



SPECIAL COUNCIL MEETING AGENDA
Held on Thursday, August 21, 2025, at 1:30 PM
Teleconference and Virtual ONLY

Teleconference Toll Free Number – 1-833-311-4101
Access Code: 2867 033 1259

Video Conference Link: [Click Here](#)
Access Code: 2867 033 1259

1.	Call Meeting to Order
2.	Disclosure of Pecuniary Interest & General Nature Thereof
3.	Public Questions/Comments
4.	Staff Report
	David Armstrong, Manager of Public Works
	Council-RDS-2025-10 – Lease Extension – City Cruises Parking Lot
5.	Questions from the Media
6.	Confirmation By-law
	By-law No. 2025-075 – Confirm the proceedings of Council for the Special Meeting held on Thursday, August 21, 2025 (3 Readings)
7.	Next Meeting: Regular Council – Tuesday, September 2, 2025 at 5:00 PM
8.	Adjournment

The Town invites and encourages people with disabilities to attend and voice their comments in relation to accessibility related reports. For those who are unable to attend, the Town encourages the use of the Customer Feedback Form found on the Accessibility Page on the Town's website.

Council Report – RDS-2025-10

Date: August 21, 2025 ☐ **IN CAMERA**

Subject: Lease Extension – City Cruises Parking Lot

Author: David Armstrong, Manager of Public Works ☒ **OPEN SESSION**

RECOMMENDATION:

BE IT RESOLVED THAT THE COUNCIL OF THE TOWN OF GANANOQUE PASS BY-LAW NO. 2025-076, BEING A BY-LAW TO AUTHORIZE THE MAYOR AND THE CLERK TO SIGN AN EXTENSION AGREEMENT WITH CITY CRUISES CANADA FOR THE USE OF THE MUNICIPAL PARKING LOT LOCATED AT WATER STREET AT MILL STREET THROUGH TO SEPTEMBER 30, 2025, AS PRESENTED IN COUNCIL REPORT RDS-2025-10.

STRATEGIC PLAN COMMENTS:

Sector 8 – Governance and Administration – Strategic Initiative #4 – Town Council will ensure openness and transparency in its operations.

BACKGROUND:

Town staff have contracted Strong Bros., to carry out the demolition of the King Street Pedestrian Bridge, commencing September 2, 2025. As part of the mobilization and laydown area to carry out this work Strong Bros., has requested to use the parking lot located at the south-west (SW) corner of King Street West and Main Street.

INFORMATION/DISCUSSION:

Town staff have engaged with City Cruises Canada and our consulting engineers to discuss use of this property for this project. City Cruises Canada have agreed to allow the contractor use of this parking lot, however, have requested to have the current Agreement for the parking lot at Water Street at Mill Street (also known as the “Cow and Gate” parking lot) to be extended through to September 30, 2025. The “overflow” City Cruises parking lot on King Street West is still hosting visitors at this site and they would like to ensure their customers have parking available through to the end of September. Our consulting engineers have provided a draft Permission to Enter for Working Easement to City Cruises.

APPLICABLE POLICY/LEGISLATION:

N/A

FINANCIAL CONSIDERATIONS/GRANT OPPORTUNITIES:

Town staff are recommending a fee of \$2.00 be paid by City Cruises Canada for the extended use of the parking lot off Water Street.

CONSULTATIONS:

Melanie Kirkby, CAO

Brenda Guy, Manager of Building & Planning

Kevin Hawley, Operations Manager, Greer Galloway Group

Lisa Medulun, VP Operations, City Cruises Canada

ATTACHMENTS:

Existing Commercial Lease Agreement

APPROVAL	<div data-bbox="305 1444 928 1486"><hr/>David Armstrong, Manager of Public Works</div> <div data-bbox="305 1556 1458 1680"><hr/>Melanie Kirkby, CAO Certifies that unless otherwise provided for in this report the funds are contained within the approved Budgets and that the financial transactions are in compliance with Council's own policies and guidelines and the <i>Municipal Act</i> and regulations.</div>
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LEASE (COMMERCIAL)

Made the 15th day of January, 2007

BETWEEN

THE CORPORATION OF THE SEPARATED TOWN OF GANANOQUE
(the "Landlord")

-and-

GANANOQUE BOAT LINE LIMITED
(the "Tenant")

In consideration of the rents, covenants and obligations stipulated herein the Landlord and the Tenant have agreed to enter into a Lease of the premises known municipally as

- (a) The Water Street Dock;
- (b) The former Blinkbonnie Boathouse, Workshop and Dock; and
- (c) The Cow and Gate Parking Lot;

each of which is more particularly described in Schedule A attached (the "Premises").

