

**OFFER TO LEASE**

Dated at this **19** day of **September** 2025

BETWEEN:

CITY OF OTTAWA  
(the "Landlord")

Hereby offers to Lease space to the

NEPEAN SAILING CLUB  
(the "Tenant")

upon the following terms and conditions:

**1. LANDS**

The "Lands" shall be divided into six (6) Parcels, described as follows and as further shown and described in "Schedule "A" – Lands":

**Parcel 1, Facility and Associated Lands ("P1")**

Tenant exclusive area comprised of approximately 1.52 acres of land area including a 7,477 square foot two-storey facility to house sailing club activities.

**Parcel 2, Storage Area ("P2")**

Tenant exclusive area comprised of approximately 5.80 acres of land area as a land lease, used primarily for on-land boat storage, including a boat maintenance and able-sail facility. The Tenant shall own all improvements, fixtures, buildings, equipment, surfaces etc. and the Landlord shall have no responsibility or expense to the foregoing.

**Parcel 3, Water Lot ("P3")**

Not under Landlord control, Harbour Lease area exclusive between the Tenant and Fisheries and Oceans Canada for boat mooring and associated boat docks.

**Parcel 4, Public Boat Launch ("P4")**

**Parcel 5, Public Lands and Parking Area ("P5")**

Public recreational lands and non-exclusive public parking area consisting of approximately 160 parking stalls. The Tenant and its membership shall have parking access on a first come first serve basis, not including 19 boat and trailer parking stalls managed by pay and display. Parking rules and use are subject to change, at the Landlord's discretion, acting reasonably.

**Parcel 6, Overflow Lands ("P6")**

Non-exclusive overflow lands comprised of approximately 1.81 acres of parkland. The Tenant shall be permitted to use P6 as a temporary boat and trailer swing space, primarily during the spring and fall season and shall be required to maintain the P6 land.

**2. THE PREMISES AND NON-EXCLUSIVE LANDS**

This Lease between the Landlord and Tenant shall comprise of the Tenant's exclusive use of P1 and P2 ("Premises"), and the Tenant's non-exclusive use of P5 and P6.

**3. THE FACILITY**

The two-storey club house facility within P1 consists of approximately 7,477 gross square feet (the "Facility"), as further shown and described in "Schedule "B" - Floor Plans", which shall be used exclusively by the Tenant. The Tenant shall permit the general public to utilize the ground floor washroom facilities during normal business hours.

**4. TENANT'S USE OF THE PREMISES**

The Tenant shall be permitted to use the Premises to support its sailing club activities and administration, which the Tenant shall operate in first class, reputable manner and for no other purpose. The Tenant's use of the Premises shall conform to all applicable laws and uses permitted under the current applicable zoning by-laws.

The Tenant may be permitted to utilize the second story of the Facility for public or private food and beverage events which would financially support sailing club activities, subject to applicable laws governing such uses, and subject to the terms and conditions prescribed below.

**5. COMMENCEMENT DATE**

The commencement date of the Term shall be November 1, 2025 (the "Commencement Date").

**6. LEASE TERM**

The Lease Term shall be fifteen (15) years (the "Term"), ending October 31, 2040.

**7. RIGHT TO RENEW**

The Tenant, if not then in default under the Lease, shall have the Right to Renew the Lease for one (1) further period of fifteen (15) years on the same terms and conditions save for the Basic Rent, which shall be negotiated by the parties prior to the end of the Term (the "Right to Renew").

The Tenant shall provide the Landlord with a minimum of twenty-four (24) months' notice of its intention to exercise its renewal option prior to the expiry of the Lease, failing which the Right to Renew shall be null and void and of no further effect.

**8. NET LEASE**

The Tenant acknowledges and agrees that this Lease shall be net and completely carefree to the Landlord and that the Landlord shall not be responsible for any costs, expense and outlays of any nature whatsoever arising from or relating to the Premises during the Term, save and except as further outlined in Sections 10, 11 and 12 below.

**9. BASIC RENT**

In exchange for the Tenant's use of the Premises as further outlined in Section 4, the Tenant shall pay to the Landlord Basic Rent in an amount set out in the Basic Rent Tables below for the respective Lease Year, by equal consecutive monthly installments in advance on the first day of each month, plus applicable HST (collectively the "Basic Rent").

