

THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 03-068

**BEING A BY-LAW TO AUTHORIZE THE EXECUTION OF A LEASE AGREEMENT
BETWEEN THE CORPORATION OF THE CITY OF PETERBOROUGH AND
ARMOND MODULAR MANUFACTURING, A DIVISION OF 993769 ONTARIO INC.,
FOR THE PREMISES KNOWN AS 587 HARPER ROAD**

THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL THEREOF
HEREBY ENACTS AS FOLLOWS:

1. That the Mayor and Clerk be and they are hereby authorized to execute a Lease Agreement between The Corporation of the City of Peterborough and Armond Modular Manufacturing, a division of 993769 Ontario Inc., for the premises known as 587 Harper Road in the form attached hereby as Schedule "A", and to affix the Seal of the Corporation thereto.

By-law read a first and second time this 12th day of May, 2003

By-law read a third time and finally passed this 12th day of May, 2003

(Sgd.) Sylvia Sutherland, Mayor

(Sgd.) Nancy Wright-Laking, City Clerk

SCHEDULE 'A'

THIS LEASE AGREEMENT made the 1st day of April, 2003.

In pursuance of the Short Forms of Leases Act

BETWEEN:

THE CORPORATION OF THE CITY OF PETERBOROUGH

hereinafter called the "Lessor"

OF THE FIRST PART

- and -

**ARMOND MODULAR MANUFACTURING,
a division of 993769 ONTARIO INC.**

hereinafter called the "Lessee"

OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee, the Lessor doth demise and lease unto the Lessee, his heirs, executors, administrators, successors and assigns, that messuage or tenement located in the City of Peterborough, in the County of Peterborough and known municipally as 587 Harper Road, Peterborough, Ontario, (hereinafter referred to as the "Demised Premises");

TO HAVE AND TO HOLD the said Demised Premises for and during the term of ten (10) years, to be computed from the first day of April, 2003, and to be complete and ended on the 31st day of March, 2013.

YIELDING AND PAYING therefor yearly and every year during the said term unto the said Lessor rent as follows:

April 1, 2003 to June 30, 2003	Nil
July 1, 2003 to March 31, 2004	\$31,800.00 per annum (\$2,650.00 per month) plus GST
April 1, 2004 to March 31, 2005	\$32,595.00 per annum (\$2,716.25 per month) plus GST
April 1, 2005 to March 31, 2006	\$33,409.88 per annum (\$2,784.16 per month) plus GST
April 1, 2006 to March 31, 2007	\$34,245.13 per annum (\$2,853.76 per month) plus GST
April 1, 2007 to March 31, 2008	\$35,101.26 per annum (\$2,925.10 per month) plus GST
April 1, 2008 to March 31, 2009	\$35,978.79 per annum (\$2,998.23 per month) plus GST
April 1, 2009 to March 31, 2010	\$36,878.26 per annum (\$3,073.19 per month) plus GST
April 1, 2010 to March 31, 2011	\$37,800.25 per annum (\$3,150.02 per month) plus GST
April 1, 2011 to March 31, 2012	\$38,745.26 per annum (\$3,228.77 per month) plus GST
April 1, 2012 to March 31, 2013	\$39,713.89 per annum (\$3,309.49 per month) plus GST

The Lessor shall provide, at its expense, sanitary sewer and water services to the Demised Premises, as soon as practically possible. The Lessee shall be responsible for the cost of connection for hydro services.

THE Lessee covenants as follows:

1. To pay rent in monthly instalments, in advance on the first day of each month, in the amounts noted above.
2. To pay taxes, including local improvements.

