

The Corporation of the Township of Whitewater Region

By-law Number 18-01-1029

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**Being a by-law to authorize the execution of an Agreement between GlassHouse Botanics Inc. and the Corporation of Township of Whitewater Region for certain lands in the Whitewater Region Industrial Park**


**Whereas**, Section 9 of the *Municipal Act, 2001, S.O. 2001, c. 25*, as amended provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority; and


**Whereas**, the Council of the Township of Whitewater Region deems it necessary to enter into an agreement with GlassHouse Botanics Inc. for the lease and option to purchase of lands in the Township's Industrial Park;

**The Council of The Corporation of the Township of Whitewater Region enacts as follows:**

1. The Mayor and the Chief Administrative Officer/Clerk are authorized to execute the Lease and Option to Purchase Agreement between GlassHouse Botanics Inc. and the Corporation of the Township of Whitewater Region.
2. The Agreement is attached as Schedule "A" and forms part of this by-law.
3. That this by-law shall come into force and take effect upon passing.

**Read a first, second and third time and finally passed this 3rd day of January, 2018.**

  
\_\_\_\_\_  
**Hal Johnson, Mayor**

  
\_\_\_\_\_  
**Robert H.A. Tremblay, Clerk**

AGREED TO AND EXECUTED THIS 3 DAY OF January, 2018

THE CORPORATION OF THE TOWNSHIP  
OF WHITEWATER REGION

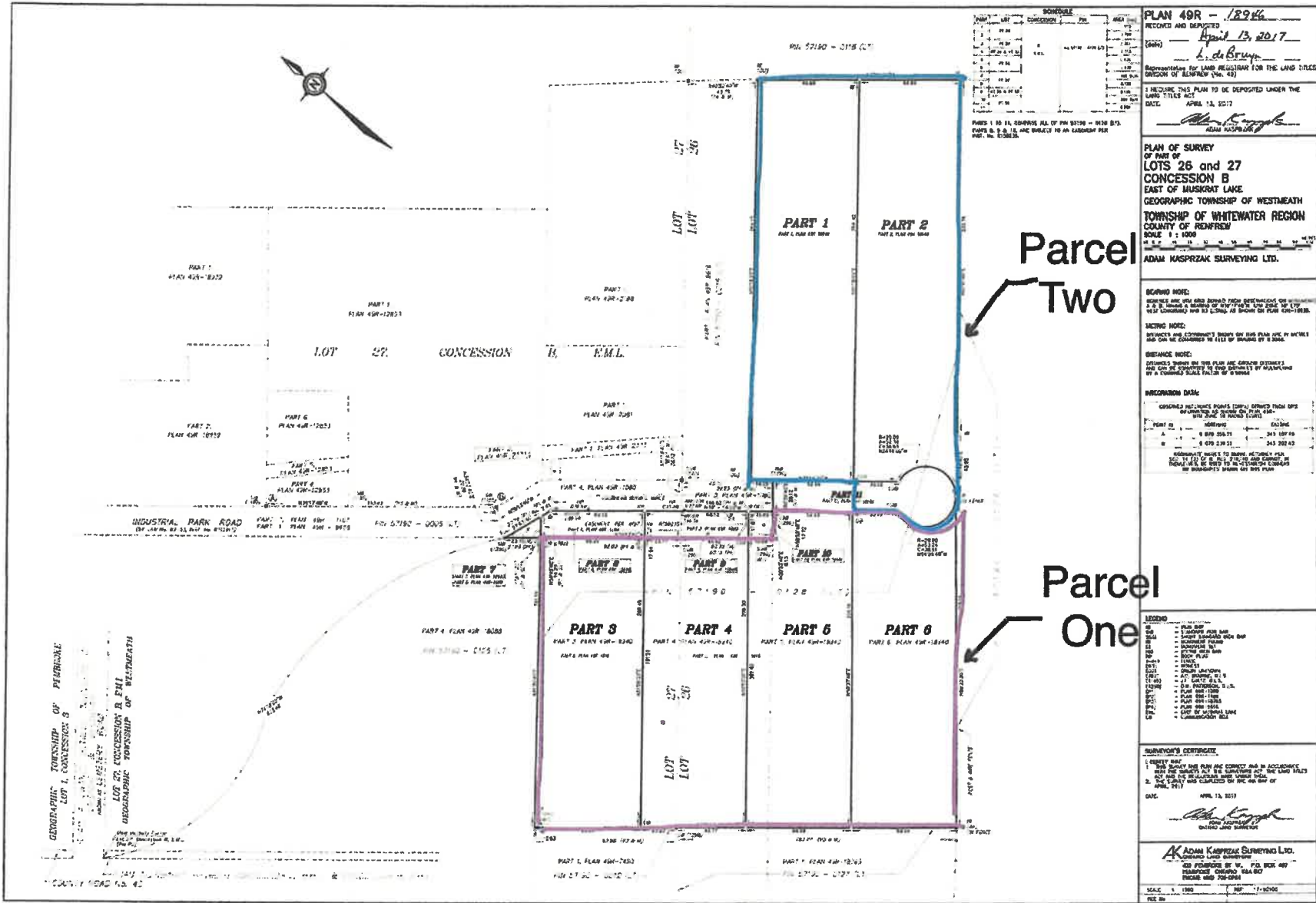
Sign: [Signature]  
PRINT: BOB JOHNSON, Mayor