1. GRANT OF LEASE

- (1) The Landlord leases the Premises to the Tenant:
 - (a) at the Rent set forth in Section 3;
 - (b) for the Term set forth in Section 4; and
 - (c) subject to the conditions and in accordance with the covenants, obligations and agreements herein.
- (2) The Landlord covenants that it has the right to grant the leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. CONSTRUCTION OF COW AND GATE PARKING LOT

- (1) The Landlord covenants and agrees to complete on or before July 1, 2008 at the Landlord's expense the construction of a commercial parking lot at such location on the Cow and Gate Property as the Landlord deems advisable, which parking lot shall contain not less than 60 parking spaces and shall generally be of the style of parking lot design attached as part of Schedule "A to this Lease,.
- (2) Despite the foregoing, the Landlord acknowledges receipt of \$154,442.00 plus \$9,266.52 on account of GST for a total of \$163,708.52 from the Tenant (the "Tenant's Contribution") toward the cost of constructing the Cow and Gate Parking Lot, save and except the Landlord's design costs, which shall be the Landlord's sole responsibility.
- (3) If the Landlord's costs to construct the Cow and Gate Parking Lot exceed the amount of the Tenant's Contribution, the Landlord will be responsible for any additional costs. If the Landlord's costs are less than the amount of the Tenant's Contribution, the Landlord shall forthwith refund the difference to the Tenant.
- (4) Upon receipt by the Landlord of a refund or credit from Revenue Canada of the GST on the amount of the Tenant's Contribution, the Landlord shall forthwith refund the amount to the Tenant. If the Landlord has not substantially completed construction of the parking lot by July 1, 2008, the Landlord will refund the Tenant's Contribution in full without interest or deduction.

- (5) The Landlord shall not to carry out any construction of the Cow and Gate Parking Lot during the months of July and August 2007.
- (6) Pending construction of the Cow and Gate Parking Lot by the Landlord, the Tenant agrees to accept the Property in an "as is, where is" condition and acknowledges that the Landlord will not be liable for any losses or damages that the Tenant may suffer as the result of the condition of the Property for its intended use by the Tenant.

3. RENT

- (1) Rent means the amounts payable by the Tenant to the Landlord pursuant to this Section and includes Additional Rent.
- (2) The Tenant covenants to pay to the Landlord, during the Term of this Lease rent as follows:
 - (a) during the first ten (10) years of the Term, the sum of \$2,000.00 per annum as follows:
 - (i) in respect of the Water Street Dock, the sum of \$750.00 per annum, payable in advance on January 1 of each year of the Term;
 - (ii) in respect of the former Blinkbonnie Boathouse, Workshop and Dock, the sum of \$750.00 per annum, payable in advance on January 1 of each year of the Term; and
 - (iii) in respect of the Cow and Gate Parking Lot, the sum of \$500.00 per annum, payable in advance on January 1 of each year of the Term;
 - (b) during the next ten (10) years of the Term, the sum of \$4,000.00 per annum as follows:
 - (i) in respect of the Water Street Dock, the sum of \$1,500.00 per annum, payable in advance on January 1 of each year of the Term;
 - (ii) in respect of the former Blinkbonnie Boathouse, Workshop and Dock, the sum of \$1,500.00 per annum, payable in advance on January 1 of each year of the Term; and
 - (iii) in respect of the Cow and Gate Parking Lot, the sum of \$1,000.00 per annum, payable in advance on January 1 of each year of the Term.
- (3) If the Tenant exercises its right to renew the Term of this Lease in accordance with the provisions of Section 4(2), the rent payable by the Tenant during each Renewed Term in respect of each of the properties herein demised shall be:
 - (a) during the first ten (10) years of the Renewed Term, the amount that is 200% of the amount paid during the immediately preceding ten (10) years of the prior Term; and
 - (b) during the last ten (10) years of the Renewed Term, the amount that is 200% of the amount paid during the first ten (10) years of the Renewed Term.
- (4) The Tenant further covenants to pay all other sums required by this Lease to be paid by it and agrees that all amounts payable by the Tenant to the Landlord or to any other party pursuant to the provisions of this Lease shall be deemed to be additional rent ("Additional Rent") whether or not specifically designated as such in this Lease.
- (5) The Landlord and the Tenant agree that it is their mutual intention that this Lease shall be a completely carefree net lease for the Landlord and that the Landlord shall not, during the Term of this Lease, be required to make any payments in respect of the Premises, except as may otherwise be expressly provided for herein:
 - (a) and to effect the said intention of the parties the Tenant promises to pay the following expenses related to the Premises as Additional Rent;
 - (i) utilities (including but not limited to gas, electricity, water, heat, air-conditioning) for the former Blinkbonnie Boathouse, Workshop and Dock and the Water Street Dock, each of which shall be separately metered and billed to the Tenant. The Tenant will not be obliged to pay for street lighting on the Water Street Dock or Cow & Gate property;

