

Schedule "A"

This Agreement made this 24th day of February, 2025

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

BETWEEN: **THE CORPORATION OF THE CITY OF SAULT STE. MARIE**
hereinafter called the "Landlord"

-and-

JAYTEQ PRO SHOP
hereinafter called 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 John Rhodes Centre and shown on Schedule "A" consisting of 680 square feet of leaseable area.
 - b) "Gross Revenue" means all sales, receipts and receivables of the Tenant and any licensee, concessionaire, sub-Tenant or other person from all business conducted at, in, upon or from the Demised Area and without limiting the generality of the foregoing, includes:
 - (i) The entire amount of the sales price whether for cash, credit or otherwise, of all sales of goods, wares and merchandise and charges for services (including amounts received for equipment rentals) made or performed at, in, upon or from Demised Area.
 - (ii) Amounts received or receivable in respect of orders taken or received at the Demised Area (although such orders may be filled elsewhere).
 - (iii) Amounts received or receivable in respect of orders made or performed pursuant to mail, telephone, or other similar orders received at the Demised Area.
 - (iv) Gross receipts from public telephones and from coin operated or other vending devices at, in or about the Demised Area.
 - (v) Gross receipts or receivables which the Tenant or any licensee, concessionaire, sub-Tenant or other person carrying on business at, in, upon or from the Demised Area would in the normal course of its business and in accordance with generally accepted accounting practice attribute thereto.

No deduction shall be made for uncollected accounts and each sale or service made or performed on credit, or cash and credit shall be treated as a sale or service made or performed for the price charged in the month during which it was made or performed, irrespective of when payment is made.

"Gross Revenue" shall not include:

- (i) Cash or credit refunds to customers or transactions otherwise included in Gross Revenue.

- (ii) Any money collected and paid out for any federal, provincial or municipal taxes which the Tenant is required to collect as a direct and separate tax from its customers and which are not included in the retail sales price of the merchandise sold
- (iii) The exchange or transfer of merchandise between the stores of the Tenant where such exchange or transfer of merchandise is made solely for the convenient operation of the business of the Tenant and not for the purpose of consummating a sale at, in, from or upon the Demised Area or for the purpose of depriving the Landlord of the benefit of a sale which otherwise would be made at, in, from or upon the Demised Area.

c) "Manager" shall mean the Landlord's Manager of Community Arenas.

2. The Landlord hereby demises and leases the Demised Area to the Tenant for a term of five (5) years commencing **March 1, 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. The commencement date may be changed on the written agreement of the parties should the construction of the project be concluded earlier or later as the case may be.

The Tenant may renew the agreement for one (1) other term of five (5) years, subject to the successful negotiation by the parties

3.

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

Lease Terms and Payments

WINTER – SEPTEMBER to APRIL

- RENT – \$1204.16 + HST
- COMMON AREA FEES – \$96.33 + HST

SUMMER – MAY to AUGUST – With Both Ice Sheets Open and In Use

- RENT - \$481.67 + HST
- COMMON AREA FEES – \$96.33 + HST

SUMMER – With No Ice Sheets Open or In Use

- RENT - \$294.78 + HST
- COMMON AREA FEES - \$96.33 + HST

- b) In addition to the payment of rent set out above, the Tenant shall be responsible for paying:
- (i) its own cleaning costs.
 - (ii) any property taxes that may arise as a result of the Tenant's occupancy and use of the Demised Area, which can be billed monthly to the Tenant by the Landlord.
 - (iii) 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.

- (iv) common area costs, shared on a pro rata basis for utility costs, cleaning costs, snow removal costs, and security, at the rate of \$96.33 per month.
- 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 reasonable form and detail approved by the Landlord of all business at the Demised Area from which the gross revenue may be accurately determined and 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.