**P1 Basic Rent Table**

<b>Lease Year</b>	<b>Annual Basic Rent</b>	<b>Monthly Basic Rent</b>
Y1	\$178,250.40	\$14,854.20
Y2	\$181,815.41	\$15,151.28
Y3	\$185,451.72	\$15,454.31

Y4	\$189,160.75	\$15,763.40
Y5	\$192,943.97	\$16,078.66
Y6	\$196,802.84	\$16,400.24
Y7	\$200,738.90	\$16,728.24
Y8	\$204,753.68	\$17,062.81
Y9	\$208,848.75	\$17,404.06
Y10	\$213,025.73	\$17,752.14
Y11	\$217,286.24	\$18,107.19
Y12	\$221,631.97	\$18,469.33
Y13	\$226,064.61	\$18,838.72
Y14	\$230,585.90	\$19,215.49
Y15	\$235,197.62	\$19,599.80

**P2 Basic Rent Table**

<b>Lease Year</b>	<b>Annual Basic Rent</b>	<b>Monthly Basic Rent</b>
Y1	\$11,040.81	\$920.07
Y2	\$22,081.62	\$1,840.14
Y3	\$33,122.42	\$ 2,760.20
Y4	\$44,163.23	\$ 3,680.27
Y5	\$55,204.04	\$4,600.34
Y6	\$56,308.12	\$4,692.34
Y7	\$57,434.28	\$4,786.19
Y8	\$58,582.97	\$4,881.91
Y9	\$59,754.63	\$4,979.55
Y10	\$60,949.72	\$5,079.14
Y11	\$62,168.72	\$5,180.73
Y12	\$63,412.09	\$5,284.34
Y13	\$64,680.33	\$5,390.03
Y14	\$65,973.94	\$5,497.83
Y15	\$67,293.42	\$5,607.78

The above noted P2 Basic Rent Table is subject the Tenant obtaining an independent appraisal. The Landlord agrees to receive that appraisal for further consideration of the Basic Rent if the independent appraisal is received by the Landlord on or before September 1, 2025. After September 1, 2025, the Tenant agrees to the P2 Basis Rent Table above.

**10. ADDITIONAL RENT**

The Tenant shall pay during the Term as Additional Rent:

- a) All Realty Taxes payable as further described in this Offer to Lease;
- b) All operating costs pursuant to Section 11, either paid directly by the Tenant or recoverable by the Landlord;
- c) All out of pocket costs of the Landlord arising from or related to any default of the Tenant under the Lease, costs of enforcement of this Lease and all costs incurred by the Landlord as a result of any act or omission of the Tenant, its employees, agents, invitees or anyone for whom it is at law responsible; and
- d) Where applicable, all other amounts payable by the Tenant pursuant to this Lease.

Each item of Additional Rent shall be paid as and when due in accordance with the terms of the Lease. To the extent the Lease is silent on when any item of Additional Rent is due and payable by the Tenant, such item shall be payable by Tenant within fifteen (15) days

of demand thereof by the Landlord.

#### **11. OPERATING COSTS**

The Tenant agrees to pay all Operating Costs either directly or recoverably by the Landlord, which shall be further defined in the Lease, but broadly defined as the cost of all:

- a) utilities;
- b) the operation, maintenance and minor repairs of all HVAC equipment;
- c) window cleaning, janitorial and waste collection;
- d) landscaping and snow removal within the Premises, not including P5;
- e) operating, maintaining, replacing, modifying and repairing machinery or equipment within the Premises, save an except those items listed below in the "Responsibilities of Landlord" section;
- f) insurance which the Landlord is obligated to obtain;
- g) auditing, accounting, legal and other professional and consulting fees and disbursements incurred in connection with the maintenance, repair, replacement, operation, administration, supervision and management;
- h) maintaining and providing all supplies in the public washrooms;
- i) telecommunications, and;
- j) security services.

in connection with the Tenant's use of the Premises.

#### **12. TERMINATION OF MUNICIPAL CAPITAL FACILITY AGREEMENT AND PAYMENT OF REALTY TAXES**

The Municipal Capital Facility Agreement (the "MCFA") that the Tenant entered into with the former City of Nepean dated June 15, 2000, will be terminated as of the Commencement Date.

The Tenant will pay as Additional Rent all municipal taxes, charges and assessments that may be levied against the Premises as a result of the Tenant's occupancy of the Premises.

#### **13. RESPONSIBILITIES OF TENANT**

The Tenant agrees to pay the Landlord Basic Rent, Additional Rent and to uphold provisions outlined in this Offer to Lease and to be further detailed in the Lease.