Sign: [Signature]  
PRINT: ROBERT TILGNER, M.P.  
CHIEF CLERK

GLASSHOUSE BOTANICS INC

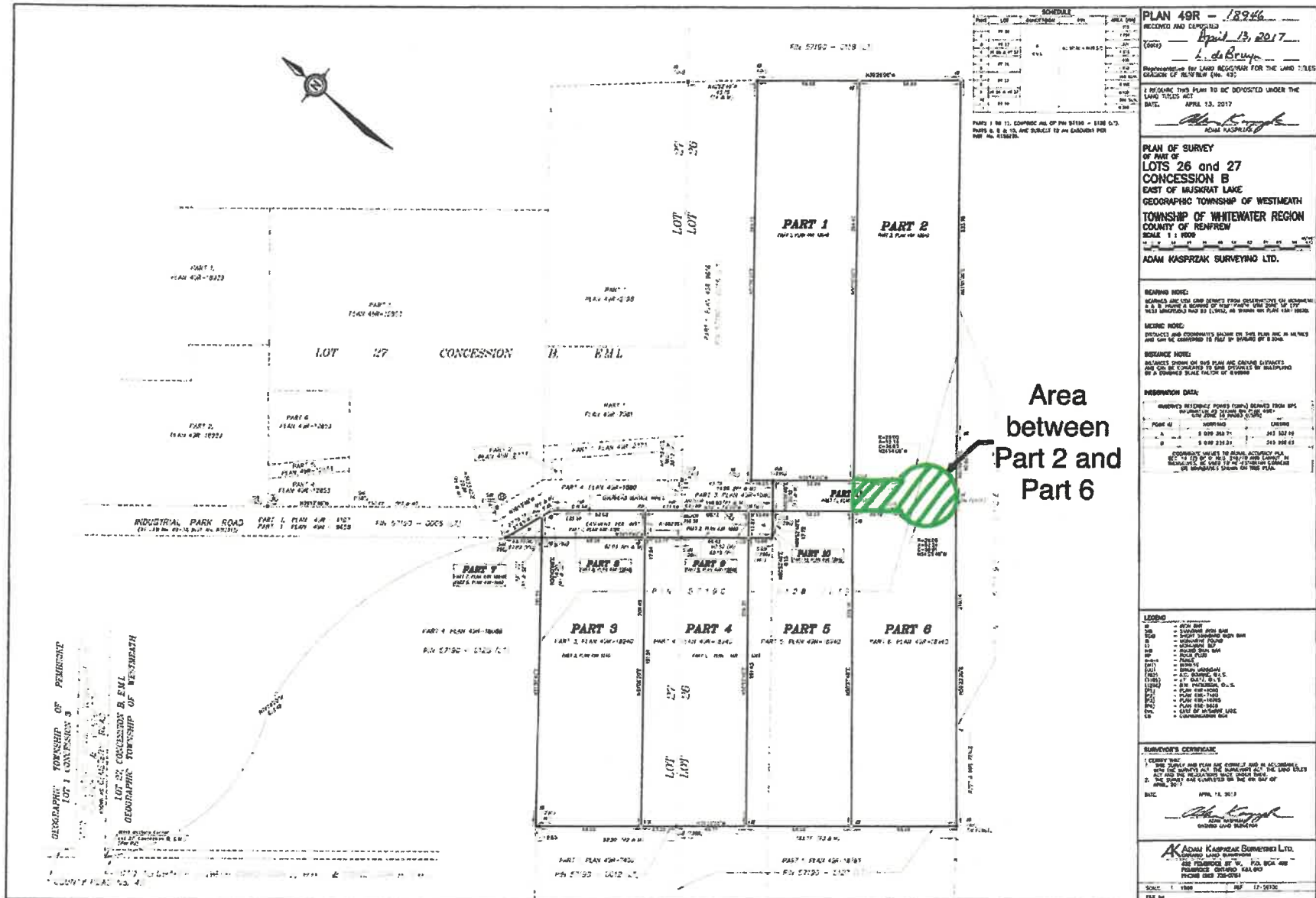
Sign: [Signature]  
PRINT: Daniel Lavette