- (ii) services supplied to the Premises, provided that this does not in any way oblige the Landlord to provide any services, unless otherwise agreed in this Lease;
 - (iii) maintenance for only the former Blinkbonnie Boathouse, Workshop and Dock and the Waterfront Dock property, but not the Cow & Gate Property;
 - (iv) any tax or duty imposed upon, or collectable by the Landlord which is measured by or based in whole or in part directly upon the Rent including, without limitation, the goods and services tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise tax or duty or any tax similar to any of the foregoing; and
 - (v) real property taxes, rates, duties and assessments including such portion of real property taxes (formerly known as business taxes). The Landlord shall have the right to determine the assessment value of the Premises acting reasonably, bearing in mind, current principles of assessment, previous assessments and the proportionate share that the rentable area of the Premises is to the total rentable area of all premises in the building of which the Premises forms a part (if applicable). The assessment value of the Premises as determined aforesaid shall be multiplied by the current tax rate of the Premises to determine the real property taxes payable as Additional Rent;
- (b) and if any of the foregoing charges are invoiced directly to the Tenant, the Tenant shall pay same as and when they become due and produce proof of payment to the Landlord immediately if requested to do so, but the Tenant may contest or appeal any such charges at the Tenant's own expense;
 - (c) and the Tenant hereby agrees to indemnify and protect the Landlord from any liability accruing to the Landlord in respect of the expenses payable by the Tenant as provided herein;
 - (d) and if the Tenant fails to make any of the payments required by this Lease then the Landlord may make such payments and charge to the Tenant as Additional Rent the amounts paid by the Landlord, and if such charges are not paid by the Tenant on demand the Landlord shall be entitled to the same remedies and may take the same steps for recovery of the unpaid charges as in the event of Rent in arrears;
 - (e) and if the Tenant enjoys the use of any common areas and facilities not included in the Premises, the Tenant shall pay its proportionate share of the foregoing expenses relating to such common areas and facilities.
- (6) All payments to be made by the Tenant pursuant to this lease shall be delivered to the Landlord at the Landlord's address for service set out in Section 15 or to such other place as the Landlord may from time to time direct in writing.
 - (7) 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 per annum equal to the prime commercial lending rate of the Landlord's bank plus five (5) per cent.
 - (8) The Tenant acknowledges and agrees that the payments of Rent and Additional Rent provided for in this Lease shall be made without any deductions for any reason whatsoever unless expressly allowed by the terms of this Lease or agreed to by the Landlord in writing and no partial payment by the Tenant which is accepted by the Landlord shall be considered as other than a partial payment on account of Rent owing and shall not prejudice the Landlord's right to recover any rent owing.

4. TERM AND POSSESSION

- (1) The Tenant shall have possession of the Premises for a period of twenty (20) years, commencing on the first day of January, 2007, and ending on the 31st day of December, 2026, (the "Term"); provided that,
 - (a) in the case of the Cow and Gate Parking Lot, the Tenant's right to possession shall be limited to the hours between 9:00 a.m. and 6:00 p.m. commencing on July 1 and continuing to and including the following Labour Day each year during the Term; and
 - (b) in the case of the Water Street Dock, the Tenant's right to possession shall be limited to the period commencing on April 1 and continuing to and including October 31 of each year during the Term.
- (2) Subject to the Landlord's rights under this Lease, and as long as the Lease is in good standing, the Tenant shall have the right to renew the term of this Lease for additional terms of twenty (20) years (the "Renewed Terms") on the same terms and conditions, including this right to renew.
- (3) Despite anything in this Lease to the contrary, if the Tenant ceases to operate its tourist boat line in Gananoque, the Landlord shall, in addition to any other remedies, have the right to terminate this Lease upon 30 days prior written notice to the Tenant. For purposes of this Lease, the Tenant shall be deemed to have ceased operating in Gananoque if it no longer uses the Water Street Dock for regularly scheduled docking of its tourist boats for the purpose of the taking on and disembarkation of passengers.
- (4) Despite anything in this Lease to the contrary, the Tenant may at any time during the Term or any Renewed Term and on not less than 30 days prior written notice to the Landlord, terminate this Lease in respect of the Premises or any one or more of the properties that form part of the Premises, but if the effective date of the termination is not December 31, the Landlord shall be under no obligation to rebate to the Tenant the unused portion of the rent paid by the Tenant for the remainder of the year.
- (5) The Landlord covenants that as long as the Lease is in good standing the Tenant shall have quiet enjoyment of the Premises during the Term of this Lease without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming through the Landlord, subject to the following:
 - (a) The Landlord shall be entitled to regulate and control use of the Cow and Gate Parking Lot by all persons, including the Tenant, for such purposes and on such terms and conditions as the Landlord deems advisable during the term of this Lease, save and except between 9:00 a.m. and 6:00 p.m. commencing on July 1 and continuing to and including the following Labour Day each year during the Term;
 - (b) Such other rights as the Landlord may have under this Lease.

