pay the Base Rent plus hydro and the Landlord will be responsible for all other service charges related to the Premises and the operation of the Building save as specifically provided in this Lease to the contrary.

3. **Leased Premises**

- i. The Landlord agreed to rent to the Tenant the office space municipally described as 1 ELORA ST. NORTH, UNITS #3 and #4 HARRISTON, ON , N0G 1Z0, (the "Premises"). The Premises will be used for only the following permitted use (the "Permitted Use"): FOR...Incubator for business development...USE.
- ii. No pets or animals are allowed to be kept in or about the Premises or in any common areas in the building containing the Premises without the prior written permission of the Landlord. Upon thirty (30) days' notice, the Landlord may revoke any consent previously given under this clause.

4. **Term**

- i. The term of the Lease commences at 12:00 noon on March 1, 2023 and ends at 12:00 noon on February 28, 2025.
- ii. Should the Tenant remain in possession of the Premises with the express written consent of the Landlord after the natural expiration of the Lease, a new tenancy from month to month will be created between the Landlord and the Tenant which will be subject to all the terms and conditions of this Lease but will be terminable upon either party giving one month notice to the other party.

5. **Rent**

i. Subject to the provisions of this Lease, the Tenant will pay a base rent of \$1,750 + HST for the first year, and \$1,811 + HST for the second year of the lease for the Premises (the “Base Rent”).

ii. The Tenant will send an Electronic Fund Transfer to the Landlord the FIRST day of each and every month of the term of this Lease on a yearly basis.

iii. For any rent review negotiation, the basic rent will be calculated as being the higher of the Base Rent payable immediately before the date of review and the Open Market Rent on the date of review.

6. **Use and Occupation**

i. The Tenant will use and occupy the Premises only for the Permitted Use and for no other purpose whatsoever. The Tenant will carry on business under the name of Launchit Business Exploration Centre or any other name selected by the Town of Minto. The Tenant will open the whole of the Premises for business to the public fully fixture, stocked and staffed on the date of the commencement of the term and throughout the term, will continuously occupy and utilize the entire Premises in the active conduct of its business in a reputable manner on such days and during such hours of business as may be determined from time to time by the Landlord.

ii. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such as manner as to comply with all statues, bylaws, rules and regulations by any federal, provincial, municipal or other competent authority and will not do anything on or in the Premises in contravention of any of them.

7. **Quiet Environment**

The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

8. **Distress**

If and whenever the Tenant is in default in payment of any money, whether hereby expressly reserved or deemed as rent, or any part of the rent, the Landlord may, without notice or any form of legal process, enter upon the Premises and seize, remove and sell the Tenant’s goods, chattels and equipment from the Premises or seize, remove and sell

any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them, in the same manner as if they had remained and been distained upon the Premises, all notwithstanding any rule of law or equity to the contrary, and the Tenant hereby waives and renounces the benefit of any present or future statute or law limited or eliminating the Landlord's right of distress.

9. Over Holding

- i. If the Tenant continues to occupy the Premises with the written consent of the landlord after the expiration or other termination for the term, then, without any further written agreement, the Tenant will be a month-to-month Tenant at a minimum monthly rental equal to the base Rent and subject always to all of the other provisions of this lease insofar as the same are applicable to a month-to-month tenancy and a tenancy from year to year will not be created by the implications of law.
- ii. If the Tenant continues to occupy the Premises without the written consent of the Landlord at the expiration or other termination of the term, then the Tenant will be a Tenant at will and will pay to the Landlord, as liquidated damages and not as rent, an amount equal to twice the Base Rent plus any Additional Rent during the period of such occupancy, accruing from day to day and adjusted pro accordingly, and subject always to all other provisions of this Lease insofar as they are applicable to a tenancy at will and a tenancy from month to month or from year to year will not be created by implication of law; provided that nothing in this clause contained will preclude the Landlord from taking action for recovery of possession of the Premises.

10. Additional Right on Re-entry

If the Landlord re-enters the Premises or terminate this Lease, then:

- a. Notwithstanding any such termination of the term thereby becoming forfeited and void, the provisions of this Lease relating to the consequences of termination will survive;
- b. The Landlord may use such reasonable force as it may deem necessary for the purpose of gaining admittance to an retaking possession of the Premises and the Tenant hereby releases the Landlord from all actions, proceedings, claims and demands whatsoever for and in respect of any such forcible entry or any loss or damage in connection therewith or consequential thereupon;
- c. The Landlord may expel and remove, forcibly, if necessary, the Tenant, those claiming under the Tenant and heir effects, as allowed by law, without being taken or deemed to be guilty of any manner of trespass;
- d. In the event that the Landlord has removed the property of the Tenant, the Landlord may store such property in a public warehouse or at a place selected by

the Landlord, at the expense of the Tenant. If the Landlord feels that it is not worth storing such property given its value and the cost to store it, then the Landlord may dispose of such property at its sole discretion and use such funds, if any, towards any indebtedness of the Tenant to the Landlord. The Landlord will not be responsible to the Tenant for the disposal of such property other than to provide any balance of the proceeds to the Tenant after paying any storage costs and any amounts owed by the Tenant to the Landlord;