Sign: \_\_\_\_\_  
PRINT: \_\_\_\_\_  
[Signature]



Parcel Two

Parcel One



Area  
between  
Part 2 and  
Part 6

**PLAN 49R - 18946**  
 RECEIVED AND DEPOSITED  
 April 13, 2017  
 L. de Bruin  
 Registrar for Land Registrar for the Land Titles  
 Division of the Ministry of the Attorney General  
 1. BY ORDER THIS PLAN TO BE DEPOSITED UNDER THE  
 LAND TITLES ACT  
 APRIL 13, 2017  
 Adam Kasprzak  
 ADAM KASPRZAK SURVEYING LTD.

**PLAN OF SURVEY**  
 OF PART OF  
**LOTS 26 and 27**  
**CONCESSION B**  
 EAST OF MUSKRAT LAKE  
 GEOGRAPHIC TOWNSHIP OF WESTMEATH  
 TOWNSHIP OF WHITWATER REGION  
 COUNTY OF RENFREW  
 SCALE 1 : 1000  
 ADAM KASPRZAK SURVEYING LTD.

**WARNING NOTE:**  
 BOUNDARIES AND CORNER MARKS SHOWN ON THIS PLAN ARE IN ACCORDANCE WITH THE SURVEY ACT AND THE SURVEY REGULATIONS AND ARE NOT TO BE CONSIDERED AS GUARANTEES OF TITLE OR AS A GUARANTEE OF THE ACCURACY OF THE SURVEY.

**MEASUREMENT NOTE:**  
 DISTANCES AND CORNER MARKS SHOWN ON THIS PLAN ARE IN METERS AND MAY BE CONVERTED TO FEET BY DIVIDING BY 0.3048.

**REFERENCE NOTE:**  
 DISTANCES SHOWN ON THIS PLAN ARE CORNER DISTANCES AND MAY BE CONVERTED TO METERS BY MULTIPLYING BY A DENOMINATOR VALUE OF 100000.

**PERMISSION DATA:**  
 DISTANCES SHOWN ON THIS PLAN ARE CORNER DISTANCES AND MAY BE CONVERTED TO METERS BY MULTIPLYING BY A DENOMINATOR VALUE OF 100000.

**LEGEND:**  
 (S) - SURVEY  
 (M) - METERS  
 (F) - FEET  
 (A) - ADAM KASPRZAK SURVEYING LTD.  
 (D) - DISTANCE  
 (C) - CORNER  
 (E) - EAST  
 (W) - WEST  
 (N) - NORTH  
 (S) - SOUTH

**SURVEYOR'S CERTIFICATE:**  
 I, ADAM KASPRZAK, SURVEYOR, DO HEREBY CERTIFY THAT THE SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEY ACT AND THE SURVEY REGULATIONS AND THAT THE LAND TITLES DIVISION HAS REVIEWED AND APPROVED THE PLAN AND THAT THE PLAN IS CORRECT AND IN ACCORDANCE WITH THE SURVEY ACT AND THE SURVEY REGULATIONS.

**ADAM KASPRZAK SURVEYING LTD.**  
 100 RIVERVIEW DR. #100  
 MISSISSAUGA, ONTARIO L4X 1A9  
 PHONE: 905-276-0000

LEASE AND OPTION TO PURCHASE AGREEMENT  
Schedule "A" to By-law 18-01-1029

This Lease and Option to Purchase Agreement is made on this 3 day of January, 2018.

BETWEEN:

The Corporation of the Township of Whitewater Region  
(the "Municipality")

- and -

GlassHouse Botanics Inc.  
("GlassHouse Botanics").

WHEREAS, the Municipality is the legal owner of certain real property being, lying and situated in part of Lots 26 and 27 Concession B, east of Muskrat Lake in the former Township of Westmeath and now in the Township of Whitewater Region and described as Part 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 on Plan 49R-18946 (the "Property").