- a) The Tenant covenants with the Landlord:
 - (i) to pay rent;
 - (ii) to pay all charges (including penalties and interest) for water, electricity and other utilities supplied to the Demised Area, directly to the supplier thereof in each case;
 - (iii) 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 and to make any such changes expeditiously in a good and workerlike manner (including property clean-up) to the satisfaction of the Manager;
 - (iv) 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;
 - (v) to use the Demised Area only for the purposes of a **Pro Shop**. The **Pro Shop** shall not be allowed to sell food or drink products.
 - (vi) not to assign or sublet this lease without the permission of the Landlord and the Landlord will not unreasonably withhold that permission.
 - (vii) not to erect any signs on the Demised Area without the written consent of the Manager;
 - (viii) to ensure that nothing is done or kept at or on the Demised Area which is or may be a nuisance or which causes damage to or interference with normal usage of any adjoining property, provided that the use referred to in clause (v) and the vehicles, supplies and equipment necessarily incidental thereto shall not be deemed to be, in and of themselves, a nuisance;
 - (ix) to take at its own expense all measures necessary to ensure to the Manager's satisfaction that the plant of or appurtenances to any municipal service or public utility now or in the future on, under or adjacent to the Demised Area, is adequately protected against damage, impairment, destruction or loss;
 - (x) not to store inflammable or explosive substances on the Demised Area;
 - (xi) to comply with all federal, provincial and municipal laws, by-laws, rules and regulations affecting the Demised Area, including the obtaining of all necessary permits and licences and to save the Landlord harmless from any liability or cost suffered by it as a result of failure of the Tenant to do so;
 - (xii) 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 to leave the Demised Area neat, clean, level and free of all waste material, debris and rubbish, all to the Manager's satisfaction, and
 - (xiii) 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 Tenant accepts the Demised Area in the condition existing at the date of the commencement of the Term.

The Tenant shall operate seven days per week. The Tenant's hours of operation shall be from **Monday to Friday, 3:00 p.m. to 9:00 p.m. and on Saturday and Sunday from 10:00 a.m. to 6:00 p.m.**, unless otherwise agreed to in writing by the Manager of Community Centres

As per RFP:

WINTER - SEPTEMBER to APRIL

- **Monday to Friday - 3:00pm to 9:00pm**
- **Saturday and Sunday - 10:00am to 6:00pm**

SUMMER - MAY to AUGUST

- **Monday to Thursday - 10:00am to 6:00pm**

HOLIDAYS

TBD - Will be based around arena hours of operation and number of ice rentals.

5. 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 north side of the main arena entrance; and
 - b) in the case of the interior entrance being in the corridor adjoining the pool only and the Tenant shall cause proper signs in this regard to be erected.
- 6.
- a) If the Tenant or any assignee or sub-Tenant makes an assignment for the benefit of creditors, or becomes insolvent or commits an act of bankruptcy as defined by the Bankruptcy Act and Insolvency Act, R.S.C. 1985, c. B-3, or if the leasehold interest created by this indenture is at any time seized or taken in execution or in attachment, or if the Tenant or any corporate assignee or sub-Tenant is subjected to voluntary or compulsory liquidation or winding-up, or if the Demised Area becomes abandoned, then, at the option of the Landlord, the lease shall cease, the Term shall be at an end, the rent for the then next ensuing three months shall immediately become due and payable and the Landlord may re-enter and take possession.
 - b) Notwithstanding any present or future Act of the Ontario Legislature, none of the Tenant's goods and chattels on the Demised Area shall at any time during the Term be exempt from levy by distress for rent in arrears, and the Tenant, having waived any such exemption, shall by this clause be estopped from setting up any such exemption in any proceedings between the parties.
 - c) This indenture makes provision for re-entry by the Landlord on nonpayment of rent or non-performance of covenants.

7.

- a) The Tenant shall at all times indemnify and save harmless the Landlord from and against any and all manner of claims, demands, awards, losses, costs, (including legal costs on a substantial indemnity basis) charges, damages, actions, suits 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 or 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 covered under this Agreement or any fixtures or chattels therein except to the extent attributable to the Landlord's negligence.
- b) The Tenant shall, at all times during the currency of this 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, and shall provide the Landlord with certificates of a policy or policies of an insurance company or companies to the Landlord for:
 - (i) insurance against loss by such insurable hazards as the Landlord may from time to time reasonably request, and
 - (ii) 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.
 - (iii) The Landlord shall be added as an Additional Insured to the required liability insurance policy, or policies and no such policy shall be 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 Landlord's Risk Manager, shall be provided to the Landlord prior to the commencement of the Term.
 - (iv) Every policy or policies of insurance maintained shall provide cross-liability coverage and waiver of subrogation and the Landlord may require the Tenant to supply evidence thereof from time to time.
- c) The Tenant shall at all times indemnify and save harmless the Landlord from and against any and all claims, demands, awards, losses, costs (including legal costs on a substantial indemnity basis), charges, damages, actions, suits and other proceedings under the Construction Lien Act, R. S. O. 1990, c. C.30, in connection with any work done for the Tenant at or on the Demised Area and shall at its own expense promptly see to the removal from the registered title to the Demised Area, of every claim for lien or certificate of action having to do with such work and in any event within 30 days of being notified in writing by the Landlord to do so, failing which the Landlord may see to such removal and recover the expense and all attendant costs from the Tenant as rent owing and in arrears.
- d) The Landlord assumes no responsibility for damage by fire, theft or otherwise whatsoever, to the goods, chattels, fixtures and improvements of the Tenant or of 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.
- e) The provisions of this clause 8 will continue to apply, notwithstanding cessation of the tenancy created by this indenture, throughout the period(s) during which activities take place pursuant to paragraphs (xii) and (xiii) of clause 4(a) of the lease.

