

LEASE AGREEMENT

THIS AGREEMENT made this 7th day of April, 2025.

IN PURSUANCE OF the *Short Forms of Leases Act*, R. S. O. 1990, c. s.11

B E T W E E N:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(hereinafter referred to as the "Landlord")

- and -

FCD SPORTS GROUP LTD.

(hereinafter referred to as the "Tenant")

WHEREAS the Landlord desires to lease the Demised Area to the Tenant;

AND WHEREAS the Tenant wishes to operate the Demised Area for a Pro Shop;

NOW THEREFORE the parties agree as follows:

1. In this Lease:

- (a) "Demised Area" shall mean a Pro Shop comprising a portion of the Northern Community Centre consisting of 313 square feet of leasable area;
- (b) "Profit" means all Net Profits after Expenses; and,
- (c) "Manager" shall mean the Landlord's Manager of Community Arenas or his/her designate

2. Term of the Lease:

- (a) The Landlord hereby demises and leases the Demised Area to the Tenant for a term of five (5) years commencing **April 7, 2025** and expiring **May 30, 2030**, on the terms and conditions set out in this Lease, with rent payable on the **15th day** of each month during the term.
- (b) Prior to the expiry of the Term, but not less than 60 days before expiry, the Tenant, provided it is not in default of any covenant or obligation herein contained, may

give the Landlord a minimum of sixty (60) days written notice of its desire to renew this Lease for an additional period of one (1) year.

(c) The parties agree that either party may terminate the Lease by providing forty-five (45) days of Notice in writing in accordance with Section 9 herein.

(d) If, at the expiration of the Term, the Tenant remains in possession with the consent of the Landlord but without further written agreement, a tenancy from year to year shall not be created by implication of law or otherwise, but the Tenant shall be deemed to be a monthly Tenant only at a rental payable monthly in advance at the rate payable at the expiration of the Term or renewal and otherwise upon and subject to the terms and conditions contained in this Lease.

3. Rent:

(a) The Tenant shall during the Term, pay the Landlord as follows:

WINTER – September to April

- Rent - \$1250.00/month + HST

SUMMER – May to August – With Both Ice Sheets Opens and In Use

- Rent - \$400.00/month + HST

SUMMER – May to August – With No Ice Sheets Open or In Use

- Rent - \$250.00/month + HST

(b) In addition to the payment of rent set out above, the Tenant shall be responsible for paying:

- (i) its own cleaning costs; and,
- (ii) any goods and services tax payable as a result of the Tenant's occupancy and use of the Demised Area and any provincial sales tax.

(c) The Tenant shall keep or cause to be kept on the Demised Area or in such other location as the Landlord may approve in writing, full, true, and accurate records in a reasonable form and detail approved by the Landlord of all business at the Demised Area to which the Landlord and its employees and agents or any auditor or auditors appointed by it shall have access at any and all times during business hours of the Tenant for the purpose of examination or audit.

4. Covenants:

(a) The Tenant covenants with the Landlord:

- (i) to pay rent;
- (ii) not to make changes in the Demised Area except in accordance with plans therefor which have been submitted to, and approved by, the Manager, such approval not be unreasonably withheld to make any such changes

- expeditiously in a good and worker like manner (including property clean-up) to the satisfaction of the Manager;
- (iii) to keep the Demised Area in a clean and well-ordered condition and not to permit any rubbish, refuse, debris or other objectionable material to be stored or to accumulate therein, all to the satisfaction of the Manager;
 - (iv) to use the Demised Area only for the purposes of a Pro Shop. For the purposes of this lease, a Pro Shop shall be defined to mean the sale and servicing of sport products and shall include skate sharpening and repair. The Pro Shop shall not be allowed to sell food or drink products;
 - (v) not to assign or sublet this Lease without the permission of the Landlord and the Landlord will not unreasonably withhold that permission;
 - (vi) not to erect any signs on the Demised Area without the written consent of the Manager;
 - (vii) not to store flammable or explosive substances on the Demised Area;
 - (viii) to comply with all federal, provincial, and municipal law, by-laws, rules and regulations affected the Demised Area, including the obtaining of all necessary permits and licenses to save the Landlord harmless from any liability or cost suffered by it as a result of failure of the Tenant to do so;
 - (ix) upon termination of the tenancy, at its own risk and expense, to remove from the Demised Area within 30 days, any fixtures and chattels belonging to it, with all damage, if any, caused by such removal made good by it and leave the Demised Area neat, clean, level, and free of all waste material, debris, and rubbish, all to the Manger's satisfaction, and
 - (x) that upon failure by the Tenant to comply with any covenant(s) incumbent upon it under this indenture within 30 days after written notice requiring such compliance is given by the Landlord to the Tenant, the Landlord may enter the Demised Area and fulfil such covenant(s) at the sole expense of the Tenant, who shall forthwith upon being invoiced therefor reimburse the Landlord who in default of such reimbursement may collect same as rent owing and in arrears.