AND WHEREAS THIS AGREEMENT shall form a Lease and Option to Purchase Agreement between the Municipality and GlassHouse Botanics for that part of the Property described as Parts 3, 4, 5, 6, 7, 8, 9, and 10 on Plan 49R-18964 ( "Parcel 1" ) and an Option to Purchase Agreement for that part of the Property described as Parts 1, 2 and part of Part 11 on Plan 49R-18964 ("Parcel 2").

AND WHEREAS during the term of this Agreement the Municipality covenants not to lease or permit the use by any other tenant or sub-tenant of any other persons or entities on the Property.

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. Grant of Lease and Option to Purchase Parcel 1 and Option to Purchase Parcel 2**

The Municipality hereby grants to GlassHouse Botanics a Lease and Option to Purchase Parcel 1 and an Option to Purchase Parcel 2 on the terms set out in this Agreement.

## **2. Terms of Lease and Option to Purchase Parcel 1 and Option to Purchase Parcel 2**

(a) The Lease for Parcel 1 shall commence on the date of execution of this Agreement and shall terminate on the earlier of three years from the date of execution of this Agreement or the date of closing of Parcel 1.

(b) GlassHouse Botanics may exercise the Option to Purchase Parcel 1 by written notice to the Municipality at any time until two and a half years following the date of execution of this Agreement.

(c) If GlassHouse Botanics exercises its Option to Purchase Parcel 1, it also shall be entitled to purchase Parcel 2 on the same closing date as Parcel 1, by giving written notice to the Municipality.

(d) Should GlassHouse Botanics exercise its Options to Purchase Parcel 1 or Parcel 1 and Parcel 2, the parties shall close the sale thirty days following the day in which notice is given of the option to purchase, subject to alternative terms agreeable to both parties.

## **3. Payments**

(a) With respect to Parcel 1, GlassHouse Botanics shall pay the Municipality \$1000.00 on execution of this Agreement and \$2000.00 six month after execution of this Agreement as rent and as the option payment for the first year of the term of the Agreement. In the second year of the term, Glass House Botanic shall pay \$1000.00 per month for the first six months and \$1200.00 per month for the next six months. In the third term of this Agreement GlassHouse Botanics shall pay to the Municipality \$2000.00 per month.

(b) There shall be no additional payment with respect to the Option to Purchase Parcel 2.

(c) Payments shall be made in Canadian funds during said term, each payable on the first day of the month in advance at such place as the Municipality may from time to time specify by written notice to GlassHouse Botanics.

(d) HST shall be paid by GlassHouse Botanics on all payments made.

(e) The Municipality shall grant to GlassHouse Botanics a grace period of twenty-one (21) days from the date the payments are due before GlassHouse Botanics is considered in default of this Agreement. If GlassHouse Botanics fails to make payment by the due date, the unpaid deposit shall bear, and GlassHouse Botanics shall pay the Municipality, interest from the due date to the date of payment at the stipulated rate in force on the due date pursuant to the *Financial Administration Act*, R.S.O. 1990, c.F.12.

#### **4. Utilities and Services**

GlassHouse Botanics shall not put into use any water, electricity, garbage service, or other public utilities to the Property during the term of this Agreement and therefore shall not be subject to any charges from the Municipality which shall not be providing utilities or services.

#### **5. Property Taxes:**

During the term of this Agreement and until Closing, the Municipality shall bear the cost of any and all applicable property taxes pertaining to the Property.

#### **6. Condition of the Property**

Upon the expiration or termination of the Agreement, GlassHouse Botanics shall return possession of the Property in its present condition, reasonable wear and tear, fire casualty excepted. GlassHouse Botanics shall commit no waste to the Property.

#### **7. Assignment**

GlassHouse Botanics shall have the right to assign this Agreement on the entire Property upon obtaining consent from the Municipality, such consent not to be unreasonably delayed or withheld, all subject to the terms of this Agreement.

#### **8. Use of Property**

GlassHouse Botanics shall not make any material or structural alterations to the Property without the Municipality's prior written consent. The Property is to be used as the facility location on an Application by Glasshouse Botanics to Health Canada for a license to produce cannabis.

#### **9. Compliance with Law**

GlassHouse Botanics shall comply with all building, zoning and health codes and other applicable laws for the use of said Property.

#### **10. GlassHouse Botanics's Conduct:**

GlassHouse Botanics shall not conduct on the Property any activity deemed hazardous, or a nuisance, or requiring an increase in fire insurance premiums.

#### **11. Right of Termination and Re-Entry**

In the event that any breach in payments exceeds the grace period outlined in Clause 3(e) of this Agreement, or any other allowed charge, or other breach of this Agreement, the Municipality shall have full rights to terminate this Agreement in accordance with provincial law and re-enter and re-claim possession of the Property, in addition to such other remedies available to the Municipality arising from said breach.

## **12. TERMINATION BY GLASSHOUSE BOTANICS**

GlassHouse Botanics maintains the right to terminate the Agreement at any point that the Property proves not to suit the needs of GlassHouse Botanics. GlassHouse Botanics shall provide express written notice of termination and thereafter no further payments shall be due nor payable to the Municipality.

## **13. NOTICE REQUIRED TO EXERCISE OPTION.**

To exercise the Option to Purchase, GlassHouse Botanics shall deliver to the Municipality written notice of GlassHouse Botanics's intent to purchase. In addition, the written notice must specify a valid closing date being no later than sixty days from the date of the giving of the notice. The closing date must occur before the date of the expiration of this Agreement.

## **14. OPTION TO PURCHASE CONSIDERATION**

As consideration for this Agreement, all payments paid by GlassHouse Botanics pursuant to Clause 3 of this Agreement shall be credited to the purchase price of Parcel 1 at closing if GlassHouse Botanics timely exercises the Option to Purchase, provided that GlassHouse Botanics:

- (a) is not in default of this Agreement, and
- (b) closes the conveyance of Parcel 1.

The Municipality shall not refund the payment if GlassHouse Botanics defaults in this Agreement, fails to close the conveyance, or otherwise does not exercise the option to purchase.

## **15. PURCHASE PRICE.**

The total fixed purchase price for Parcel 1 is \$116,500.00. Provided that GlassHouse Botanics timely executes the option to purchase, is not in default of the Lease to Purchase Option Agreement, and closes the conveyance of the Property.

The Total fixed purchase price for Parcel 2 shall be \$75,500.00.

## **16. Road Alteration:**

It is agreed that the part of the Property described as Part 11 on Plan 49R-18946 is an improved municipal road. GlassHouse Botanics, should it purchase Parcel 2, at its sole cost and to full municipal standards shall construct a new cul de sac on that part of the Property described as part of Part 1 and part of Part 5 and shall be responsible for all of the Municipality's road closing costs including the cost of a new reference plan. GlassHouse Botanics shall also be responsible for the relocation of any easements in Part 11 and for removing the physical road on part of Part 11.



## **17. REMEDIES UPON DEFAULT**

If GlassHouse Botanics defaults under this Agreement, then in addition to any other remedies available to the Municipality, the Municipality may terminate this Agreement by giving written notice of the termination.

## **18. FORCE MAJEURE**

If either party shall be unable to perform any of the terms, obligations or conditions contained in this Agreement due to strikes, walkouts, civil commotion, war-like operations, governmental regulations or control, acts of God, inability to procure materials or services, or otherwise beyond the reasonable control of such party, then such party shall be deemed not to be in default under this Agreement for the period of such delay and the time for the performance of any such term, obligation or condition, shall be extended for the period of such delay.

## **19. RECORDING OF AGREEMENT**

GlassHouse Botanics shall not record this Agreement on the Public Records of any public office without the express and written consent of the Municipality.

## **20. ACKNOWLEDGMENTS**

The parties are executing this Agreement voluntarily and without any duress or undue influence. The parties have carefully read this Agreement and have asked any questions needed to understand its terms, consequences, and binding effect and fully understand them and have been given an executed copy. The parties have sought the advice of a lawyer of their respective choice if so desired prior to signing this Agreement. GlassHouse Botanics hereby agrees to pay fifty percent of the Municipality's legal fees for its preparation and review of this Agreement, for all matters relating to exercising the provisions of this Agreement and for the closing of the transaction.

## **21. TIMING**

Time is of the essence in this Agreement.

## **19. APPLICABLE LAW**

This Agreement shall be governed by and interpreted in accordance of the Province of Ontario. The parties agree that the Courts of Ontario shall have jurisdiction to determine any matters arising hereunder.

## **22. ENTIRE AGREEMENT**

There are no covenants, representations, agreements, warranties or conditions in any way relating to the subject matter of this Agreement, expressed or implied, collateral or otherwise, except as expressly set forth herein, and this Agreement, constitutes the entire agreement between the parties and may not be modified except by subsequent written agreement duly executed by the Municipality and GlassHouse Botanics.