8. If, at the expiration of the Term, the Tenant remains in possession with the consent of the Landlord but without any 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.

9. 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 prepaid registered post addressed.

in the case of notice to the Landlord to:

Manager of Community Arenas
Community Services Department
P.O. Box 580
Sault Ste. Marie, Ontario P6A 5N1

in the case of notice to the Tenant to:

Company Name: JAYTEQ PRO SHOP

Address: 480 Northland Rd
Sault Ste. Marie, Ontario P6C 3N8

Contact: Jay Thomas

Email: jayteq09@gmail.com

Phone: 705-542-8202

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 dating of faxing.

b) The authority of the Manager shall not be deemed to be exhausted by any individual exercise thereof and in the matters for which he or she is responsible under this indenture, the Manager shall be the sole judge whose opinion and exercise of discretion shall not be subject to review in any manner whatsoever except as expressly otherwise indicated in this lease.

10. a) All sums, for rent or otherwise, payable to the Landlord under this lease shall bear interest commencing the first day next following the failing 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 therein.

11.
 - a) The Landlord covenants that it shall install systems capable of heating, ventilating and air conditioning the Demised Area, other leasable premises in the John Rhodes Centre and the common facilities and administrative areas of the John Rhodes Centre to reasonable temperatures for the reasonable use thereof, as determined by the Landlord.
 - b) In the event of any breakdown in the heating, ventilating or air conditioning systems, the Landlord shall not be liable to the Tenant for indirect or consequential damages or damages for personal discomfort or illness.

12. 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 any emergency as determined by the Landlord, to enter the Demised Area for any of the following purposes:
 - a) to examine the state of maintenance, repair and decoration of the Demised Area and the equipment and fixtures therein;
 - b) to install and maintain pipes, conduits, wire and ducts in the Demised Area to serve the Demised Area or other premises, or both;
 - c) to show the Demised Area to prospective purchasers, lessees, encumbrances or assignees.

13.
 - a) 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.
 - b) No waiver shall be inferred from or implied by anything done or omitted by the Landlord.
 - c) Any written waiver by the Landlord shall have effect only in accordance with its express terms.
 - d) All rights and remedies of the Landlord under this lease shall be cumulative and not alternative.

14.
 - 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 the 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 enure to the benefit of, the parties and their respective successors and (where applicable) permitted assigns.

IN WITNESS WHEREOF the parties have affixed their corporate seals attested to by the hands of their officers in that behalf duly authorized.