3. To pay all utility costs for the Demised Premises, including heat, electricity and telephone, and to insure the Lessee's contents.
4. To repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted. The Lessor may enter and view the state of repair, and the Lessee will repair, according to notice in writing, reasonable wear and tear and damage by fire, lightning and tempest only excepted. The Lessee shall leave the premises in good repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.
5. To be responsible for removal of snow from walkways, and maintenance of the grassed areas adjacent to the building, including grass cutting.
6. Not to do or permit to be done on the said premises anything which may be annoying to the Lessor, or which the Lessor may deem to be a nuisance.
7. To use and occupy the said premises as a warehousing and manufacturing facility for modular buildings.
8. Not to do or permit to be done any act or thing which may make void or voidable any insurance upon the building, or which may cause any increased or additional premiums to be payable for any such insurance. In the event that any such increased premium becomes payable, the Lessee shall forthwith pay the increased amount of such premium to the Lessor.
9. Not to assign or sublet without leave, and such consent may, notwithstanding any such statutory enactment to the contrary, be arbitrarily refused by the Lessor in its sole and uncontrolled discretion. Notwithstanding this, the City consents to the Lessee subletting a portion of the premises to Ventra Plastics.
10. That, notwithstanding any statute or law to the contrary, none of the goods or chattels of the Lessee on the said premises at any time during the continuance of this agreement shall be exempt from levy by distress for rent in arrears by the Lessee, as provided for by any act above referred to, and that upon any claim being made for such exemption by the Lessee, or on distress being made by the Lessor, this covenant and agreement may be treated as an estoppel against the Lessee in any action brought to test the right to the levying upon any such goods as are named as exempted in any act above referred to, the Lessee waiving, as he hereby does, all and every benefit that could or might have accrued to him under and by virtue of any such act but for the above covenant.

THE Lessor covenants with the Lessee for quiet enjoyment.

PROVISO for re-entry by the Lessor on non-payment of rent or non-performance of covenants.

PROVIDED also that, in the case of a seizure or forfeiture of the said term for any of the causes herein set forth, the Lessor shall have the same right of re-entry as is given under the next preceding proviso.

PROVIDED that, notwithstanding anything herein contained, the Lessor's right of re-entry hereunder for non-payment of rent or non-performance of covenants shall become exercisable immediately upon default being made.

PROVIDED that, in the event of fire, lightning or tempest, rent shall cease until the premises are rebuilt.

PROVIDED that, in the event of the destruction or partial destruction of the said premises, the Lessor may declare the term hereby granted to be forthwith terminated and in such event rent shall be payable up to the time of such destruction or partial destruction.

PROVIDED that the Lessee may remove its fixtures if all rent due hereunder has been paid.

PROVIDED also that if the term hereby granted, or any of the goods and chattels of the Lessee, shall be at any time seized or taken in execution or in attachment by any creditor of the Lessee, or if a writ of execution shall issue against the goods or chattels of the Lessee, or if the Lessee shall execute any chattel mortgage or bill of sale of any of their goods or chattels, or if the Lessee shall make an assignment for the benefit of creditors, or becoming bankrupt or insolvent shall take the benefit of any

Act that may be in force for bankrupt or insolvent debtors, or in case the said premises become vacant and so remain for the period of two (2) days, or be used for any other purpose than that for which they were let, or in case the Lessee shall attempt to abandon the said premises, or to sell or dispose of their goods and chattels so that there would not in the event of such sale or disposal be, in the opinion of the Lessor, a sufficient distress on the premises for the then accruing rent, then the current month's rent, together with the rent for the three months next accruing and the taxes for the then current year (to be reckoned on the rate for the next preceding year in case the rate shall not have been fixed for the then current year), shall immediately become due and payable, and the said term shall, at the option of the Lessor, forthwith become forfeited and determined, and the Lessor may re-enter and take possession of the said premises as though the Lessee was holding over after the expiration of the said term, and in every of the above cases such taxes or accrued portion thereof shall be recoverable by the Lessor in the same manner as the rent hereby reserved.

IT IS agreed between the parties hereto that every covenant, proviso and agreement herein contained shall enure to the benefit of and be binding upon the parties hereto, and their heirs, executors, administrators, successors and assigns, and that all covenants herein contained shall be construed as being joint and several, and that when the context so requires or permits the singular number shall be read as if the plural were expressed, and the masculine gender as if the feminine or neuter, as the case may be, were expressed.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED)
in the presence of:)

**THE CORPORATION OF THE
CITY OF PETERBOROUGH**

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Sylvia Sutherland, Mayor

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Nancy Wright-Laking, Clerk

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**ARMOND MODULAR
MANUFACTURING a division of
993769 ONTARIO INC.**

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Paul Charron, President

I have authority to bind the Corporation