The Tenant will be responsible for all other elements of the Facility that are not explicitly defined in Section 14 as Base Building, including, but not be limited to, all leasehold improvements within the Facility. Leasehold improvements shall include fit-outs, defined as interior finishes and partitions (walls, floors and ceiling finishes), interior doors and windows, interior trim and fitments, interior lighting and plumbing fixtures, etc., all fittings and fixtures found associated with the kitchen, office spaces, reception and lobby areas, conference rooms, common areas and washrooms, and for all furniture, fixtures and other equipment that have no permanent connection to the structure of the Facility, including telecommunication lines and cabling required for its operations in the Facility ("Leasehold Improvements").

The Tenant shall, at its sole cost, maintain, repair and/or replace the Facility and all Leasehold Improvements currently existing or installed by the Tenant for its exclusive use during the Term of the Lease, save and except the Base Building elements as defined in Section 14.

The Tenant shall, at its sole cost, be responsible for all landscaping and snow removal

within the Premises, including any maintenance, repairs or replacement required for any Tenant Improvements within the Facility, including but not limited to the existing play structure and gazebo.

The Tenant shall own all improvements, such as equipment, fixtures, chattels, surfaces, buildings etc. located within, on or under P2. The Tenant shall remain fully liable for all such improvements at its own expense.

#### **14. RESPONSIBILITIES OF LANDLORD**

The Landlord shall be responsible for all life cycle costs associated with the base building of the Facility, at its budgetary discretion acting reasonably. The base building elements are defined as integral components of the fundamental building systems and are structurally necessary for the building ("Base Building"), broken down into two main categories, the "Core" and "Shell" elements of the Facility. Core and Shell elements shall include:

- a) Foundation and structural skeleton (sub-structure and superstructure including foundation, columns, beams, walls, slabs etc.)
- b) Building envelope and roofing (exterior enclosure including roofing system, exterior walls and cladding, exterior doors and windows, exterior stairs, overhead doors, skylights etc.)
- c) Staircases, elevator shafts, trunk lines (including electrical duct and raceways, plumbing, HVAC ductwork, etc.)
- d) Primary mechanical and electrical services (HVAC, space heating and air treatment, plumbing and drainage, refrigeration system, electrical distribution and lighting, transformers, special mechanical and electrical systems, building automation system etc.)
- e) Conveying system (elevators, lifts, escalators etc.)
- f) Fire protection and life safety system (emergency generators, UPS, central security and access control, emergency lighting etc.)

The Landlord shall also be responsible for all landscaping and snow removal, maintenance and all lifecycle costs associated with the parking area in P5, being the asphalt, concrete walkways, curbs, and any infrastructure located beneath.

#### **15. SERVICES PROVIDED BY LANDLORD**

In the event that the Tenant fails to observe any of the requirements of this Lease, the Landlord may perform such requirements, the cost of which will be for the Tenant's account, and the Tenant shall pay, in addition to such cost or expense, the Landlord's administration charge of 15% of such cost or expense.

#### **16. ALTERATIONS BY TENANT**

The Tenant may from time to time at its own expense install Leasehold Improvements and alter existing Leasehold Improvements (the "Alterations"), at the sole cost of the Tenant, with the Landlord's prior written approval, which shall not be unreasonably withheld.

#### **17. PARKING**

The Tenant shall be permitted the non-exclusive use of the parking lot area within P5 for its staff, membership and patrons on a first come first serve basis save and except the Boat Trailer Parking Area which shall be exclusive for use by the general public and managed by the Landlord. For the non-exclusive parking rights and privileges granted, and representing foregone revenues and expenses incurred by the Landlord, the Tenant shall pay the following:

**P5 Parking Rent**

<b>Lease Year</b>	<b>Annual Basic Rent</b>	<b>Monthly Basic Rent</b>
Y1	\$12,989.19	\$1,082.43
Y2	\$25,978.37	\$2,164.86
Y3	\$38,967.56	\$3,247.30
Y4	\$51,956.74	\$4,329.73
Y5	\$64,945.93	\$5,412.16
Y6	\$66,244.85	\$5,520.40
Y7	\$67,569.75	\$5,630.81
Y8	\$68,921.14	\$5,743.43
Y9	\$70,299.56	\$5,858.30
Y10	\$71,705.55	\$5,975.46
Y11	\$73,139.67	\$6,094.97
Y12	\$74,602.46	\$6,216.87
Y13	\$76,094.51	\$6,341.21
Y14	\$77,616.40	\$6,468.03
Y15	\$79,168.73	\$6,597.39

The Landlord reserves the right to change parking controls at its discretion, accounting for the preservation of public access parking, acting reasonably.

The Landlord shall seek a variance to the Parks and Facilities By-Law No. 2025-251 in order to permit parking within P5 between the hours of 11:00pm and 5:00am. If approved by Council, the Tenant shall be authorized to issue overnight parking permits to its members using the P5 parking lot between the hours of 11:00pm to 5:00am. The parking pass shall be in a form reviewed and approved by By-law & Regulatory Services, and the Landlord reserves the right to amend or modify the overnight parking pass, as required. Overnight parking permits shall only be issued to the Tenant's members during the sailing season (May 1 to October 31) and shall only be issued for unoccupied vehicles left overnight within P5. A maximum number of passes shall be established by the parties and further detailed in the Lease.

The Tenant shall be responsible for managing and tracking the overnight parking permits and the Tenant shall upon request provide the Landlord with information regarding the number of passes issued and in circulation. Failure of the Tenant to comply with the Landlord's request, or failure by the Tenant to adhere to these overnight parking pass regulations shall constitute a default under the terms of this Lease and the Landlord shall be entitled to exercise all its rights and remedies provided for in this Lease, including but not limited to the termination of the overnight parking pass program, at its sole discretion, acting reasonably.

**18. HARBOUR LEASE OF P3**

The Tenant will enter into a Harbour Lease, or other such agreement, directly with Fisheries and Oceans Canada (if permissible). The Tenant shall provide an executed copy of its Harbour Lease agreement, as amended from time to time, to the Landlord upon request. Should the aforementioned Harbour Lease agreement naturally expire, or not be renewed, then the Tenant may provide twelve (12) months' notice to terminate this Lease.

**19. TENANT'S INSURANCE**

The Tenant shall maintain throughout the Term all-risk, Commercial General Liability

insurance for both, naming the Landlord as Additional Insured.

**20. TENANT'S FINANCIAL STATEMENTS**

The Landlord reserves the right to request the Tenant's financial statements at any time during the Term.

**21. PUBLIC USE OF THE PREMISES**

In exchange for the use of P6, the Tenant shall continue to allow public access to the washrooms within the Premises, during standard operating hours. The Tenant shall remain responsible for the cost of maintenance and liability of the public access washrooms over the Term.

**22. LANDLORD AND TENANT'S USE OF P4**

In exchange for the use of P6, the Tenant shall ensure that the public boat launch area remains safe, open and accessible to the general public. The Tenant shall be responsible for the spring installation, and winter removal of the floating dock.

**23. LANDLORD AND TENANT'S USE OF P6**

The Tenant shall have non-exclusive use of P6 during the Term for boat and trailer overflow swing space over the term. In exchange for the use and rights provided at nominal base rent, the Tenant shall be obligated to maintain P6, including but not limited to grass cutting and repairs and reinstatement of the grass as required, and, to conduct on the Landlords behalf the responsibilities identified in Sections 21 and 22 hereto.

The Landlord shall have periodic access to P6 for City-run events, as required. The Landlord shall provide the Tenant with a minimum of 30 days' notice prior a City event. The parties agree to work co-operatively to ensure these events do not conflict with the Tenant's operations detailed in this Lease, particularly during the spring and fall months.

**24. PERMITS AND LICENSES AND APPROVALS**

The Tenant shall obtain all necessary permits, municipal or governmental approvals, zoning compliance and licenses required for the occupancy and carrying on of its business, including all liquor licenses and event permits, the Landlord making no warranties whatsoever regarding permits, licenses, zoning, governmental or municipal approvals which may be required by the Tenant. Should the Tenant fail to obtain any required permits, licenses, and approvals or comply with any Applicable Laws, it shall remain bound to pay the Basic Rent and Additional Rent under the Lease.

**25. RULES AND REGULATIONS**

The Tenant shall comply and cause every Person over whom it has control to comply with the Rules and Regulations which shall be appended as a Schedule to the Lease. The Landlord shall have the right from time to time to make reasonable amendments, deletions and additions to such Rules and Regulations.

**26. RECEPTION ROOM AND BAR AREA WITHIN P1**

The Tenant acknowledges and agrees that it may make available the second story Reception Room and associated Bar Area of the Facility for rental by members of the general public for social, recreational or educational purposes at the discretion of the Tenant. The Tenant shall be responsible for the scheduling of the Reception Room and Bar Areas and agrees that the said rentals shall be on a "first come, first served" basis.