5. ASSIGNMENT

- (1) The Tenant shall not assign this Lease or sublet the whole or any part of the Premises unless it first obtains the consent of the Landlord in writing, which consent may be arbitrarily withheld, and the Tenant hereby waives its right to the benefit of any present or future Act of the Legislature of Ontario which would allow the Tenant to assign this Lease or sublet the Premises without the Landlord's consent.
- (2) The consent of the Landlord to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.
- (3) Any consent granted by the Landlord shall be conditional upon the assignee, sublessee or occupant executing a written agreement directly with the Landlord agreeing to be bound by all the terms of this Lease as if the assignee, sublessee or occupant had originally executed this Lease as Tenant.

- (4) Any consent given by the Landlord to any assignment or other disposition of the Tenant's interest in this Lease or in the Premises shall not relieve the Tenant from its obligations under this Lease, including the obligation to pay Rent and Additional Rent as provided for herein.

6. USE

- (1) During the Term of this Lease and without the express consent of the Landlord given in writing, the Premises shall not be used for any purpose other than as follows:
 - (a) In the case of the Water Street Dock, the docking of tourist boats owned and operated by the Tenant during its operating season and the marshalling of passengers and all other matters normally incidental to the operation of a tour boat enterprise;
 - (b) In the case of the former Blinkbonnie Boathouse, Workshop and Dock, the repair, maintenance and docking, including winter docking, of tourist boats owned and operated by the Tenant; and
 - (c) In the case of the Cow and Gate Parking Lot, the parking of motor vehicles by the Tenant's passengers.
- (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 Premises;
 - (c) cause injury or annoyance to occupants of neighbouring premises;
 - (d) make void or voidable any insurance upon the Premises; or
 - (e) constitute a breach of any by-law, statute, order or regulation of any municipal, provincial or other competent authority relating to the Premises.

7. REPAIR AND MAINTENANCE

- (1) The Tenant covenants that during the term of this Lease and any Renewed Term the Tenant shall keep the Premises, including all alterations and additions made thereto, in good condition and shall maintain them to a standard of neatness and cleanliness satisfactory to the Landlord, and shall, with or without notice, promptly undertake all needed repairs and maintenance, and make all necessary replacements as would a prudent owner, including such repairs and maintenance attributable to reasonable wear and tear, but the Tenant shall not be liable to effect repairs attributable to damage caused by fire, lightning or storm.
- (2) Despite subsection (1) above, the Landlord shall be responsible for the maintenance and repair of the Cow and Gate Parking Lot.
- (3) The Tenant shall permit the Landlord or a person authorized by the Landlord to enter the Premises to examine the condition thereof and view the state of repair at reasonable times:
 - (a) and if upon such examination repairs or maintenance are found to be necessary, written notice of the repairs and maintenance required shall be given to the Tenant by or on behalf of the Landlord and the Tenant shall make the necessary repairs within the time specified in the notice;
 - (b) and if the Tenant refuses or neglects to keep the Premises in good repair and maintenance the Landlord may, but shall not be obliged to, make any necessary repairs and maintenance, and shall be permitted to enter the Premises, by itself or its servants or agents, for the purpose of effecting the repairs and maintenance without being liable to the Tenant for any loss, damage or inconvenience to the Tenant in connection with the Landlord's entry and repairs, and if the Landlord

makes repairs the Tenant shall pay the cost of them immediately as Additional Rent.

- (4) Except in the event of repairs required for the purpose of public safety, the Tenant will not be required to undertake any repairs to the Premises during the months of July and August."
- (5) Upon the expiry of the Term or other determination of this Lease the Tenant agrees peaceably to surrender the Premises, including any alterations or additions made thereto, to the Landlord in a state of good repair, reasonable wear and tear and damage by fire, lightning and storm only excepted.
- (6) The Tenant shall immediately give written notice to the Landlord of any substantial damage that occurs to the Premises from any cause.