- e. The Landlord may relit the Premises or any part of the Premises for a term or terms which may be less or greater than the balance of the term of this Lease remaining and may grant reasonable concessions in connection with such relating including any alterations and improvements to the Premises;
- f. After re-entry, the Landlord may procure the appointment of a receiver to take possession and collect the rents and profits of the business of the Tenant, and, if necessary to collect the rents and profits of the receiver may carry on the business of the Tenant and take possession of the personal property used in the business of the Tenant, including inventory, trade fixtures, and furnishings, and use them in the business without compensating the Tenant;
- g. After re-entry, the Landlord may terminate the Lease on giving 5 days written notice of termination to the Tenant. Without this notice, re-entry of the Premises by the Landlord or its agents will not terminate this Lease;
- h. The Tenant will pay to the Landlord on demand:
 - i. All rent, Additional Rent and other amounts payable under this Lease up to the time of re-entry or termination, whichever is later;
 - ii. Reasonable expenses as the Landlord incurs or has incurred in connection with the re-entering, terminating, relating, collecting sums due or payable by the Tenant, realizing upon assets seized; including without limitation, brokerage, fees and expenses and legal fees and disbursements and the expenses of keeping the Premises in good order, repairing the same and preparing them for relating and
 - iii. As liquidated damages for the loss of rent and other income of the Landlord expected to be derived from this Lease during the period which would have constituted the unexpired portion of the term had it not been terminated, at the option of the Landlord, either:
 - i. An amount determined by reducing to present worth at an assumed interest rate of twelve percent (12%) per annum all Base Rent and estimated Additional Rent to become payable during the period which would have constituted the unexpired portion of the term, such determination to be made by the Landlord, who may make reasonable estimates of when any such other amounts would have become payable and may make such other assumptions of the facts as may be reasonable in the circumstances; or

- ii. An amount equal to the Base Rent and estimated Additional Rent for a period of six (6) months.

11. Renewal of Lease

Upon giving written notice no later than 90 days before the expiration of the term of this Lease, the Tenant may renew this Lease for an additional term. All terms of the renewed lease will be the same except rent, unless additional conditions are communicated in writing by the Landlord or the Tenant.

12. Tenant Improvements

The Tenant will obtain written permission from the Landlord before doing any of the following:

- a. Applying adhesive materials, or inserting nails or hooks in walls or ceilings other than two small picture hooks per wall;
- b. Painting, wallpapering, redecorating or in any way significantly altering the appearance of the Premises;
- c. Removing or adding walls, or performing any structural alterations;
- d. Installing a waterbed(s);
- e. Changing the amount of heat or power normally used on the Premises as well as installing additional electrical wiring or heating units;
- f. Affixing or erecting upon or near the premises any radio or TV antenna or tower.

If permission is not obtained the Tenant will be required to pay for any damages that are caused as a result of the action.

13. Utilities and Other Costs

- a. The Landlord is responsible for payment of the following utilities and other charges in relation to the Premises : water and sewer.
- b. The Tenant is responsible for the direct payment of the following utilities and other charges in relation to the Premises: electricity, telephone, internet and cable.

14. Insurance

The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of the Tenant's insurance agent regarding a Tenant's Policy of Insurance.

15. Governing Law

It is the intention of the parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be constructed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the Province of Ontario, without regard to the jurisdiction in which any action or special proceeding may be instituted.

16. Severability

If there is a conflict between any provision of this lease and the applicable legislation of the Province of Ontario (the 'Act'), the Act will prevail and such provision of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.

17. Assignment and Subletting

Without the prior, express, and written consent of the Landlord, the tenant will not assign this Lease, or sublet or grant any concession or license to use the Premises or any part of the Premises. Consent by Landlord to one assignment, subletting, concession, or license will not be deemed to be consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, concession, or license without the prior written consent of the Landlord, or an assignment or subletting by operation of law, will be void and will, at Landlord's option, terminate this Lease.

Except however the Landlord acknowledges that the Tenant's use as an incubator for business development by its nature includes certain parties subletting from the Tenant individual offices for the purpose of growing or facilitating a new or existing business and that the Tenant will be collecting a small amount of rent for up to six individual office stations within the facility to partially offset the cost of operating the incubator for business development.

18. Maintenance

- a. The Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal of this lease.
- b. In particular, the Tenant will keep the fixtures in the Premises in good order and repair. The Tenant will, at the Tenant's sole expense, make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures, flooring and ceilings, windows and doors whenever damage to such items will have resulted from the Tenant's misuse, waste, or neglect or that of the Tenant's employee, family, agent or visitor.

- c. The Tenant will be responsible at its own expense to replace all electric light bulbs, tubes, ballasts or fixtures serving the Premises.
- d. The Tenant is solely responsible for conducting ongoing checks on smoke alarms, detectors to ensure they are in good working order.

19. Care and Use of the Premises

- a. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises.
- b. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other Tenants.
- c. The Tenant will not engage in any illegal trade or activity on or about the Premises.
- d. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.
- e. In case of emergency (plumbing, fire, flooding etc.) the Tenant must provide access to the unit immediately.

20. Surrender of Premises

At the expiration of the lease term, the Tenant will quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the elements excepted.

21. Hazardous Materials

The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might reasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

22. Rules and Regulations

The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot, and other common facilities that are provided for the use of the Tenant in and around the Building and on the Premises.

23. General Provisions

- a. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or non-

performance and will not defeat or affect in any the Landlord's right in respect of any subsequent default or breach.

- b. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors, and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.
- c. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recovered by the Landlord as rental arrears.
- d. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.

IN WITNESS WHEREOF the parties to this Agreement have duly affixed their signatures under hand and seal, or by a duly authorized officer under seal, on this 20th day of December, 2022.

KSC GROUP CORPORATION

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

We have the authority to bind the Corporation

THE CORPORATION OF THE TOWN OF MINTO

Per: _____

Name: David Turton

Title: Mayor

Per:

Name: _____
Annilene McRobb

Title: Clerk

We have the authority to bind The Corporation of
the Town of Minto.