(b) The Landlord covenants to the Tenant:

- a. To pay any property taxes that may arise as a result of the Tenant's occupancy and use of the Demised Area; and
- b. To pay utilities for the Demised Area.

(c) The Tenant accepts the Demised Area in the condition existing at the date of the commencement of the Term.

5. Operation:

- (a) The Tenant shall operate seven (7) days per week. The Tenant's hours of operation shall be Monday to Friday 4:00 p.m. to 9:00 p.m. and on Saturday and Sunday from 9:00 a.m. 8:00 p.m., unless otherwise agreed to in writing by the Manager.

6. The Tenant covenants that the entrance and exit to the Demised Area shall be:

- (a) in the case of the exterior entrance being from the west side of the main arena entrance; and
- (b) in the case of the interior entrance being in the corridor adjoining the arena only and the Tenant shall cause proper signs in this regard to be erected.

7. Indemnity:

- (a) The Tenant shall completely and at all times indemnify and save harmless the Landlord, its employees, officers, agents from any and all claims, demands, actions, losses, expenses, costs or damages of every kind and nature whatsoever and howsoever caused that the Landlord, its employees, officers, or agents may sustain or suffer as a consequence of the actions, inactions, or omissions of the Tenant, its employees, agents, of officers or as a consequence of the negligent actions or inactions of the Tenant, its employees, agents, or officers whether or not the Landlord is partially or wholly responsible for such claims, demands, actions, losses, expenses, costs or damages.
- (b) The Tenant shall at all times indemnify and save harmless the Landlord from and against any and all manner of claims, demands, losses, costs, charges, actions, and other proceedings whatsoever (including those under or in connection with the *Workplace Safety and Insurance Act*, 1997 S.O. 1997, c. 16, Sch. A, or any successor legislation) made or brought against, suffered by, or imposed on the Landlord or its property in respect of any loss, damage, injury (including fatal injury) to any person or property (including, without restriction, employees, agents, and property of the Landlord or of the Tenant) directly or indirectly arising out of, resulting from or sustained as a result of the Tenant's occupation or use of, or any operation in connection with the Demised Area or any fixtures or chattels therein except to the extent attributable to the Landlord's negligence.
- (c) The provisions of this clause will continue to apply, notwithstanding cessation of the tenancy created by this indenture.

8. Insurance

- (a) The Tenant agrees to maintain at all times during the currency of this Lease Term and any renewal thereof, at its own expense maintain in force insurance coverage with respect to the Demised Area and its use and occupation thereof, a minimum of Two Million (\$2,000,000.00) Dollars comprehensive general liability insurance in respect of personal injury, death, loss or damage of or to any person or property of third parties, with insurers licensed to conduct business in Ontario. The Landlord shall be added as an Additional Insured to the required liability insurance policy or policies and no such policy shall be cancelled or allowed to lapse without at least thirty (30) days written notice having been given to the Landlord. An Insurance Certificate, on the C.S.I.O. form and satisfactory to the City's Risk Manager, shall be provided to the Landlord prior to the commencement of the Lease Term.

- (b) The Landlord assumes no responsibility for damage by fire, theft, or otherwise whatsoever, to the goods, chattels, fixtures, and improvements of the Tenant or any other person except to the extent caused by the negligence of the Landlord or any person(s) for whom the Landlord is at law responsible.

9. Notice:

- (a) Any notice pursuant to any of the provisions of this indenture shall be deemed to have been properly given if delivered in person, or mailed by pre-paid registered post addressed:

in case of notice to the Landlord to:

Manager of Community Areas
Community Services Department
The Corporation of the City of Sault Ste. Marie
269 Queen Street East
Sault Ste. Marie, ON P6A 1Y9

in case of notice to the Tenant to:

FCD Sports Group LTD.
298 East Balfour
Sault Ste. Marie, ON P6C 1X9

or to such other address as either party may notify the other of, and in the case of mailing as aforesaid, such notice shall be deemed to have been received by the addressee, in the absence of a major interruption in postal service affecting the handling or delivery thereof, on the 4th business day, excluding Saturdays, next following the date of mailing. If the notice is faxed, the notice shall be deemed to have been received on the 1st day next following the date of faxing.

10. Interest and Legal Costs

- (a) All sums, for rent or otherwise, payable to the Landlord under this lease shall bear interest commencing the first day next following the failure due thereof, at the then current rate of interest charged to the Landlord by its bankers until the actual date of payment.
- (b) The Tenant shall pay to the Landlord all the Landlord's legal costs, on a solicitor and client basis, of all actions or other proceedings in which the Landlord participates in connection with, or arising out of the obligations of the Tenant under this indenture or arising out of the Tenant's occupation of the Demised Area, except to the extent that the Landlord is not successful herein.