8. ALTERATIONS AND ADDITIONS

- (1) If the Tenant, during the Term of this Lease or any Renewed Term, desires to make any alterations or additions to the Premises, including but not limited to: erecting partitions, attaching equipment, and installing necessary furnishings or additional equipment of the Tenant's business, the Tenant may do so at its own expense, at any time and from time to time, if the following conditions are met:
 - (a) before undertaking any alteration or addition the Tenant shall submit to the Landlord a plan showing the proposed alterations or additions, (items which are regarded by the Tenant as "Trade Fixtures" shall be designated as such on the plan), and the Tenant shall not proceed to make any alteration or addition unless the Landlord has approved the plan, which approval the Landlord shall not unreasonably or arbitrarily withhold. For greater certainty, all alterations or additions to the Cow and Gate Property or Water Street Dock shall be of a type and constructed in a manner and using materials that are sympathetic to and consistent with the general appearance of the Gananoque waterfront and surrounding properties;
 - (b) any and all alterations or additions to the Premises made by the Tenant must comply with all applicable building code standards and by-laws of the municipality in which the Premises are located.
- (2) The Tenant shall be responsible for and pay the cost of any alterations, additions, installations or improvements that any governing authority, municipal, provincial or otherwise, may require to be made in, on or to the Premises.
- (3) No sign, advertisement or notice shall be inscribed, painted or affixed by the Tenant, or any other person on the Tenant's behalf, on any part of the Premises or inside or outside of any building located on the Premises, unless the sign, advertisement or notice has been approved in every respect by the Landlord, such approval to not be unreasonably withheld.
- (4) All alterations and additions to the Premises made by or on behalf of the Tenant, other than the Tenant's Trade Fixtures, shall immediately become the property of the Landlord without compensation to the Tenant.
- (5) The Tenant agrees, at its own expense and by whatever means may be necessary, immediately to obtain the release or discharge of any encumbrance that may be registered against the Landlord's property in connection with any additions or alterations to the Premises made by the Tenant or in connection with any other activity of the Tenant.
- (6) If the Tenant has complied with its obligations according to the provisions of this Lease, the Tenant may remove its Trade Fixtures at the end of the Term or other termination of this Lease and the Tenant covenants that it will make good and repair or replace as necessary any damage caused to the Premises by the removal of the Tenant's Trade Fixtures.

- (7) Other than as provided in subsection 8 (6) above, the Tenant shall not, during the Term of this Lease or anytime thereafter remove from the Premises any Trade Fixtures or other goods and chattels of the Tenant except in the following circumstances:

- (a) the removal is in the ordinary course of business;
- (b) the Trade Fixture has become unnecessary for the Tenant's business or is being replaced by a new or similar Trade Fixture; or
- (c) the Landlord has consented in writing to the removal;

but in any case the Tenant shall make good any damage caused to the Premises by the installation or removal of any Trade Fixtures, equipment, partitions, furnishings and any other objects whatsoever brought onto the Premises by the Tenant.

- (8) The Tenant shall, at its own expense, if requested by the Landlord, remove any or all additions or improvements made by the Tenant to the Premises during the Term and shall repair all damage caused by the installation or the removal or both.
- (9) The Tenant shall not bring onto the Premises or any part of the Premises any machinery, equipment or any other thing that might in the opinion of the Landlord, by reason of its weight, size or use, damage the Premises or overload the floors of the Premises, and if the Premises are damaged or overloaded the Tenant shall restore the Premises immediately or pay to the Landlord the cost of restoring the Premises.

9. INSURANCE

- (1) During the Term of this Lease and any renewal thereof the Landlord shall maintain at its own cost with respect to the Premises insurance coverage insuring against:

- (a) loss or damage by fire, lightning, storm and other perils that may cause damage to the Premises or the property of the Landlord in which the Premises are located as are commonly provided for as extended perils coverage or as may be reasonably required and obtained by the Landlord, and the insurance policy shall provide coverage on a replacement cost basis in an amount sufficient to cover the cost of all signs and leasehold improvements; and
- (b) liability for bodily injury or death or property damage sustained by third parties up to such limits as the Landlord in its sole discretion deems advisable;

but such insurance and any payment of the proceeds thereof to the Landlord shall not relieve the Tenant of its obligations to continue to pay rent during any period of rebuilding, replacement, repairing or restoration of the Premises except as provided in Section 10.

- (2) The Tenant covenants to keep the Landlord indemnified against all claims and demands whatsoever by any person, whether in respect of damage to person or property, arising out of or occasioned by the maintenance, use or occupancy of the Premises or the subletting or assignment of same or any part thereof. 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 and the Tenant agrees that the foregoing indemnity shall survive the termination of this Lease notwithstanding any provisions of this Lease to the contrary.
- (3) The Tenant shall carry insurance in its own name to provide coverage with respect to the risk of business interruption to an extent sufficient to allow the Tenant to meet its ongoing obligations to the Landlord and to protect the Tenant against loss of revenues.
- (4) The Tenant shall carry insurance in its own name insuring against the risk of damage to the Tenant's property within the Premises caused by fire or other perils and the policy shall provide for coverage on a replacement cost basis to protect the Tenant's stock-in-trade, equipment, Trade Fixtures, decorations and improvements.

- (5) The Tenant shall carry public liability and property damage insurance in which policy the Landlord shall be a named insured and the policy shall include a cross-liability endorsement;
- (6) The Tenant shall provide the Landlord with a copy of the above policies.

10. DAMAGE TO THE PREMISES

- (1) If the Premises or the building in which the Premises are located, are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply:
 - (a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence within 120 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the Landlord, and the Rent from the time of the surrender shall abate; provided that if the former Blinkbonnie Boathouse, Workshop and Dock property forming part of the Premises is so damaged or destroyed, the Tenant may, upon written notice to the Landlord given within 120 days of the happening of such damage or destruction, elect to remain in possession of such property and to rebuild the building thereon at the Tenant's sole expense, in which event the Term of this Lease shall continue without any abatement of rent.
 - (b) If the Premises can with reasonable diligence be repaired and rendered fit for occupancy within 120 days from the happening of the damage or destruction, but the damage renders the Premises wholly unfit for occupancy, then the rent hereby reserved shall not accrue after the day that such damage occurred, or while the process of repair is going on, and the Landlord shall repair the Premises with all reasonable speed, and the Tenant's obligation to pay Rent shall resume immediately after the necessary repairs have been completed;
 - (c) If the leased Premises can be repaired within 120 days as aforesaid, but the damage is such that the leased Premises are capable of being partially used, then until such damage has been repaired, the Tenant shall continue in possession and the Rent shall abate proportionately.
- (2) Any question as to the degree of damage or destruction or the period of time required to repair or rebuild shall be determined by an architect retained by the Landlord.
- (3) Apart from the provisions of Section 9 (1) there shall be no abatement from or reduction of the Rent payable by the Tenant, nor shall the Tenant be entitled to claim against the Landlord for any damages, general or special, caused by fire, water, sprinkler systems, partial or temporary failure or stoppage of services or utilities which the Landlord is obliged to provide according to this Lease, from any cause whatsoever.

11. ACTS OF DEFAULT AND LANDLORD'S REMEDIES

- (1) An Act of Default has occurred when:
 - (a) the Tenant has failed to pay rent and such non-payment of rent continues for 10 days from the date on which the Landlord delivers to the Tenant a written demand for payment of rent;
 - (b) the Tenant has breached its covenants or failed to perform any of its obligations under this Lease; and
 - (i) the Landlord has given notice specifying the nature of the default and the steps required to correct it; and
 - (ii) the Tenant has failed to correct the default as required by the notice;
 - (c) the Tenant has;

- (i) become bankrupt or insolvent or made an assignment for the benefit of Creditors;
 - (ii) had its property seized or attached in satisfaction of a judgment;
 - (iii) had a receiver appointed;
 - (iv) committed any act or neglected to do anything with the result that a Construction Lien or other encumbrance is registered against the Landlord's property;
 - (v) without the consent of the Landlord, made or entered into an agreement to make a sale of its assets to which the Bulk Sales Act applies;
 - (vi) taken action if the Tenant is a corporation, with a view to winding up, dissolution or liquidation;
- (d) any insurance policy is cancelled or not renewed by reason of the use or occupation of the Premises, or by reason of non-payment of premiums;
- (e) the Premises;
 - (i) become vacant or remain unoccupied for a period of 30 consecutive days except as otherwise permitted by the terms of this Lease; or
 - (ii) are used by any other person or persons, or for any other purpose than as provided for in this Lease without the written consent of the Landlord.
- (2) When an Act of Default on the part of the Tenant has occurred, the Landlord shall have the right to terminate this Lease and to re-enter the Premises and deal with them as it may choose.
- (3) If, because an Act of Default has occurred, the Landlord exercises its right to terminate this Lease and re-enter the Premises prior to the end of the Term, the Tenant shall nevertheless be liable for payment of Rent and all other amounts payable by the Tenant in accordance with the provisions of this Lease until the Landlord has re-let the Premises or otherwise dealt with the Premises in such manner that the cessation of payments by the Tenant will not result in loss to the Landlord, and the Tenant agrees to be liable to the Landlord, until the end of the Term of this Lease for payment of any difference between the amount of Rent hereby agreed to be paid for the Term hereby granted and the Rent any new tenant pays to the Landlord.
- (4) The Tenant covenants that notwithstanding any present or future Act of the Legislature of the Province of Ontario, the personal property of the Tenant during the term of this Lease shall not be exempt from levy by distress for Rent in arrears and the Tenant acknowledges that it is upon the express understanding that there should be no such exemption and that this Lease is entered into, and by executing this Lease:
 - (a) the Tenant waives the benefit of any such legislative provisions which might otherwise be available to the Tenant in the absence of this agreement; and
 - (b) the Tenant agrees that the Landlord may plead this covenant as an estoppel against the Tenant if an action is brought to test the Landlord's right to levy distress against the Tenant's property.
- (5) If, when an Act of Default has occurred, the Landlord chooses not to terminate the Lease and re-enter the Premises, the Landlord shall have the right to take any and all necessary steps to rectify any or all Acts of Default of the Tenant and to charge the costs of such rectification to the Tenant and to recover the costs as Rent.
- (6) If, when an Act of Default has occurred, the Landlord chooses to waive its right to exercise the remedies available to it under this Lease or at law the waiver shall not constitute condonation of the Act of Default, nor shall the waiver be pleaded as an estoppel against the Landlord to prevent its exercising its remedies with respect to a subsequent Act of Default. No covenant, term, or condition of this Lease shall be

deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

12. ACKNOWLEDGEMENT BY TENANT

- (1) The Tenant agrees that it will at any time or times during the Term, upon being given at least forty-eight (48) hours prior written notice, execute and deliver to the Landlord a statement in writing certifying:
 - (a) that this Lease is unmodified and is in full force and effect (or if modified stating the modifications and confirming that the Lease is in full force and effect as modified);
 - (b) the amount of Rent being paid;
 - (c) the dates to which Rent has been paid;
 - (d) other charges payable under this Lease which have been paid;
 - (e) particulars of any prepayment of Rent or security deposits; and
 - (f) particulars of any subtenancies.

13. NOTICE

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

To the Landlord at:

30 King Street,
PO Box 100, Gananoque, ON K7G 2T6

Attention: Chief Administrative Officer

To the Tenant at the Premises or at:

PO Box 190, Gananoque, ON K7G 2T7

- (2) The above addresses may be changed at any time by giving ten (10) days written notice.
- (3) Any notice given by one party to the other in accordance with the provisions of this Lease 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.

14. REGISTRATION

- (1) The Tenant shall not at any time register notice of or a copy of this Lease on title to the property of which the premises form part without consent of the Landlord.

15. TERMINATION OF PRIOR LEASES

- (1) Upon the parties entering into this Lease, the following leases, namely,
 - (a) Sub-Lease dated November 4, 1997, between the Landlord and Tenant of Lease No. 8910-00-001 dated September 8, 1989, from HMQ as represented by the Minister of Fisheries and Oceans for the Water Street Dock
 - (b) Sub-Lease dated November 4, 1997, between the Landlord and Tenant of Lease No. 8910-00-001 dated September 8, 1989, from HMQ as represented by the Minister of Fisheries and Oceans for the "Blinkbonnie Boathouse,"

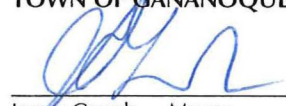
shall be at an end and of no further force or effect and the Landlord hereby waives all claims and demands against the Tenant for arrears of rent owing in respect thereof.

16. 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.
- (3) When there are two or more Tenants bound by the same covenants herein contained, their obligations shall be joint and several.

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

**THE CORPORATION OF THE SEPARATED
TOWN OF GANANOQUE**


James Garrah - Mayor
Steven Silver - Chief Administrative Officer

GANANOQUE BOAT LINE LIMITED


Name: _____

Office: _____

SCHEDULE A

to Lease made between

THE CORPORATION OF THE SEPARATED TOWN OF GANANOQUE

Landlord

AND

GANANOQUE BOAT LINE LIMITED

Tenant

DESCRIPTION OF PREMISES

Water Street Dock

That part of the bed of the St. Lawrence River forming part of the Gananoque Public Harbour situate, lying and being in the Town of Gananoque, County of Leeds, comprising approximately two hundred and eighty(280) linear feet as more particularly illustrated on Appendix 1 attached.

