

UG 15

**LEASE
AGREEMENT**

This Agreement made in duplicate this 19 day of February, 2013

-BETWEEN-

THE CORPORATION OF THE CITY OF DRYDEN

Herein called the "LESSOR"

(THE PARTY OF THE FIRST PART)

-AND-

**WFO Sports Ltd.
o/a Railside Sports and Marine**

Herein called the
"LESSEE"

(THE PARTY OF THE SECOND PART)

AGREE AS FOLLOWS:

WHEREAS the Lessor is the owner of an unopened street allowance off Government Street; and,

WHEREAS the Lessee is the owner of property adjoining the said street allowance; and,

WHEREAS the Lessor has the authority under the provisions of the Municipal Act of Ontario to lease property under its jurisdiction to the owners or occupants of adjoining property upon such terms and conditions as may be agreed, and further, to regulate and control its use;

NOW THEREFORE BE IT RESOLVED that in consideration of the rents and covenants contained in this lease, the Lessor leases to the Lessee, the lands and premises as described in this Agreement and as described in Schedule "A" to this Agreement.

1. Property Description:

The Lessee agrees to lease from the City those lands designated as approximately thirty (30) feet wide, and approximately three hundred seventy (370) feet in length located north of the northern property line of 564 Government Street, as shown on Schedule "A" to this Agreement.

2. Purpose:

The Lessee agrees that the property shall be used only for access to the parking and display of products associate with the Lessee's business by the Lessee subject to the covenants as provided in this Agreement.

3. Payment:

The Lessee shall pay a sum of (amount) Dollars (\$100.00) annually to the Lessor, the sum of which is to be reviewed and negotiated, upon execution of this Agreement and on each anniversary date thereof.

4. Late Payment:

All rent in arrears shall bear interest from the due date to the date of payment at a rate per annum equal to the prime commercial lending rate of the City's current banking institution, plus two percent (2%).

5. Term:

This Agreement shall commence March 1, 2013 for a period of five (5) years to February 28, 2018, except that at the option of the parties hereto, the Lessee may negotiate a further term of five (5) years each for the continued occupation of the land.

6. Termination Notice:

- (a) This Agreement may be terminated by either party by giving notice in writing to the other party ninety (90) calendar days in advance of the date the Agreement is to be terminated.
- (b) The Lessor reserves the right to terminate the Agreement at any time, upon giving ten (10) days written notice to the Lessee for:
 - (i) Failure to meet the obligations under all the terms and conditions of the Agreement
 - (ii) The Lessee becoming bankrupt, insolvent, under receivership or selling of the business or causing insurance to be cancelled.

Upon termination of the Agreement, the Lessor can re-enter the property and deal with same as it sees fit.

7. Lessee Covenants:

- (a) The Lessee shall pay an annual rent as specified in this Agreement.
- (b) The Lessee shall be responsible for all maintenance that is required and shall maintain and keep the property in good and clean condition for the term of this Agreement.
- (c) The Lessee shall use the property for the display of recreational vehicles including trailers, campers, and motor homes for sale as part of the Lessee's business.
- (d) Any and all vehicles parking on this property shall not exceed 15 feet in height.
- (e) The Lessee shall ensure that a clear line of sight from the western approach on Highway 17 for the business sign (top A & W portion) of the adjacent property owner located to the east of the Lessee's eastern property line is maintained at all times.
- (f) The Lessee shall not carry on or permit to be carried on, on the leased property any business or activity that shall be deemed by the Lessor as not falling within the requirements for usage as outlined in this Agreement or which the Lessor considers upon reasonable grounds to be a nuisance;
- (g) The Lessee shall allow the employees, agents, and other persons acting under direction of the Lessor the right to enter upon the leased property as may be required by the Lessor.
- (h) The Lessee shall not use the property for any purpose that may increase the liability of the Lessor.

8. Lessor Covenants:

- (a) The Lessor shall permit the Lessee, as long as the rent is paid and the covenants herein are complied with, the use of the leased property, which use shall be exclusive without interference from the Lessor or those claiming under the Lessor unless otherwise specified herein;
- (b) Should the Lessor require the said leased property for future use, provision shall be given for the Lessee for continued access to the Lessee's property as negotiated between the parties hereto.

9. Insurance:

- (a) The Lessee covenants to carry general liability insurance in the amount of not less than Two Million (\$2,000,000.00) dollars per occurrence, in the name both Lessor and Lessee, and to pay premiums for this insurance and to deposit certificates with respect to this insurance with the Lessor on an annual basis.
- (b) The Lessee agrees that all insurance is to be carried in a company or companies satisfactory to the Lessor and be of a type and form satisfactory to the Lessor; provided that if the Lessee fails to insure and keep insured as provided in the paragraph, the Lessor may affect insurance, at the cost and expense of the Lessee, and the sum so expended by the Lessor shall be added to the rent due and such an amount constitute rent under this lease.