**27. LANDLORD'S USE OF RECEPTION ROOM**

The Tenant agrees to provide to the Landlord a minimum of seven (7) half-day (4-hour) rentals of the Reception Room area per year at no charge to the Landlord for use by local senior citizen organizations. The Tenant and the Landlord agree to co-operate on the scheduling of the rentals.

**28. OVERHOLDING**

The Tenant acknowledges and agrees that it has no right to remain in possession of the Lands after the end of the Term. The Lease shall automatically and without notice to the Tenant terminate on the last day of the Term. Occupancy of the Lands by the Tenant after that date shall not have the effect of extending or renewing the Lease for any period of time, whether by way of tacit renewal or otherwise. If the Tenant remains in possession of the Lands after the end of the Term without the written consent of the Landlord and without acting in good faith having executed a new lease or other agreement then, or the Landlord may, in its sole discretion, acting reasonably and only if the tenant is not acting reasonably:

- a) deem the Tenant to be occupying the Lands from month to month at a monthly Minimum Fee payable in advance on the first (1st) day of each month equal to the total of 200% of the Basic Rent in the last year of the Term, and/or
- b) avail itself of any recourse provided at law to evict the Tenant and / or claim for damages.

The same terms, covenants and conditions described in this Lease remain, including the terms governing last and additional month's rent. The Lease may be terminated by either the Landlord or the Tenant on thirty (30) days' notice to the other, starting at the end of the month. Should the Landlord renew or execute a new agreement, all rent and rent increases shall be retroactive to the date of the original Lease expiry. Nothing herein shall limit the liability of the Tenant in damages or otherwise.

**29. ENTIRE AGREEMENT, AMENDMENTS, WAIVER**

The Lease shall contain the entire agreement between the parties with respect to the subject matter of the Lease and this Lease replaces and supersedes all other lease and licence agreements between the Tenant and Landlord, save and except the Harbour Lease and any assignment or sublease thereof. Further, both parties acknowledge that any rights or obligations of the City of Ottawa contained within the Nepean Sailing Club bylaw will be revoked with this agreement.

**30. GENERAL**

- a) Time shall remain of the essence.
- b) All amounts referred to in this Offer to Lease are expressed in Canadian dollars.
- c) This Letter will be interpreted and enforced in accordance with the laws of the Province of Ontario, Canada.
- d) This Letter may be executed by facsimile or electronic means and in any number of counterparts, and all such counterparts taken together shall be deemed to constitute one and the same instrument.
- e) This Lease is conditional on receiving Council approval.

**31. SUCCESSORS AND ASSIGNS**

The rights and obligations under this Offer to Lease extend to and bind the successors and permitted assigns of the Landlord and the heirs, executors, administrators and permitted successors and permitted assigns of the Tenant.

**32. ACCEPTANCE**

Upon acceptance of this Offer to Lease, the parties will negotiate in good faith the terms and conditions of the formal lease agreement to implement the transactions contemplated herein.

**33. NON-BINDING**

This Offer to Lease is intended as an expression of interest and outlines some of the basic terms under which the Tenant and the Landlord may negotiate written, binding agreement(s), settled on terms acceptable to the Landlord and approved by Ottawa City Council or the assigned delegated authority. No binding agreement or obligation arises unless and until such approvals are obtained and binding written agreements are executed by the Tenant and the Landlord.

*SIGNATURE PAGE TO FOLLOW*

Dated at Ottawa this **19** day of **September** 2025.

CITY OF OTTAWA



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(I have the authority to legally bind the entity)

Name: Paul Kerluke

Title: Program Manager, Leasing

NEPEAN SAILING CLUB

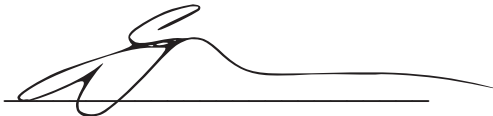


(I have the authority to legally bind the entity)

Name: Corey Glynn

Title: Commodore & Board Chair

NEPEAN SAILING CLUB



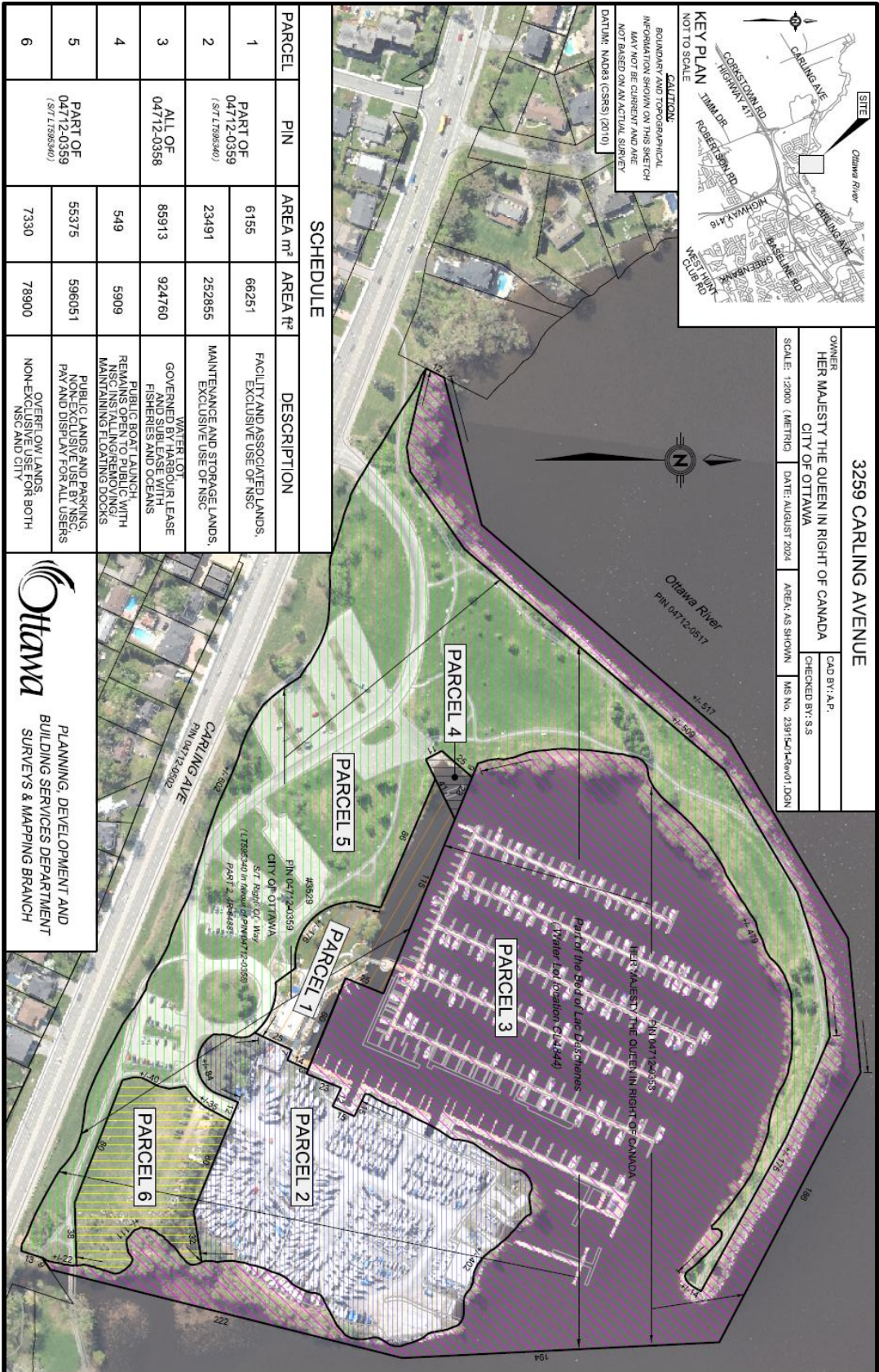