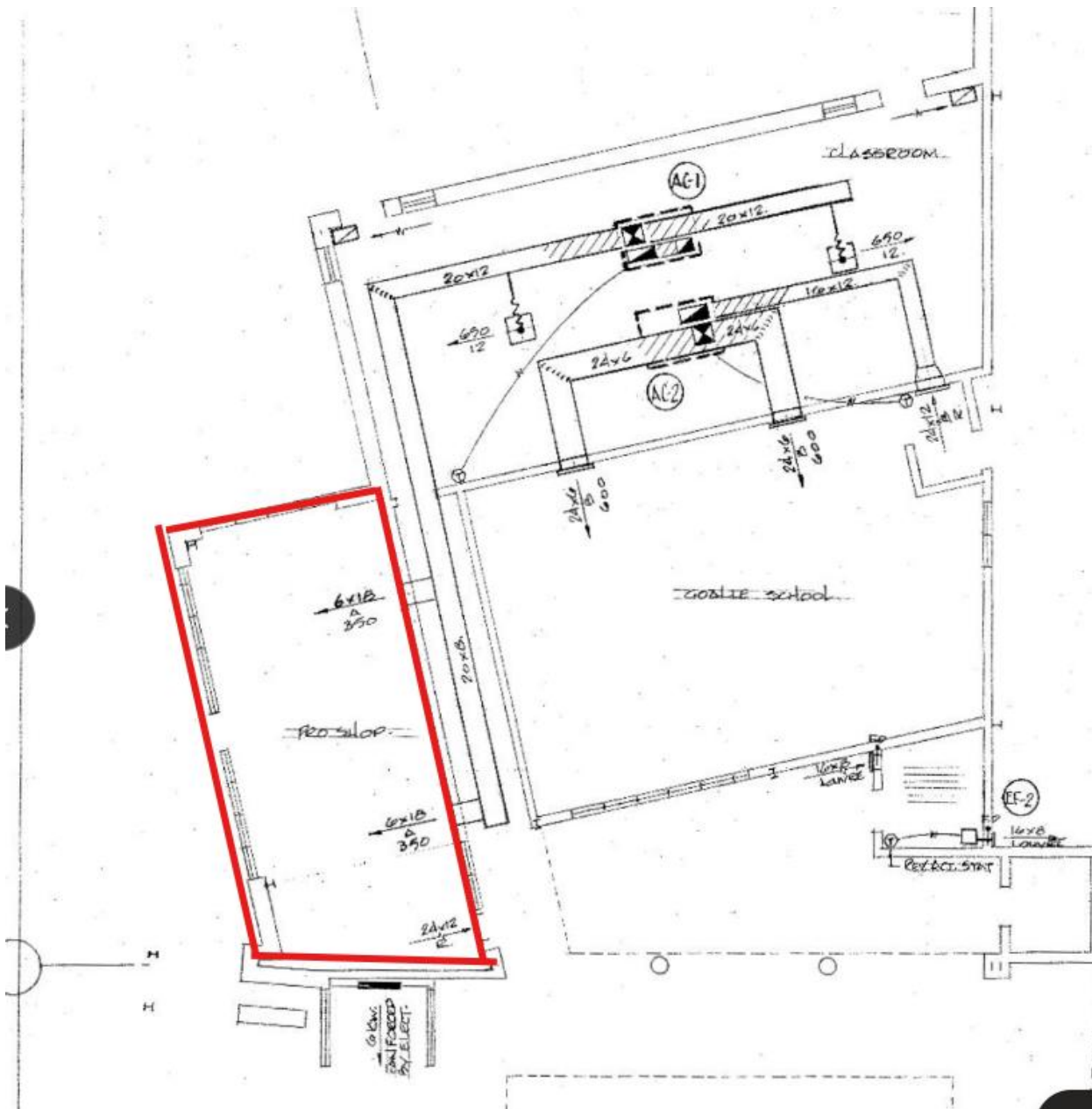
THE CORPORATION OF THE CITY OF SAULT STE. MARIE

MAYOR – MATTHEW SHOEMAKER

DEPUTY CITY CLERK – MADISON ZUPPA

JAYTEQ PRO SHOP

PRESIDENT – Jay Thomas
I have the authority to bind the corporation



**Attached to and forming part of a Lease Between
The Corporation of the City of Sault Ste. Marie, Landlord
and
Jayteq Pro Shop, Tenant
Schedule "B"**

**John Rhodes Community Centre
Jayteq Pro Shop — Financial Agreement
Item #1 – Base Rent Per Year**

	Year 1	Year 2	Year 3	Year 4	Year 5
Summer In	\$ 12,715.92	\$ 12,715.92	\$ 12,715.92	\$ 12,715.92	\$ 12,715.92
Summer Out	\$ 11,968.36	\$ 11,968.36	\$ 11,968.36	\$ 11,968.36	\$ 11,968.36

	Months		13%	
WINTER – SEPTEMBER to APRIL			Hst	Total
- RENT – \$1204.16 + HST	8	\$ 1,204.16	\$ 156.54	\$ 1,360.70
- COMMON AREA FEES – \$96.33 + HST	8	\$ 96.33	\$ 12.52	\$ 108.85
SUMMER – MAY to AUGUST – With Both Ice Sheets Open and In Use				
- RENT - \$481.67 + HST	4	\$ 481.67	\$ 62.62	\$ 544.29
- COMMON AREA FEES – \$96.33 + HST	4	\$ 96.33	\$ 12.52	\$ 108.85
SUMMER – With No Ice Sheets Open or In Use				
- RENT - \$294.78 + HST	4	\$ 294.78	\$ 38.32	\$ 333.10
- COMMON AREA FEES - \$96.33 + HST	4	\$ 96.33	\$ 12.52	\$ 108.85

The rental rate for May, June, July and August will be reduced. This reflects a reduction in the use of the facility. This is calculated in the above annual rental figure.

Item #2 – Utility Costs, Common Areas costs, Cable TV – charge \$96.33 +hst per month

Items #3 – Proponent is also responsible for cleaning costs of the demised area, property taxes (this can be invoiced monthly if requested), common area costs, insurance and liability coverage of \$2 Million, letter of credit for \$5,000, applicable G.S.T. or H.S.T.