11. Rights of the Landlord

- (a) The Landlord or any employee or agent of the Landlord shall have the right during business hours of the Tenant or at any time during an emergency as determined by the Landlord, to enter the Demised Area for any of the following purposes:
 - (i) To examine the state of maintenance, repair, and decoration of the Demised Area and the equipment and fixtures therein;
 - (ii) to install and maintain pipes, conduits, wire, and ducts in the Demised area to serve the Demised Area or other premises, or both;
 - (iii) to show the Demised Area to prospective purchasers, lessees, encumbrances or assignees.
- (b) No condonation, excusing or overlooking by the Landlord of any default, breach, or non-observance of any of the Tenant's obligations under this Lease at any time or times shall affect the Landlord's remedies or rights with respect of any subsequent (even if by way of continuation) default, breach or non-observance.
- (c) No waiver shall be inferred from or implied by anything done omitted by the Landlord.
- (d) Any written waiver by the Landlord shall have effect only in accordance with its express terms.
- (e) All rights and remedies of the Landlord under this Lease shall be cumulative and not alternative.

12. Termination of the Term:

- (a) The termination of the Term by expiry or otherwise shall not affect the liability of either party to this Lease to the other with respect to any obligation under this Lease which has accrued up to date of such termination but not been properly satisfied or discharged.
- (b) The Tenant acknowledges that there are no covenants representations, warranties, agreements, or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Lease other than as set out in this Lease which constitutes the entire agreement between the parties concerning the Demised Area and which may be modified only by further written agreement under seal.
- (c) The provisions of this lease shall be binding upon, and ensure to the benefit of, the parties and their respective successors and (where applicable) permitted assigns.

IN WITNESS WHEREOF the parties hereto have signed this Agreement this day of
March, 2025.