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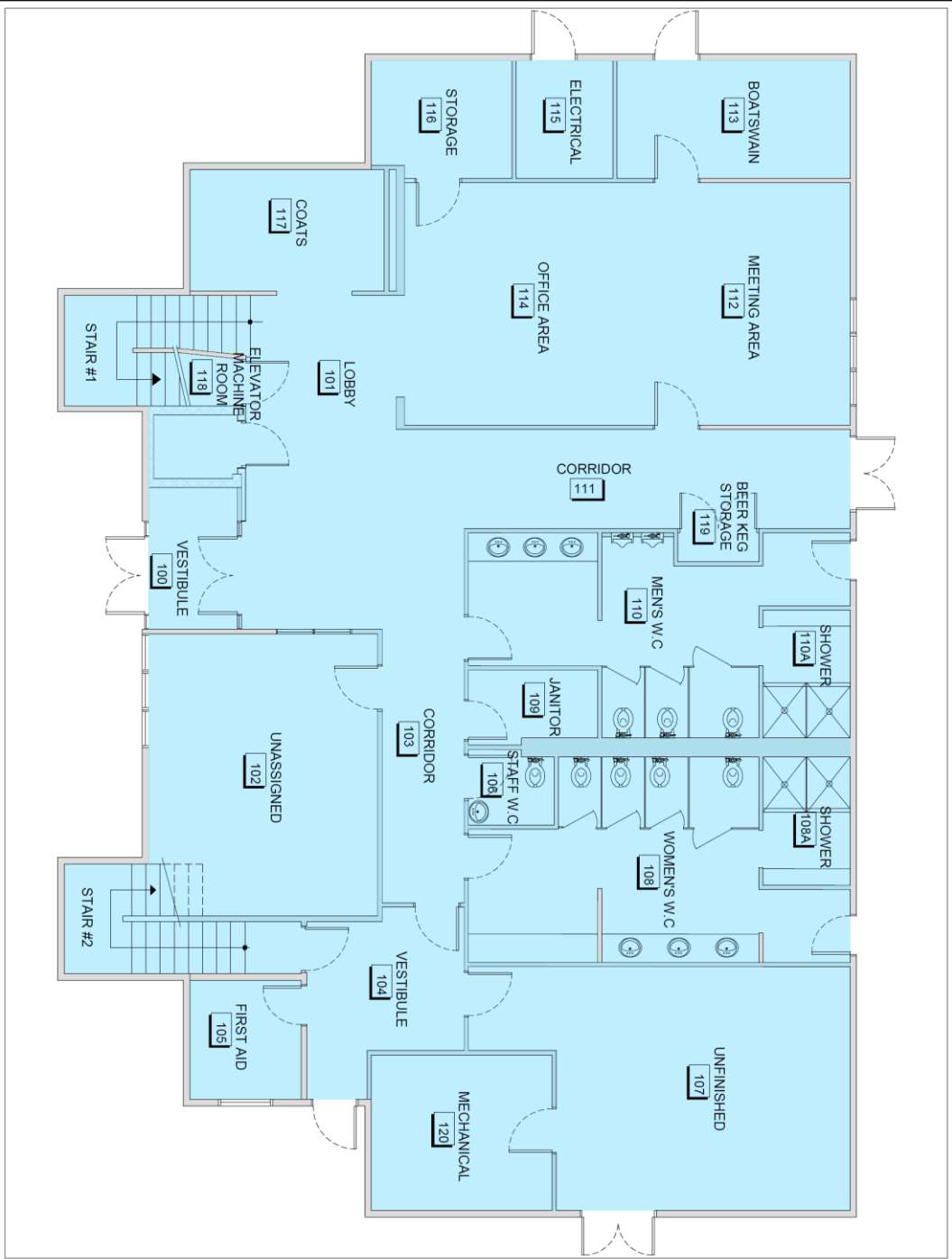
Name: Erin O'Connor