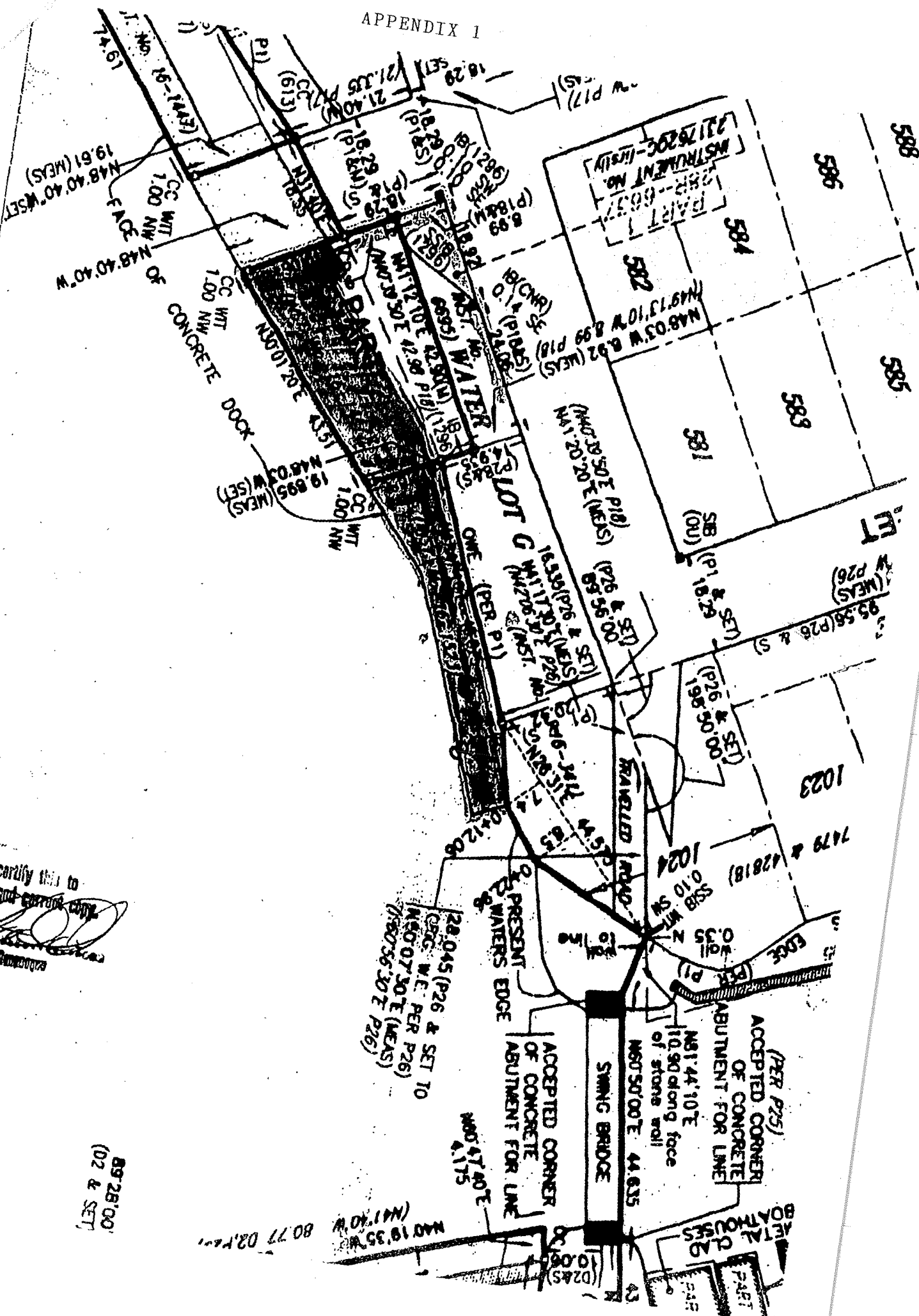
Former Blinkbonnie Boathouse, Workshop and Dock

That part of the bed of the St. Lawrence River forming part of the Gananoque Public Harbour situate, lying and being those portions of the Water Lot in front of Lots 555 and 556, Plan 86, in the Town of Gananoque, County of Leeds, comprising an area of thirty thousand, three hundred and twenty-six (30,326) square feet, more or less, as illustrated on the sketch attached as Appendix 2.

The Cow and Gate Parking Lot

Such portions of Lots 1 to 14 (inclusive), Water Lot E, Plan 86 in the Town of Gananoque, County of Leeds, on which the Landlord has constructed a commercial parking lot of a size and style generally in accordance with the design attached as Appendix 3

APPENDIX 1



I, hereby certify this to be a true and correct copy.

 Clerk, Town of Cambridge

89°28'00"
 (02 & SET)



200/

DATED November 15, 2006

BETWEEN:

**THE CORPORATION OF THE SEPARATED TOWN OF
GANANOQUE**

Landlord

AND

GANANOQUE BOAT LINE LIMITED

Tenant

**LEASE
(COMMERCIAL)**

Water Street Dock, Former Blinkbonnie Boathouse,
Workshop and Dock, and The Cow and Gate Parking
Lot

Cunningham, Swan, Carty, Little & Bonham LLP
Barristers and Solicitors
City Place II
1473 John Counter Blvd., Suite 201
Kingston, Ontario
K7M 8Z6

TIMOTHY J. WILKIN