

THIS AGREEMENT made the day of ,2008

BETWEEN

The Corporation of the Town of Saugeen Shores
(Hereinafter referred to as "The Town")

AND

The Southampton Marine Heritage Society
(Hereinafter referred to as "Marine Heritage")

THIS AGREEMENT WITNESSES that in consideration of the rents, covenants and conditions Hereinafter reserved and contained the Parties hereto covenant and agree as follows:

1. DEFINITIONS

"Lightstation" means the Chantry Island Lighthouse, Keeper's Quarters and associated buildings managed by Marine Heritage excluding the aid to navigation, being the light, which is maintained by Fisheries and Oceans Canada (Canadian Coast Guard).

2. PREMISES LEASED

The Town hereby sub-lets to Marine Heritage and Marine Heritage hereby leases from The Town, on and subject to the terms and conditions hereinafter set forth, all that parcel of land described as follows:

Comprised of the Lightstation and comprising an area of ½ hectares, more or less per [**Schedule A**], which is hereinafter called "Chantry Island".

The Department of Fisheries and Oceans shall continue to administer the site as Crown owned lands.

TOGETHER with the Federal Government's buildings erected on Chantry Island, which include the Lighthouse and Lighthouse Keepers Quarters, along with buildings created by Marine Heritage including generator house, pump house, original privy, and newly constructed boat house in the year 2005.

3. TERMS OF AGREEMENT

(1) Subject to sub clause (2) this agreement is for a term of four years, commencing on the first (1st) day of January, 2008 and ending on the 31st. day of December, 2011.

(2) This agreement may be terminated at any time.

(a) by Marine Heritage upon sixty (60) days notice in writing, signed by or on behalf of Marine Heritage and delivered to or mailed to The Town in accordance with Clause 16 of this Agreement:
or

(b) by The Town upon sixty (60) days notice in writing, signed by or on behalf of The Town and delivered to or mailed to Marine Heritage in accordance with Clause 16 of this Agreement.

4. RENT and PAYMENT of RENT

Marine Heritage shall pay The Town the rent or sum of One Dollar (\$1.00) per annum, payable in advance on the first day of January each and every year, commencing on the first day of January,

2008. Marine Heritage shall pay all rent without any abatement or deduction whatever, except when this agreement is terminated by The Town in accordance with Paragraph 3(2)(b) hereof.

5. RENEWAL

That is, at the expiration of the term, Marine Heritage shall desire to renew this agreement for a further term of five years, The Town may grant such a renewal upon the same terms and conditions pending renewal of lease agreement between The Town and Fisheries and Oceans Canada.

6. USE

The land and buildings shall be used to allow Marine Heritage to develop and maintain the Chantry Island Lightstation and other buildings, and to promote this site as a Town tourist attraction.

7. MARINE HERITAGE IMPROVEMENTS

Marine Heritage shall, before making any alterations to the buildings obtain approval from The Town, of plans showing the design and nature of construction of the proposed alterations. The alterations to the buildings shall be made and thereafter maintained by and at the cost of Marine Heritage to the satisfaction of The Town.

8. COMPLIANCE WITH REGULATIONS

(1) Marine Heritage shall in all respects abide and comply with all lawful rules and regulations and by-laws of municipalities and other governing bodies, in any manner affecting the land and buildings.

(2) Marine Heritage will comply with the requirements of the Migratory Bird Sanctuary Regulations and the Canadian Wildlife Services, Environment Canada, as outlined in their letter of August 13, 2002 signed by Jeff Robinson.

9. ACCESS

(1) Marine Heritage shall permit The Town, his servants or agents, full and free access, at all reasonable times, during the currency hereof, to any and every part of the land and buildings.

(2) The Leased Area shall be held by the Marine Heritage as a work in progress to deter vandalism and to ensure the Chantry Island Lightstation remains a viable tourist destination while preserving a heritage structure significant to The Town, for the benefit of all Canadians and visitors, world wide.

(3) Marine Heritage shall only permit public access to the Leased Area and the Lighthouse structure on the Leased Area while under the supervision of Marine Heritage.

10. REASONABLE USE

Marine Heritage shall not, during the currency of this agreement, do, suffer or permit to be done any act or thing in which may impair, damage or injure the buildings or any part thereof beyond the damage occasioned by reasonable use, and shall, at Marine Heritage's own cost and expense, repair all portions of the buildings which may at any time by Marine Heritage be damaged other than in the reasonable use thereof, The Town to be the sole judge of the meaning of the words "reasonable use".

11. MAINTENANCE TO STRUCTURES

(1) Subject as in Clause No 7, hereof provided, and excluding major repairs and maintenance to the outside of the Lighthouse structure, Marine Heritage shall, at the Marine Heritage's own cost and expense, at all times during the currency of this agreement, maintain the buildings in a good state of repair, including decorating, and in a clean condition.

(2) Upon the completion of the repair and remedial work on the Lighthouse tower by Fisheries & Oceans Canada (Canadian Coast Guard), Marine Heritage does not anticipate any major repairs for decades. However, Marine Heritage is willing to consider establishing and maintaining a Chantry Island Endowment Fund through the Saugeen Shores Communities Fund to help cover the costs of any major repairs and/or expenses that may be required in future years,

12. SERVICES

Heat, water and electrical energy will be supplied by Marine Heritage in a manner satisfactory to The Town and at Marine Heritage's own cost and expense.

13. ADVERTISING SIGNS

Marine Heritage shall not construct, erect, place or install on the outside of the buildings any poster, advertising sign or display, without first obtaining the consent, in writing, of The Town.

14. FIRE PREVENTION

(1) Marine Heritage shall take all necessary precautions to prevent fire occurring on or in the Leased Area.

(2) Marine Heritage operations and equipment must comply with the National Fire Code of Canada.

(3) Marine Heritage must allow inspection by The Town or its designated representative when required to do so by The Town.

15. INSURANCE

(1) Marine Heritage shall, in addition to the payment of the yearly rental hereunder, at Marine Heritage's own cost, maintain property coverage for the Keeper's Quarters and stock per Policy # **004805810**, currently in force and which will be renewed on a yearly basis for the life of this agreement.

(2) Liability insurance for Marine Heritage, Marine Heritage members and volunteers working on or conducting tours to Chantry Island will continue to be provided by The Town through The Town's blanket liability insurance.

16. NOTICES

(1) All notices and communications to The Town in connection with this agreement shall be addressed to:

The Clerk
Town of Saugeen Shores
P.O. Box 820
Port Elgin, Ontario
N0H 2C0

or such other address as the Marine Heritage may be advised by The Town in writing.

(2) All notices and communications to the Marine Heritage in connection with this agreement shall be addressed to:

Marine Heritage Society
Chairperson
P.O. Box 421
Southampton, Ontario
N0H 2L0

or such other address as Marine Heritage may advise the Town of Saugeen shores in writing.

(3) Any notice given to either party hereto shall be effectively given if sent by letter addressed to the party at its address as indicated above. Any notice so given shall be deemed to have been received by the other party at the time when in the ordinary course, such letter or facsimile should have reached its destination.

17. HEADINGS

Any note appearing as a heading in this agreement has been inserted for convenience and reference only and cannot define, limit or expand the scope or meaning of this agreement or any of its provisions.

18. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between The Town and Marine Heritage hereto with respect to the subject matter hereof and shall supersede all previous negotiations, representations, and documents in relation hereto made by any party of this agreement.

IN WITNESS WHEREOF the parties hereto have executed this agreement.

SIGNED, SEALED AND DELIVERED this day of ,2007

SOUTHAMPTON MARINE HERITAGE SOCIETY

Per

Gordon Webb, Chairman

Per

Larry LePage, Director

**CORPORATION OF THE TOWN OF SAUGEEN
SHORES**

Per

Mike Smith, Mayor

Per

Linda White, Clerk