Title: Treasurer

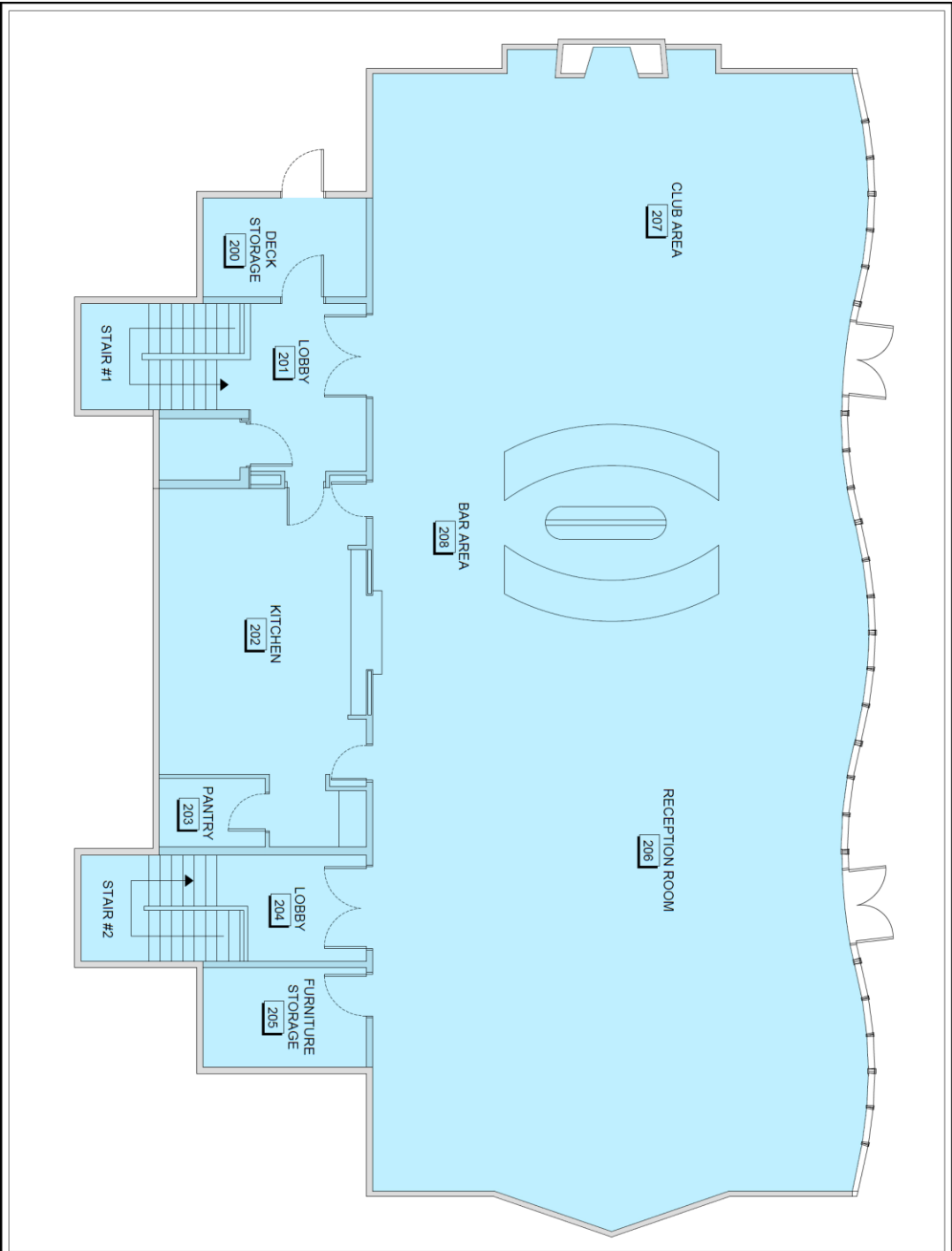
## Schedule "A" - Lands



# Schedule "B" – Floor Plans



<p>Recreation, Culture and Safety Services Department Corporate Accommodations</p>							
<p>Direction générale des loisirs, de la Culture et des installations Administration des services de la culture Administration des services de la culture</p>							
<p><b>3713.928 sq. ft.</b></p>							
<table border="1"> <tr> <th>NO.</th> <th>REVISION / MODIFICATION</th> <th>DATE (MM/AA/AN)</th> </tr> <tr> <td>1</td> <td>ISSUE FOR PERMITTING</td> <td>2025-04-04</td> </tr> </table>	NO.	REVISION / MODIFICATION	DATE (MM/AA/AN)	1	ISSUE FOR PERMITTING	2025-04-04	<p>DATE: 2025-04-04 SCALE: AS SHOWN</p>
NO.	REVISION / MODIFICATION	DATE (MM/AA/AN)					
1	ISSUE FOR PERMITTING	2025-04-04					
<p>1:196-1000</p>							
<p><b>1</b></p>							



3821.417 sq. ft.

Ottawa  
 Recreation, Cultural and Family Services Department  
 Family Operations Service  
 Corporate Accommodations

Director's Office  
 Services of Consultation des installations  
 Anlaufpunkt des Espaces Individuels

NO.	REVISION / REV. NUMBER	DATE / DATE	BY / PAR
1			
2			
3			
4			
5			

PROJETS / LOCATION / PROJET / ZONAGE  
 City of Nepean  
 Napolean Sailing Club Pavilion  
 3259 Carling Avenue, Second Floor  
 OTTAWA, ONTARIO

PROJETS / LOCATION / PROJET / ZONAGE  
 City of Nepean  
 Napolean Sailing Club Pavilion  
 3259 Carling Avenue, Second Floor  
 OTTAWA, ONTARIO

DESIGNED / DESIGN  
 Key Plan  
 Second Floor  
 Drawing File: 2025-04-04-1196-1000-NSCP-2

PROJECT NO. / NUMÉRO DU PROJET  
 1196-1000

2