**THE CORPORATION OF
THE CITY OF SAULT STE. MARIE
PER:**

MATTHEW SHOEMAKER
MAYOR

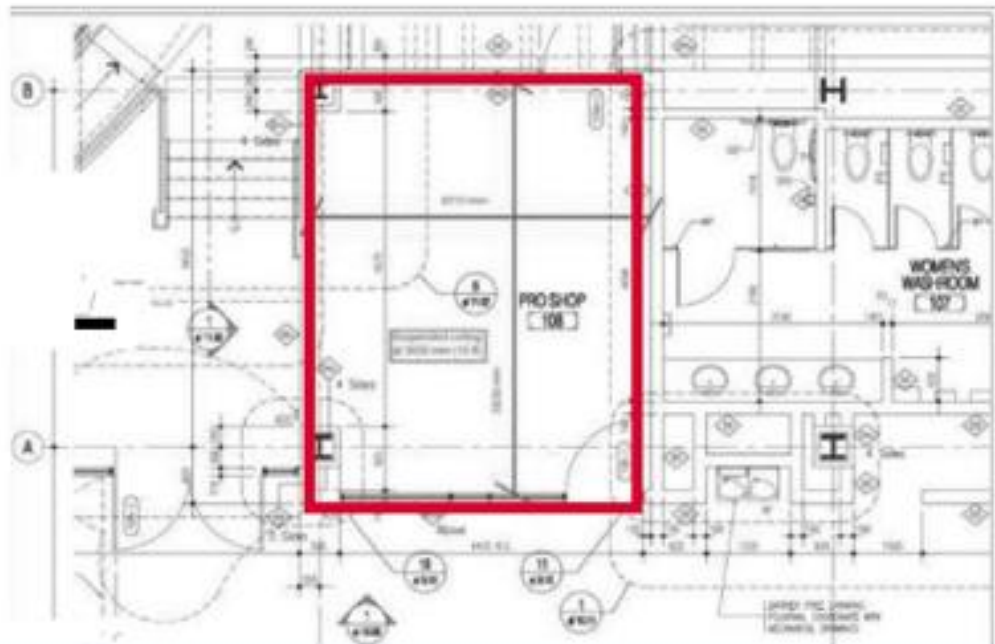
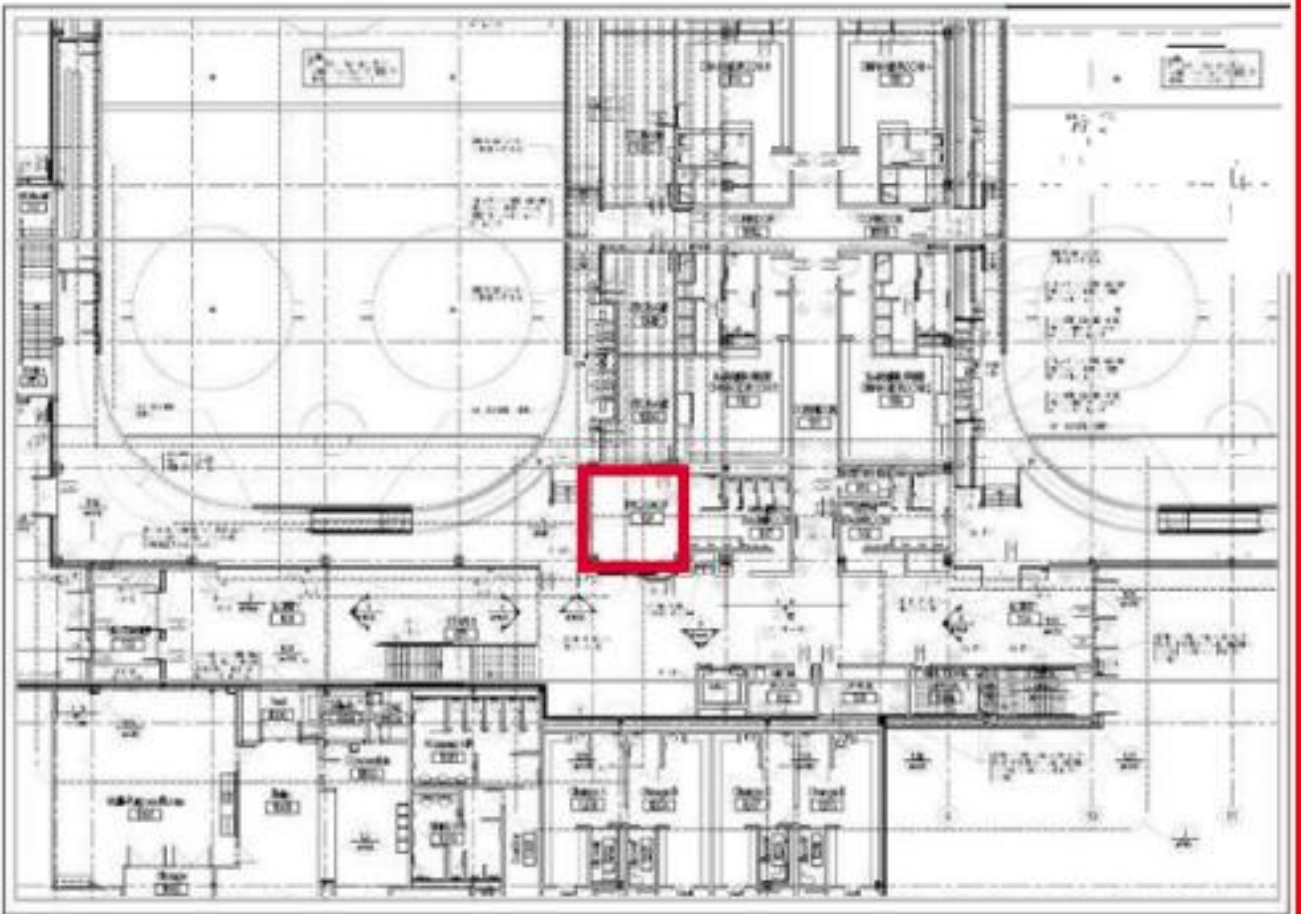
RACHEL TYCZINSKI
CITY CLERK

**FCD SPORTS GROUP LTD.
PER:**



DOMINIC BUONOMO
SECRETARY, FCD SPORTS GROUP LTD.

Schedule A (Area indicated in red is space for a Business tenant)



Attached to and forming part of a Lease

Between

**The Corporation of the City of Sault Ste.
Marie, Landlord**

**and
FCD SPORTS GROUP LTD.,
Tenant**

Schedule “B”

**Northern Community Centre
Financial Agreement**

Item #1-

Base Rent Per Year

Year 1	Year 2	Year 3	Year4	Years
\$10,000 Sept to April	\$10,000 Sept to April	\$10,000 Sept to April	\$10,000 Sept to April	\$10,000 Sept to April
Additional Summer Cost: See applicable summer rent below dependent on Ice use availability	Additional Summer Cost: See applicable summer rent below dependent on Ice use availability	Additional Summer Cost: See applicable summer rent below dependent on Ice use availability	Additional Summer Cost: See applicable summer rent below dependent on Ice use availability	Additional Summer Cost: See applicable summer rent below dependent on Ice use availability

SUMMER – May to August – With Both Ice Sheets Opens and In Use

- Rent - \$400.00 + HST

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