10. Insolvency, etc:

If, during the term of this lease, the Lessee enters into any assignment for the benefit of creditors, bankruptcy, or if anything of the Lessee's is seized or taken in execution or attachment by any creditor, or an order is made for the winding-up of the Lessee or if the leased property is no longer of use for any period of time, or the property is used by any other persons than those entitled, the term of the lease will be deemed to have expired and the Lessor may at any time thereafter enter onto the property or any part thereof in the name of the whole and repossess the former leased property.

11. Re-entry:

The Lessor shall have the right to re-enter onto the property in the event of non-payment of rent or non-performance of the covenants herein.

12. Condonation No Waiver of Subsequent Default:

Any condoning, excusing or overlooking by the Lessor of any default, breach, or non-performance by the Lessee at any time of any covenant, proviso or condition in this lease shall not operate to waive the Lessor's right under this lease so as to defeat in any way the rights of the Landlord under this lease, and all rights and remedies of the Lessor shall be deemed to be cumulative and not alternative.

13. Overholding:

If the Lessee continues to occupy the leased property with the consent of the Lessor after the expiration of this lease without any further written Agreement (or renewal), the Lessee shall be a monthly tenant at a rent of Twenty-Five Dollars (\$25.00) per month, plus applicable HST, and otherwise on the terms and conditions set out in the lease.

14. Indemnity:

The Lessee shall fully indemnify and protect the Lessor from all liability from the use of the said leased property.

15. Whole Agreement:

This Agreement constitutes the whole Agreement between the parties and supersedes all previous agreements, arrangements or understandings whether written or oral in connection with or incidental to the Agreement. There are no warranties, conditions or representations, save as herein contained.

16. Notices:

- (a) Any notice or other communication required or permitted shall be given as follows:

For the Lessee:

Mr. Joe Presta or Mrs. Cathy Presta
Box 22, Site 134 RR #4
Dryden, Ontario P8N 0A2

For the Lessor:

City Clerk
The Corporation of the City of Dryden
30 Van Horne Avenue
Dryden, Ontario P8N 2A7

- (b) Either party to this Agreement shall, at any time, give notice in writing to the other of any change of address of the party giving such notice, and the new address specified shall be deemed to be the address of such party for the giving of future notices.

17. Assignment:

The Lessee shall not assign this lease or sublet the property without the written consent of the Lessor, which shall not be unreasonably withheld.

18. Severability:

Every term and condition of this Agreement is intended to be severable. If any term or condition is illegal or invalid for any reason whatsoever, such illegality shall not affect the validity of the remainder of the Agreement.

19. Entirety:

This Agreement and the attached Schedule "A" embody the entire Agreement.

20. Headings:

The Headings to the paragraphs of this lease form no part of this lease and have been inserted for convenience and reference only.

21. Agreement Binding:

Subject to any restrictions otherwise contained herein, this lease shall enure to the benefit of and be binding upon the successors and assigns of the parties to it.

IN WITNESS WHEREOF the parties to this Agreement have hereunto set their hands and seals this 19 day of February A.D. 2013.

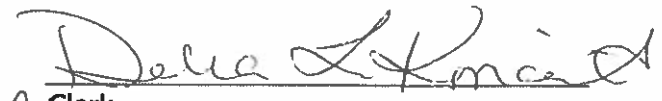
SIGNED, SEALED AND DELIVERED

In the presence of


For The Corporation of The City of Dryden

(seal)


Mayor


A Clerk

For the Lessee:


Witness as to the signature of Lessee


Lessee

leased
street
allowance





Memorandum of Insurance

Aon Reed Stenhouse Inc.

Edinburgh Office Centre
1205 Amber Dr., Suite 100
Thunder Bay, Ontario
P7B 6M4

To: City of Dryden
30 Van Horne Avenue
Dryden, Ontario
P8N 2A7

Re: Proof of Insurance

Insurance as described herein has been arranged on behalf of the insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

Insured: W.F.O. Sports Ltd. & Guiseppe and Cathy Presta
o/a RAILSIDE Sports & Marine
Box 22, Site 134, R.R. #4
Dryden, Ontario P8N 0A2

Coverage:	Insurer(s)	Policy No.	Policy Eff. Date	Policy Exp. Date	Limit(s) of Liability of not less than CANADIAN FUNDS
Commercial General Liability	Intact Insurance Company of Canada	5MA152840	Feb. 28/13	Feb. 28/14	\$2,000,000. INCLUSIVE Bodily Injury and Property Damage, subject to aggregate where applicable

Additional Insured: Only with respect to the above and arising out of the Named Insured's operations is the following name(s) added to the policy as Additional Insured(s). The policy limits are not increased by the addition of such Additional Insured(s) and remain as stated in this Memorandum.
City of Dryden

This memorandum constitutes a statement of the facts as of the date of issuance and are so represented and warranted only to

Addressee

other persons relying on this memorandum do so at their own risk.

Aon Reed Stenhouse Inc.

Ginette MacPhail
807 346 7432

Dated February 21, 2013, at Thunder Bay, Canada

THIS POLICY CONTAINS A CLAUSE A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE