

9.4. IMPORTANCE OF CONTINUOUS OPERATION

9.4.1. Tenant acknowledges that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Building, and that its continuous operation of the Premises is essential to maintain that character, quality, image and reputation, facilitate the leasing of vacant space and renewing leases of existing tenants. Tenant acknowledges that Landlord will suffer serious and irreparable harm if the Premises are abandoned or left vacant at any time during the Term or are not operated in conformity with this Article 9, even if Tenant continues to pay Rent and/or the amounts under Section 9.4.2. Tenant agrees that this Section will entitle Landlord to seek a mandatory injunction to compel Tenant to open or reopen the Premises for business to the public in accordance with this Lease. Tenant further acknowledges that, other than acting reasonably, Landlord is not obligated to maintain occupancy of the Building.

9.4.2. Subject to Section 9.2.6, if Tenant defaults in any of its obligations stipulated in Sections 9.1, 9.2, 9.3 or 9.4.1, then in each such event (and in addition to all other amounts payable under this Lease) for each day during which the default occurs, Tenant will pay to Landlord an amount equal to the greater of: (i) fifty cents (\$0.50) per square foot of the GLA of the Premises per day or partial day; or (ii) one thousand dollars (\$1,000.00) per day or partial day, as liquidated damages representing the minimum damages that Landlord is considered to have suffered as a result of Tenant's default and the lack of participation by Tenant in the general synergy and interdependence of the Rentable Premises of the Building and is without prejudice to any other rights or recourses of Landlord. Tenant hereby renounces all rights to have this amount reduced, even if the obligation for which the amount is being invoked has been performed in part.

9.4.3. Tenant hereby releases and waives any and all rights and remedies to which it may be entitled at law, in equity or as Tenant under the Lease including, without limitation, the right to apply for relief from forfeiture.

9.5. OBSERVANCE OF APPLICABLE LAWS

9.5.1. Tenant will, at its expense:

9.5.1.1. comply with all Applicable Laws which now or hereafter pertain to or affect the Premises and/or the Building or require or govern the making of any repairs, alterations or other changes of or to: (i) the Premises; (ii) Tenant's use or occupancy thereof; or (iii) the Building as a result of Tenant's use of the Premises or any other portion of the Building. Tenant will not be required, in order to comply with Applicable Laws, to correct any item of Landlord's Work which did not comply at the Commencement Date; and

9.5.1.2. obtain and maintain all necessary permits, licenses and approvals relating to the use and occupancy of the Premises and the conduct of business therein.

9.6. RADIUS

N/A

ARTICLE 10 – LANDLORD'S OPERATION OF THE BUILDING

10.1. MANAGEMENT OBLIGATION

10.1.1. Landlord shall operate the Building in a proper and reputable manner as Landlord reasonably determines that a prudent landlord of a similar building would do at each relevant time, having regard to the size, age, nature, location and trade area of the Building, the type of clientele the Building services, as well as the character, quality and general image Landlord has established for the Building from time to time.

10.2. MANAGEMENT AND CONTROL OF BUILDING

10.2.1. The Common Facilities and other portions of the Building which are not leased to tenants shall be under Landlord's exclusive supervision and control.

10.2.2. Landlord may, at any time before or during the Term:

10.2.2.1. change the area, level, location, arrangement or use of any portion of the Building it considers advisable;

10.2.2.2. construct other buildings, structures or improvements and make alterations, additions, subtractions or rearrangements to any of the foregoing, build additional storeys, construct additional buildings or facilities adjoining or proximate to the Building and effect any work (including excavations) to any land adjacent to the Building;

- 10.2.2.3. modify, alter, expand, reduce or eliminate the Common Facilities or any portion of the Building;
- 10.2.2.4. [Intentionally Deleted];
- 10.2.2.5. temporarily obstruct, close off or shut down parts of the Building and/or temporarily suspend services for the purpose of inspection, maintenance, repair, alteration, construction or safety reasons;
- 10.2.2.6. place any installations within or on the Common Facilities, including without limitation, kiosks, planters, benches and promotional displays or activities;
- 10.2.2.7. close all or part of the Building to the public outside of regular business hours, Sundays and holidays included;
- 10.2.2.8. close parts of the Common Facilities to prevent their dedication or the accrual of rights in them in favour of Persons or the public; grant, modify and terminate easements and other agreements pertaining to the use and operation of the Building or any part of it;
- 10.2.2.9. restrict areas of the Building available for employee parking, and/or prohibit employees from parking anywhere on the Building. If Landlord designates tenant parking areas in the Building or elsewhere, Tenant and its employees shall park their vehicles only in such designated areas. Tenant shall furnish Landlord, upon request, with the current licence plate numbers of all vehicles owned or used by Tenant and its employees and Tenant shall thereafter, notify Landlord of any changes within twenty (20) days after such changes occur. If Tenant or its employees park their vehicles in any areas other than such designated tenant parking areas, Landlord, in addition to all rights and remedies hereunder, shall have the right to remove the said unauthorized vehicles and Tenant shall save harmless Landlord from any and all damage ensuing therefrom and Tenant shall pay the costs of such removal;
- 10.2.2.10. impose reasonable charges for parking on such basis as Landlord determines, and impose restrictions on refunds or compensation by Tenant to Persons using the parking areas;
- 10.2.2.11. designate the areas and entrances and the times in, through and at which loading and unloading of merchandise, supplies and fixtures shall be carried out;
- 10.2.2.12. control, supervise and regulate the delivery or shipping of merchandise, supplies and fixtures to and from the general shipping and receiving areas and Rentable Premises and storage areas, if any, in such manner as Landlord determines is necessary for the proper operation of the Premises and the Building;
- 10.2.2.13. designate and specify the kind of container to be used for garbage and refuse and the manner and the times and places at which same is to be placed for collection. If Landlord provides or designates a commercial service for the pick up and disposal of refuse and garbage instead of or in addition to the service provided by the municipality, Tenant shall use same at Tenant's cost. Tenant shall pay the charges for pick up and disposal of any of Tenant's refuse or rubbish;
- 10.2.2.14. re-design all or any part of the tenant mix, both with respect to kinds of uses which may be included from time to time, as well as change the physical location of any one or more tenants existing at the time of the change;
- 10.2.2.15. change the name of the Building;
- 10.2.2.16. do all work Landlord considers advisable to install new, and/or maintain, adapt, repair or replace existing utility lines, pipes, roof drainage pipes, conduits, wires, ductwork, columns and other matters through ceiling space, column space or other parts of the Premises and do any other work in the Premises to preserve and/or support and/or reinforce any structural walls or foundations of the Premises or the Building, including excavation, or other matters Landlord deems advisable including, without limitation, such work as may be required for an expansion or an alteration of all or part of the Building; and
- 10.2.2.17. do and perform such other acts in and to the Building as in the use of good business judgment Landlord determines to be advisable for the more efficient and proper operation of the Building.
- 10.2.3. Landlord agrees that in operating the Building it will use reasonable commercial efforts to ensure that access to or egress from the Premises is not materially interfered with during the course of any of Landlord's

operations. Tenant agrees to conform itself to all rules, regulations and policies established by Landlord from time to time within the scope of Landlord's proper exercise of any of its rights stipulated in Section 10.2.2.

10.3. LANDLORD'S RELOCATION RIGHT

N/A

10.3.1.1.

10.4. LANDLORD'S REDEVELOPMENT RIGHT

10.4.1. Refer to Schedule "E", Special Provisions.

10.5. LANDLORD'S RIGHT TO ENTER THE PREMISES

10.5.1. Tenant shall permit Landlord to enter the Premises at all reasonable times to examine or inspect the Premises, to show the Premises to Persons considering purchasing or financing the Building, and during the last six (6) months of the Term to Persons considering leasing the Premises, to provide services or make repairs, replacements, changes or alterations to the Premises, adjoining premises, the Common Facilities or other parts of the Building (including without limitation performing any of the activities stipulated under or contemplated by Section 10.2.2), and to take such steps as Landlord may reasonably determine necessary for the safety, improvement and preservation of the Premises and the Building.

10.5.2. Except in an emergency or perceived emergency, Landlord shall whenever reasonably possible consult with or give reasonable notice to Tenant prior to such an entry.

10.6. ENTRY NOT A BREACH

10.6.1. Despite anything else in this Lease, the exercise by Landlord of any of its rights under Article 10 shall not constitute a breach by Landlord of any of its obligations under this Lease nor shall the exercise of any such rights be deemed to be a constructive or actual eviction, or a breach of the covenant for quiet enjoyment. Tenant shall not have the right to object to any decisions made or actions taken by Landlord pursuant to Article 10. Under no circumstances will Tenant be entitled to any payment, compensation, diminution or abatement of Rent (except as expressly set out in Sections 10.3 and 10.4), or be entitled to resiliate or terminate this Lease.

ARTICLE 11 – PROMOTIONS AND ADVERTISING

11.1. MERCHANTS' ASSOCIATION

11.1.1. Tenant will become a member of and maintain membership in the Merchants' Association existing at any time during the Term. Tenant will abide by all by-laws and regulations of the Merchants' Association which are not in conflict with this Lease or in any manner detrimental to Landlord. Nothing in the by-laws, rules and regulations of the Merchants' Association will be in conflict with or derogate from the provisions of this Lease or in any way affect the rights of Landlord, and all by-laws and regulations will at all times be subject to the prior written approval of Landlord.

11.1.2. Landlord shall have the right to (without being obliged to do so) be a member of the Merchants' Association and of its executive committee. Landlord may (without being obliged to do so) institute legal proceedings in its own name to enforce the rights of the Merchants' Association, whether or not Landlord is contributing funds to the Merchants' Association.

11.2. LANDLORD'S PROMOTIONS, PROMOTION FUND AND PROMOTION CHARGE

11.2.1. Landlord will promote and advertise the Building in a manner and to an extent as it reasonably considers appropriate, taking into account the nature, size, age, character and location of the Building as well as the general image Landlord has established for the Building from time to time.

11.2.2. Landlord's promotional activities may include, without limitation, joint and/or cooperative promotions or advertising with any one or more of other buildings or projects containing retail components, local or other governmental agencies, other organizations or groups whether they be profit or non-profit in nature and any other method Landlord considers appropriate for the Building from time to time, as well as providing seasonal promotions and decorations for the Building. Tenant agrees to give its complete support and cooperation to all of Landlord's promotional activities. Without limitation, Tenant will honour any discount coupons, gift certificates, or other incentives given to customers as part of any promotional activities of the Building and Tenant will not have the right to claim handling fees from Landlord or any other Person but will have the right to be reimbursed from the Promotion Fund (as hereinafter defined) for the value of any gift certificate issued

by the Building or Landlord.

11.2.3. Landlord will not be obliged to segregate Promotion Fund moneys from its general funds, nor will Landlord be considered a trustee or other type of fiduciary of Promotion Fund monies.

11.2.4.

N/A

11.2.5. Landlord will have the right to increase the Promotion Charge in any Lease Year and for every Lease Year it chooses to do so, proportionately to the CPI increase from the first day of July and the thirtieth (30th) day of June of the previous Lease Year. Landlord may exercise this right at any time either in one (1) lump sum or in smaller amounts, as long as the total increase for any Lease Year does not exceed the annual increase permitted by virtue of this Section.

11.2.6. Each permitted increase in the Promotion Charge will take effect from the date stipulated in Landlord's notice until the next such increase takes effect. Tenant acknowledges that each such increase may, at Landlord's option, be charged retroactively provided that such retroactivity will not extend to any period occurring prior to twelve (12) months from the date of Landlord's notice. Each time the Promotion Charge is increased, the amount stipulated in Section 1.21, if any, will be deemed replaced by the increased amount.

11.2.7. Tenant agrees that Landlord will never be obliged to spend more than the total amount paid to the Promotion Fund by tenants of the Building in any Lease Year in order to fulfill its obligations under Sections 11.2.1 and 11.2.2 for such Lease Year.

11.2.8. Landlord may designate one or more agents to promote and/or advertise on its behalf, to enter into any agreements with third parties for promotion and/or advertising purposes, and may use all or any part of the Promotion Fund contributions to fund those activities of the agent or agents.

11.2.9. Tenant acknowledges that Landlord will not be obliged to plan or execute any special promotional event or events from year to year, even if these were done in any form during any prior period.

11.3. TENANT'S PROMOTIONS

11.3.1. Tenant agrees to promote and advertise its business from the Premises in an up-to-date professional manner at its expense.

11.3.2. Tenant will endeavour to promote the name and/or any logo or emblem of the Building in any of its promotions or advertising. Tenant will not acquire any rights to the name, logo or emblem.

ARTICLE 12 – TRANSFERS

12.1. TRANSFERS REQUIRING CONSENT

12.1.1. Subject to Section 12.1.3 and Section 2 of Schedule "E", no Transfer may be effected to any Person without obtaining Landlord's prior written consent, which consent will not be unreasonably withheld or delayed beyond the period stipulated in Section 12.4.1.

12.1.2. Landlord may, in determining whether to consent to any Transfer hereunder (except to a Permitted Transferee), consider such factors as Landlord, in its sole and unfettered discretion, deems relevant or material to the proposed Transfer and the best interest of the Building operations. Without limiting the generality of the foregoing, Tenant acknowledges that it shall be reasonable for Landlord to withhold its consent to any Transfer hereunder if:

12.1.2.1. Landlord has reasonable grounds to believe that the Transferee intends to change the permitted use of the Premises stipulated in Section 1.7;

12.1.2.2. Landlord has reasonable grounds to believe that the Transferee does not have sufficient business experience to operate the Premises for the permitted use stipulated in Section 1.7 within a commercial retail context;

12.1.2.3. the Transferee: (i) does not have a good credit rating and a net worth sufficient, in Landlord's reasonable opinion, to finance the business to be operated in the Premises; or (ii) has a history of defaults under commercial leases either by the Transferee or by companies or partnerships in which the Transferee or any of its shareholders or partners was a principal shareholder or partner at the time of the defaults;

12.1.2.4. the Transfer relates to a part of the Premises only;

12.1.2.5. Landlord has reasonable grounds to believe that the Transfer would adversely affect the reputation of the Building;

12.1.2.6. Landlord has not obtained the consent of any Mortgagee, any Major Tenant or any other Person who may have the right to approve the Transfer; or

12.1.2.7. Landlord does not receive sufficient information from Tenant or the Transferee to enable it to make a determination concerning the matters set out above or does not receive its fees under Section 12.3.1.4.

12.1.3. Section 12.1.1 does not apply to a Transfer to a holding body corporate, subsidiary body corporate or affiliate of Tenant (as those terms are defined in the Canada Business Corporations Act), however, consent in accordance with Section 12.1.1 will be required in connection with a subsequent Transfer unless the original and subsequent Transferee remains a holding body corporate, subsidiary body corporate or affiliate of Tenant. In the case of any such Transfer, Tenant will provide Landlord with at least thirty (30) days prior written notice and all provisions of Sections 12.2, 12.3 and 12.4 (except Section 12.4.1) will apply.

12.2. TRANSFER PRIOR TO COMMENCEMENT DATE

12.2.1. Under no circumstances will Tenant be entitled to effect a Transfer prior to the Commencement Date, notwithstanding anything to the contrary in this Lease or at law.

12.3. TENANT TO FURNISH INFORMATION

12.3.1. All requests for Landlord's consent to effect a Transfer shall be in writing and shall be accompanied by each of the following:

12.3.1.1. the name, address and local telephone number of each proposed Transferee and if the Transferee is a corporation, the names of the directors and the majority shareholders (or in the case of a Change of Control, those Persons who would subsequently acquire effective voting control) and if the Transferee is a partnership, the names of the partners;

12.3.1.2. details reasonably satisfactory to Landlord of the proposed Transferee's prior business experience (including experience in the business for which the Premises may be operated pursuant to this Lease);

12.3.1.3. bank and other credit references, financial statements if available and such other information Landlord may reasonably require to assess the business or financial responsibility and standing of the proposed Transferee;

12.3.1.4. a certified cheque or draft of a Canadian chartered bank payable to **PINNACLE INTERNATIONAL (ALDER PLACE) Ltd.**, or such other Person as Landlord may direct from time to time, for an amount equal to Landlord's then prevailing Transfer processing fee, which will be non-refundable regardless of what Landlord elects under Section 12.4, in addition to Tenant's undertaking to reimburse Landlord for any out of pocket expenses and disbursements incurred by Landlord in connection with Tenant's request for consent to a Transfer including, without limitation, the costs set out in Section 12.4.2.6;

12.3.1.5. if the proposed Transferee is a corporation, its articles of incorporation and all certificates or articles of amendment, a current certificate of status and a chart setting out the corporate structure of the proposed Transferee and its related entities; and

12.3.1.6. details of the transaction of the Transfer between Tenant and the proposed Transferee and all relevant documents and additional information with respect thereto, including, without limitation, a copy of any agreement of purchase and sale between Tenant and the proposed Transferee.

12.4. LANDLORD'S RIGHTS

12.4.1. Landlord shall, within forty-five (45) days following receipt of the last of all of the documentation, information and the processing fee required by Section 12.3 (and this despite Article 1870 of the Civil Code of

Quebec, if applicable) notify Tenant in writing either:

- 12.4.1.1. that it does not consent to the proposed Transfer;
- 12.4.1.2. that it consents to the proposed Transfer; or
- 12.4.1.3. that it elects to terminate this Lease in preference to granting or refusing its consent to the proposed Transfer, and without having to justify its election, whereupon this Lease will terminate fifteen (15) days following the date of Landlord's notice, unless within the fifteen (15) day period, Tenant advises Landlord in writing that it will refrain from the proposed Transfer and that it withdraws its request for Landlord's consent to the proposed Transfer. If Tenant advises Landlord it will refrain from the proposed Transfer and withdraw its request for Landlord's consent, then Landlord's notice to terminate this Lease shall be deemed null and void in such instance.

12.4.2. If Landlord consents to a Transfer, the consent shall be subject to the following conditions:

- 12.4.2.1. the consent by Landlord is not a waiver of the requirement for consent to subsequent Transfers.
- 12.4.2.2. no acceptance by Landlord of Rent or other payments by a Transferee is: (i) a waiver of the requirement for Landlord to consent to the Transfer; (ii) the acceptance of the Transferee as Tenant; or (iii) a release of Tenant from its obligations under this Lease;
- 12.4.2.3. Tenant, Transferee, Indemnifier, if any, any future indemnifier and any other Person liable under this Lease will be solidarily liable to Landlord to fulfill all Tenant's obligations under this Lease (as well as any obligations Landlord imposes by way of a special condition under Section 12.4.4), during the Term, the whole without novation or derogation of any kind, and without benefit of division or discussion;
- 12.4.2.4. Landlord may apply amounts collected from the Transferee to any unpaid Rent;
- 12.4.2.5. the Transferor, unless the Transferee is a subtenant of Tenant, will retain no rights under this Lease in respect of obligations to be performed by Landlord or in respect of the use or occupation of the Premises after the Transfer;
- 12.4.2.6. the Transferee will execute an agreement directly with Landlord agreeing to be bound by this Lease as if the Transferee had originally executed this Lease as Tenant, but the Transferor will remain solidarily responsible with the Transferee for the fulfilment of all obligations to be performed after the Transfer by the Transferee including the punctual payment of Rent under this Lease (as may be modified by the application of Section 12.4.2.8) during the remainder of the Term and, if required by Landlord, the Transferor will execute an indemnity on Landlord's standard form, to give full force and effect to the foregoing. This obligation of the Transferor will survive any termination, repudiation, disaffirmation, disclaimer or surrender (except with the consent of Landlord) of this Lease by any trustee in bankruptcy or by a court representative. All costs of processing the application of consent (including any credit reports, and preparation and negotiation of any documentation by Landlord or its attorneys) will be paid by Tenant prior to the date the Transferee commences to occupy the Premises or the part to which the Transfer applies;
 - 12.4.2.6.1. [Intentionally Deleted].
- 12.4.2.7. on a Transfer which is a subletting of the Premises by virtue of which Tenant receives a rent in the form of cash, goods or services from the Transferee which is greater than the Rent payable hereunder to Landlord, Tenant will pay any such excess to Landlord in addition to all Rent payable under this Lease, and such excess rent shall be deemed to be further Additional Rent;
- 12.4.2.8. if the Transferee pays or gives to the Transferor money or other value that is reasonably attributable to the desirability of the location of the Premises or to leasehold improvements that are owned by Landlord or for which Landlord has paid in whole or in part, as determined by an Expert, then at Landlord's option, the Transferor will pay to Landlord such money or other value in addition to all Rent payable under this Lease and such amounts shall be deemed to be further Additional Rent. In order for the Expert to make an accurate determination of any amounts owing by Tenant to Landlord under this Section 12.4.2.10, Tenant shall forward all necessary documentation and information required by Landlord or its Expert within twenty (20) days of request;
- 12.4.2.9. if Landlord is holding any Prepaid Rent and/or Security Deposit, it will automatically be transferred to the account of the Transferee unless the Prepaid Rent and/or Security Deposit is in a form which is not susceptible of being transferred without the consent of a third party, in which case

the Prepaid Rent and/or Security Deposit must be replaced at the time the Transferee executes the agreement provided in Section 12.4.2.6 by a new deposit by the Transferee, failing which, and without in any manner prejudicing any of Landlord's other rights and recourses, the Prepaid Rent and/or Security Deposit may be realized upon as if an Event of Default occurred;

12.4.2.10. as of the effective date of the Transfer, this Lease will have been duly executed by all of the parties thereto; and

12.4.2.11. [Intentionally Deleted].

12.4.3. Nothing in Section 12.4.2 shall have the effect of or be construed so as to reduce the Minimum Rent otherwise payable under this Lease for any period. Furthermore, if the Minimum Rent is payable on a

12.4.4. If Landlord consents to a Transfer, it may impose such special conditions as it deems reasonable in the circumstances, such as, without limitation, eliminating option rights, imposing an obligation on the Transferee to renovate the Premises upon terms and conditions Landlord considers appropriate, acting reasonably, further restrictions on use of the Premises and/or furnishing Landlord with security such as indemnities or additional indemnities, security deposits or other security devices Landlord deems appropriate, acting reasonably.

12.5. NO ADVERTISING OF THE PREMISES

12.5.1. Tenant will not offer or advertise the whole or any part of the Premises or this Lease for the purpose of a Transfer and will not permit a broker or other Persons to do so unless the complete text and format of any such advertisement or offer is first approved in writing by Landlord. Without in any way limiting Landlord's right to refuse any text or format on other grounds, any text or format proposed by Tenant shall not contain any reference to the rental rates payable under this Lease.

12.6. TRANSFER BY LANDLORD

12.6.1. If there is a sale, lease or any other disposition by Landlord of its ownership of all or part of the Building, then Landlord will, thereupon and without further agreement, be released from of all further liability and any claims arising with respect to Landlord's covenants and obligations contained in this Lease in respect of any parts so disposed of to the extent that the Landlord's successor in title undertakes to perform same.

ARTICLE 13 – STATUS STATEMENT, SUBORDINATION AND ATTORNMENT

13.1. STATUS STATEMENT

13.1.1. Within ten (10) days after written request by Landlord, Tenant will deliver in a form supplied by Landlord, a status statement or a certificate to any proposed purchaser, assignee, lessor or Mortgagee of the Building, or to Landlord, which will be substantially in the form attached as Schedule "H", or at Landlord's option, will be in an alternate form containing such acknowledgments and information as are customarily called for in status statements and estoppel certificates delivered in conjunction with commercial tenancies, or as may be required by the Mortgagee or a purchaser.

13.2. SUBORDINATION AND ATTORNMENT

13.2.1. This Lease and Tenant's rights hereunder are, and will at all times be, subordinate to Encumbrances, or any renewals, extensions or replacements thereof, from time to time against the Building (or any part of it). Upon request, Tenant will subordinate this Lease in such form as Landlord requires to any Encumbrance, cede priority of registration in favour of the holder of the Encumbrance, and, if requested, Tenant will acknowledge and recognize the holder of the Encumbrance.

13.2.2. Tenant will, if possession is taken under, or any proceedings are brought for possession under and/or any taking of possession is exercised by a Mortgagee, or in the event of the exercise of the power of sale under, any Encumbrance, acknowledge and recognize the Mortgagee or the purchaser upon any such sale or other proceeding and recognize the Mortgagee or the purchaser as Landlord under this Lease.

13.3. MANDATORY / ATTORNEY

13.3.1. [Intentionally Deleted].

ARTICLE 14 – MAINTENANCE, REPAIRS AND ALTERATIONS

14.1. LANDLORD'S OBLIGATIONS TO REPAIR AND MAINTAIN

14.1.1. Landlord will maintain and repair, or cause to be maintained and repaired, the Building, including the

foundations, exterior weather walls, roof, and all structural portions of the Premises and the Common Facilities, as a prudent landlord of a similar building would do, having regard to the size, age, nature and location of the Building. The cost of the foregoing maintenance and repairs will be included in Operating Costs. However, if Landlord is required, due to the business carried on by Tenant, to make structural repairs or replacements by reason of the application of laws, ordinances or other regulations of any governmental body, or by reason of any act, omission or default of Tenant or those Persons under Tenant's control, then Tenant will be liable for the total cost of those repairs or replacements plus fifteen percent (15%). For greater certainty, the Landlord's repair and maintenance obligations under this Section 14.1.1 shall include all repairs or replacements of a capital nature, the cost of which may be included in Operating Costs to the extent that such costs are amortized over the useful life of the capital item in accordance with generally accepted accounting principles.

14.1.2. Landlord's obligations under Section 14.1.1 shall be subject to the following exceptions:

14.1.2.1. reasonable normal wear and tear which does not affect the proper use and enjoyment of the Premises or the Building;

14.1.2.2. any obligation of Tenant to maintain, repair or replace;

14.1.2.3. the repair of any damage caused by a peril against which Landlord is not required to maintain insurance under this Lease, or where the peril is covered by insurance, Landlord has not obtained sufficient insurance proceeds to repair the damage despite diligent efforts to obtain them;

14.1.2.4. damage or injury caused by any act, neglect, omission, fault or default of Tenant; and

14.1.2.5. damage, destruction or expropriation in circumstances where this Lease will terminate.

14.1.3. Tenant shall, when it becomes aware of same or when Tenant should, acting reasonably, have become aware of same, notify Landlord of any damage to, or deficiency or defect in any part of the Building, including the Premises, any equipment or utility systems, or any installations located therein, notwithstanding the fact that Landlord may have no obligations with respect to them.

14.2. TENANT'S OBLIGATION TO MAINTAIN AND REPAIR

14.2.1. Tenant will, subject to the provisions of Section 14.2.3, maintain, repair (including major repairs), replace, modify and keep the Premises together with all improvements, fixtures and equipment located in or exclusively serving the Premises in a state of repair and appearance, which Landlord, acting reasonably, determines a prudent owner of similar premises would do. In addition, Tenant will promptly do all work required to have the Premises comply with all Applicable Laws and insurance requirements applicable from time to time during the Term.

14.2.2. Tenant's obligations under Section 14.2.1 will extend, without limitation, to all glass and plate glass and all electrical, mechanical, plumbing, sprinkler and other systems as well as periodic painting and redecorating, which without limiting the generality of the foregoing, may include changing of tiles and/or floor coverings, and the installation of new ceilings and new lighting fixtures, all as Landlord reasonably requires from time to time and/or as may be necessary to maintain the physical appearance of the Premises according to Landlord's design criteria for the Building as it exists from time to time.

14.2.3. Tenant's obligations under Section 14.2.1 shall be subject to the following exceptions:

14.2.3.1. reasonable normal wear and tear which does not affect the proper use of the Premises as a first-rate commercial business of its kind;

14.2.3.2. repairs or replacements to the Premises caused from structural defects or weaknesses or design defects in Landlord's Work;

14.2.3.3. damage, destruction or expropriation in circumstances where this Lease will terminate; and

14.2.3.4. Landlord's obligations under Section 14.1, including but not limited to the Landlord's obligation to perform all repairs and replacements of a capital nature.

14.2.4. All necessary repairs to any Common Facilities located within the Premises and serving exclusively or in part the Premises and to Common Facilities located outside the Premises but serving exclusively or in part the Premises will be effected by Landlord at Tenant's expense, provided that the Tenant shall only be obligated to pay its Proportionate Share of such costs if the repairs are capable of benefiting more than one tenant.

14.2.5. Tenant will install and during the Term maintain in the Premises first-class trade fixtures and furniture appropriate for Tenant's business and the general character of the Building. Only new and unused trade fixtures will be installed and Tenant agrees to obtain the prior written approval (which will not be unreasonably withheld) of Landlord as to the nature of the trade fixtures and the layout of them in the Premises before they are installed, failing which, Landlord may require modification to the trade fixtures and/or the layout.

14.3. ALTERATIONS BY TENANT

14.3.1. Tenant shall not undertake or permit any Tenant's Work without obtaining Landlord's prior written approval thereto, which approval will not be unreasonably withheld if: (i) Tenant's Work will equal or exceed the then-current standard for the Building; (ii) adequate plans and specifications are provided to Landlord; and (iii) Tenant has obtained all requisite consents, permits and other governmental approvals.

14.3.2. All Tenant's Work will be performed, by competent workmen whose labour union affiliations are compatible with others employed by Landlord and its contractors, in a good and workmanlike manner, in accordance with the plans and specifications first approved by Landlord, in writing, and in accordance with Landlord's reasonable requirements. Tenant will pay to Landlord, within twenty (20) days of the Landlord's written demand, Landlord's costs in connection with the approval and supervision of Tenant's Work including, without limitation, architectural and engineering consultants' fees plus an administration fee of fifteen percent (15%).

14.3.3. Landlord may require that any Tenant's Work be performed by Landlord at Tenant's cost if it affects the structure of, or any base building systems in, the Premises, the Common Facilities, or any part of the Building outside the Premises. On completion of Tenant's Work, Tenant will pay to Landlord, within twenty (20) days of the Landlord's written demand, Landlord's costs including, without limitation, architectural and engineering consultants' fees plus an administration fee of fifteen percent (15%).

14.4. HYPOTHECS, LIENS OR OTHER ENCUMBRANCES

14.4.1. Tenant will ensure that no Secured Claim is registered or filed against: (i) the Building or any part of it; or (ii) Landlord's interest in the Building or any part of it; (iii) any adjacent or contiguous lands owned by Landlord, the Owner or an affiliate; or (iv) Tenant's interest in the Premises, by any Person claiming by, through, under, or against Tenant or its contractors or subcontractors. If Tenant defaults under this Section, Landlord may, in addition to its remedies contained in Article 17 of this Lease, discharge the Secured Claim by paying the amount claimed to be due into court (but not to the claimant directly), and the amount paid, as well as the costs and expenses (including actual legal fees, disbursements and Sales Taxes, whether described as being costs on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time) incurred as the result of the registration or filing of the Secured Claim, including the discharge of the Secured Claim, will be paid by Tenant to Landlord on demand.

14.5. PERFORMANCE OF TENANT'S OBLIGATIONS BY LANDLORD

14.5.1. Where Tenant requests Landlord's approval to effect any work Tenant is obliged to do, or an apparent emergency has occurred, or Tenant has defaulted under any of its obligations under Sections 14.2 or 14.3 and has not cured the default within ten (10) days of written notice by Landlord to Tenant, Landlord may (without being obliged to do so), at its option, do the work at Tenant's cost, plus an administration fee of fifteen percent (15%). All such amounts will be immediately due and payable by Tenant upon receipt of an invoice therefor.

14.5.2. If the Building or any part of it requires repair, replacement or alteration: (i) because of the negligence, fault, omission, act or misconduct of Tenant or its directors, officers, agents, employees, contractors, licensees or invitees; (ii) due to the requirements of any Applicable Laws relating to Tenant's business or conduct of business; or (iii) as a result of Tenant damaging the heating apparatus, water pipes, drainage pipes or other equipment or facilities or parts of the Building, the cost of the repairs, replacements or alterations plus an administration fee of fifteen percent (15%) will be paid by Tenant to Landlord on demand.

14.5.3. All such work may be done in a manner and at such time as Landlord considers appropriate. Notwithstanding anything contained in this Lease to the contrary, Landlord will not incur any liability of any nature whatsoever to Tenant or any other Person claiming through Tenant as a result of any work contemplated by Section 14.5 and/or any consequences of any such work, provided that the Landlord uses reasonable efforts to minimize any potential interference its work may have with the Tenant's use or occupation of the Premises.

14.6. SIGNAGE

14.6.1. Tenant shall not erect or place any sign, decal, lettering or design of any nature whatsoever either on the exterior walls of the Premises or elsewhere in the Building, including, without limitation, temporary

portable signs, A-frame signs, banners and inflatable structures on the Common Facilities, nor shall Tenant erect or place in the display windows any signs, decals or lettering in the interior of the Premises for exterior view without first obtaining Landlord's written consent in each instance as to the specifications, design, location and method of installation. All such signs shall conform with all Applicable Laws and Landlord's sign criteria existing from time to time for the Building and if Landlord requires, all such signs will be suitably illuminated in such manner and at such times as Landlord may require.

14.6.2. Tenant will comply with all of Landlord's requests at its sole expense, and in the case of the removal of any sign, will repair any damage to the Building caused by the installation or removal of the sign in question.

14.6.3. Tenant acknowledges that Landlord may at any time during the Term either require that Tenant install and maintain a suitable sign or other advertising material on the exterior of the Premises at Tenant's expense and/or replace at Tenant's expense any of its existing signs to conform to Landlord's sign criteria as may exist from time to time subject to the foregoing provisions of this Section. Tenant agrees that if for the purposes of any maintenance, repairs, alterations or changes to the Building Landlord requires that Tenant temporarily remove any of its signs or other advertising material, Tenant will remove each such sign or other advertising material designated by Landlord and replace same once the work is completed, the whole at Tenant's expense. Furthermore, if for any of the foregoing purposes Landlord requires Tenant to relocate any sign or other advertising material elsewhere in the Building, Tenant will do so at its expense and if necessary Tenant will modify same to accommodate the physical characteristics of the new location. Landlord may at Tenant's cost and at any time, replace any existing signs or install new sign(s) for the Premises, complying with the most current sign criteria of that part of the Building where the new sign(s) is (are) to be located.

14.6.4. Any failure by Tenant to comply with the provisions of this Section will entitle Landlord to remove all signs, decals and lettering which have not received Landlord's approval, without prejudice to all other rights and recourses which Landlord may have pursuant to this Lease or at law.

14.6.5. Notwithstanding anything to the contrary in this Section 14.6 and subject to Landlord and municipal approval, the Tenant shall be permitted, at its expense, to supply and install its corporate signage in a new sign box(es), canopy, pylon sign and/or channel lettering upon the Building façade and/or the bulkhead surrounding the Premises. Tenant shall have the right to display grand opening and promotional banners for the first three months of the Term and from time to time during special promotional periods, subject always to the approval of the Landlord, acting reasonably.

14.7. REMOVAL AND RESTORATION BY TENANT

14.7.1. Upon the expiry of the Term or earlier termination of this Lease, Tenant shall deliver to Landlord vacant possession of the Premises in the condition which Tenant is required to maintain, repair and replace them. At the same date, Tenant shall return all keys for the Premises to the Management Company and shall inform Landlord of all combinations of locks, safes and vaults, if any, in the Premises.

14.7.2. All signs, changes, decorations, alterations, additions and leasehold improvements made or installed upon or in the Premises (save for Tenant's movable trade fixtures) which in any manner are attached in, to or under the floors, walls or ceilings, including, without limitation: (i) any component of any heating, ventilating, air-conditioning, sprinkler, plumbing or electrical equipment or other systems installed within or servicing the Premises; (ii) all light fixtures; (iii) all floor finishes of whatever nature placed upon the concrete floor of the Premises; and (iv) all storefronts, internal stairways, doors and/or partitions, shall become Landlord's property at the time they are installed, and will be surrendered to Landlord at the expiry of the Term or sooner termination of this Lease without any compensation payable to Tenant whatsoever. Notwithstanding the provisions of Section 14.7.2, Tenant at all times throughout the Term retains a leasehold interest in all alterations paid for by Tenant (and not reimbursed by Landlord) and is entitled to take the benefit of all capital cost allowance and depreciation in respect of the alterations to the extent permitted under the Income Tax Act (Canada).

14.7.3. Notwithstanding Section 14.7.2, if Landlord requests, prior to the expiry of the Term or earlier termination of this Lease, Tenant will remove from the Premises any changes, decorations, alterations, additions or leasehold improvements whether by Tenant or others at its cost, including, without limitation, any wiring, cabling and signs. Tenant shall at its own expense repair any damage caused to the Building by any changes, decorations, alterations, additions, improvements, trade fixtures or wiring, cables and related devices and equipment and/or such removal and restoration, failing which Landlord may do so at Tenant's expense, plus an administration fee of fifteen percent (15%).

14.7.4. The movable trade fixtures installed by Tenant in the Premises shall not be removed from the Premises during the Term except in the usual or normal course of Tenant's business and with the prior written consent of Landlord, and provided such trade fixtures have become excess for Tenant's purposes or Tenant is substituting new and similar trade fixtures therefor, and provided that in each case: (i) there has not been an Event of Default or Tenant has not expressed its intent not to fulfill any of its obligations under this Lease; and

(ii) such removal is done at Tenant's sole cost and expense. Tenant shall at its own expense repair any damage caused to the Premises or the Building by any removal, installation or restoration of its trade fixtures, failing which Landlord may do so at Tenant's expense, plus an administration fee of fifteen percent (15%).

14.7.5. If any property of Tenant which Tenant is entitled to remove remains on the Premises five (5) business days following the expiry of the Term or earlier termination of this Lease, then the ownership will be deemed to have been abandoned to Landlord who may use it, provide it to a replacement tenant with or without compensation, or otherwise dispose of it as Landlord determines in its sole and unfettered discretion, the whole without compensation payable to Tenant and without incurring any liability to Tenant and Tenant will pay to Landlord on demand all costs incurred by Landlord in connection therewith, plus an administration fee of fifteen percent (15%).

ARTICLE 15 – INSURANCE AND LIABILITY

15.1. LANDLORD'S INSURANCE

15.1.1. Landlord will maintain, throughout the Term: (i) all risks property insurance on the Building (excluding the foundations and excavations) and boiler and machinery insurance for equipment contained in it and owned by Landlord or the Owner (except any property or equipment that Tenant and other tenants are required to insure); (ii) commercial general liability insurance with respect to Landlord's operations in the Building; and (iii) whatever other forms of insurance Landlord, the Owner, or the Mortgagee reasonably consider advisable. Landlord's insurance policies will be in amounts, and be subject to other terms and conditions that Landlord, acting prudently, or a Mortgagee, requires from time to time. In all events where there may otherwise be overlapping insurance coverage between policies purchased by Landlord and Tenant, it is agreed the intent of insuring obligations under this Lease is for Tenant's policies to respond first in priority and regardless of any term in any policy to the contrary.

15.1.2. Notwithstanding Landlord's covenant and Tenant's contribution to the cost of Landlord's insurance premiums: (i) Tenant shall not be relieved of any liability arising from or contributed to by its fault or the fault of Persons under its control or by things under its care; (ii) no insurable interest or other benefit shall be conferred upon Tenant under Landlord's insurance policies; and (iii) Tenant shall have no right to receive proceeds from Landlord's insurance policies.

15.1.3. For all insurance purchased by Landlord, it is understood and agreed that there shall be no right by Landlord's insurers to subrogate in Landlord's name (or otherwise pursue recovery of amounts paid out) and shall where appropriate contain a waiver of subrogation and recovery rights which Landlord's insurers may have against the Tenant and those for whom it is in law responsible, or a permitted prior release clause achieving the same effect, in either case whether or not the damage is caused by their act, omission or negligence.

15.2. TENANT'S INSURANCE

15.2.1. Tenant will maintain the insurance described below throughout the Term and any period when it is in possession of the Premises, and each policy of that insurance will name Tenant as first named insured responsible for all primary obligations to the insurer, and Released Persons as additional insureds for all purposes (but without liability for premiums). The insurance which Tenant is required to maintain is as follows:

15.2.1.1. all risks (including flood, earthquake and on-site and off-site power outages) property insurance in an amount equal to the full replacement cost insuring (1) all property owned by Tenant, or for which Tenant is legally liable, or installed by or on behalf of Tenant, and located within the Building including, but not limited to, fittings, installations, alterations, additions, partitions, and all other leasehold improvements, and (2) Tenant's inventory, furniture and movable trade fixtures and equipment;

15.2.1.2. boiler and machinery insurance for equipment contained in the Premises or owned or operated by Tenant on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all leasehold improvements and of all boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus contained in the Premises or owned or operated by Tenant or by others (except for Landlord or the Owner) on behalf of Tenant in the Premises, or relating to, or serving the Premises;

15.2.1.3. business interruption insurance in an amount that will reimburse Tenant for direct or indirect loss of earnings attributable to all perils insured against under Sections 15.2.1.1 and 15.2.1.2 and other perils commonly insured against by prudent tenants, or attributable to prevention of access to the Premises or the Building as a result of those perils, including, without limitation, on-site and off-site power outages;

15.2.1.4. commercial general liability insurance including tenant's legal liability, contractual liability, non-owned automobile liability, employers liability, and owners' and contractors' protective insurance coverage, with respect to the Premises and Tenant's use of the Common Facilities, with coverage including the activities and operations conducted by Tenant and any other Person on the Premises and by Tenant and any other Person performing work on behalf of Tenant, in any other part of the Building. These policies will (1) have per occurrence limits of at least five million dollars (\$5,000,000.00) (but Landlord, acting reasonably, may require higher limits from time to time), and (2) contain a severability of interests and cross liability clauses;

15.2.1.5. if applicable, standard owners' form automobile insurance providing third party liability insurance with one million dollars (\$1,000,000.00) inclusive limits, and accident benefits insurance, covering all licensed vehicles owned or operated by or on behalf of Tenant; and

15.2.1.6. any other form of insurance and with whatever higher limits Landlord, acting reasonably, or the Mortgagee requires from time to time, in form, in amounts and for risks against which a prudent tenant would insure.

15.2.2. The policies specified under Sections 15.2.1.1, 15.2.1.2 and 15.2.1.3 will contain the Mortgagee's standard mortgage clause. For all insurance purchased by Tenant, it is understood and agreed that there shall be no right by Tenant's insurers to subrogate in Tenant's name (or otherwise pursue recovery of amounts paid out) and shall where appropriate contain a waiver of subrogation and recovery rights which Tenant's insurers may have against the Released Persons and those for whom they are in law responsible, or a permitted prior release clause achieving the same effect, in either case whether or not the damage is caused by their act, omission or negligence.

15.2.3. All policies will: (i) be taken out with insurers acceptable to Landlord; (ii) be in a form satisfactory to Landlord; (iii) contain reasonable deductibles which amounts, for the purpose of this Lease, shall be treated as insurance; (iv) be non-contributing with, and will apply only as primary and not excess to any other insurance available to all and any of the Released Persons; (v) not be invalidated with respect to the interests of all and any of the Released Persons by reason of any Tenant breach or violation of warranties, representations, declarations or conditions contained in the policies; and (vi) contain an undertaking by the insurers to endeavour to notify the Released Persons in writing not less than thirty (30) days before any material change, cancellation, or termination.

15.2.4. Tenant will deliver to Landlord certificates of insurance (or other proof as reasonably required by Landlord) prior to entering the Premises for any purpose and thereafter each year on the anniversary of the Commencement Date or within twenty-four (24) hours of written request, on Landlord's standard form, or other reasonably comparable form acceptable to Landlord, duly executed by Tenant's insurers evidencing that the required insurance is in force. No acceptance or approval of any insurance certificate by Landlord derogates from or diminishes Landlord's rights under this Lease.

15.2.5. If any insurance policy in respect of the Building is cancelled or threatened by the insurer to be cancelled, or the coverage reduced by the insurer by reason of the use and occupation of the Premises by Tenant or by any other Person and if Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage immediately after notice by Landlord, Landlord may, at its option, either: (A) exercise its rights of ipso facto resiliation or termination under Article 17; or (B) at Tenant's expense, enter upon the Premises and remedy the condition giving rise to the cancellation, threatened cancellation or reduction.

15.2.6. If Tenant fails to deliver proof of insurance pursuant to Section 15.2.4 or take out or keep in force any insurance required under Section 15.2, Landlord may, at its option, either: (A) exercise its rights of ipso facto resiliation or termination under Article 17 or (B) take out or keep in force any such insurance and to pay the premium therefor and in such event, Tenant shall repay to Landlord the amounts so paid as premium, plus an administration fee of fifteen percent (15%), which repayment shall be deemed to be Additional Rent and shall be due on the first day of the next month following said payment by Landlord.

15.3. COMPLIANCE WITH LANDLORD'S INSURERS' REQUIREMENTS

15.3.1. Tenant will promptly comply, at its expense, with all requests of Landlord's insurers or any advisory body regarding the Premises or the Building to the extent that such requirements have been disclosed to the Tenant in writing.

15.3.2. Tenant will pay to Landlord on demand as Additional Rent any increase in the cost of Landlord's insurance resulting from Tenant's use or occupation of the Premises, provided that the Landlord shall first give the Tenant evidence in writing that such increase is in fact a result of the Tenant's use or occupation of the Premises as determined by the Landlord's insurer.

15.4. LOSS OR DAMAGE

15.4.1. Subject to Section 15.4.2, the Released Persons shall not be liable for any Damage, howsoever caused. The intent of this Section is that Tenant (and all other Persons having business with Tenant) is to look solely to its resources, including any available insurance, to satisfy any claim, and otherwise release and hold the Released Persons harmless from all damages, losses and other liabilities which may arise on account of Damage irrespective of its cause.

15.4.2. Notwithstanding the provisions of Section 15.4.1 or the other provisions of this Lease, Landlord shall be responsible to Tenant for Damage to the extent caused or contributed to by the negligence of Landlord or those for whom Landlord is in law responsible.

15.5. TENANT'S INDEMNITY

15.5.1. Tenant will indemnify the Released Persons and save them harmless from and against all loss (including loss of Rent), claims, actions, damages, costs, liability and expense in connection with Damage, or any occurrence in the Premises, or Tenant's occupancy of the Premises or occasioned wholly or in part by any act or omission of Tenant or by anyone permitted to be on the Premises or the Building by Tenant. If the Released Persons are without fault on their part, made a party to any litigation commenced against Tenant, then Tenant will protect, indemnify and hold the Released Persons harmless and pay all expenses and actual legal fees, disbursements and Sales Taxes the Released Persons pay to their legal counsel in connection with the litigation, whether described as being costs on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time. In addition, if any of the Released Persons are made a party to any litigation by Tenant, any subtenant, or any associated or affiliated company or by its officers, directors, agents or those for whom Tenant is in law responsible, and Tenant is not ultimately successful in obtaining a court judgment against the Released Persons in the final instance, then Tenant will pay all expenses and actual legal fees, disbursements and Sales Taxes incurred by the Released Persons in connection with the litigation whether described as being costs on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time, together with an amount equal to twenty-five (25%) of such expenses and fees on account of the Released Persons' overhead and administration costs, and Tenant confirms that the foregoing amount is reasonable and may be pleaded by the Released Persons as a full estoppel to any claim by Tenant or otherwise. Notwithstanding the foregoing or other provisions of this Lease, Landlord shall be responsible to Tenant for all losses to the extent caused or contributed to by the negligence of Landlord or those for whom Landlord is in law responsible.

ARTICLE 16 – DAMAGE, DESTRUCTION AND EXPROPRIATION

16.1. DAMAGE OR DESTRUCTION OF THE PREMISES

16.1.1. If the Premises are at any time destroyed or damaged as a result of fire or other casualty, then subject to Section 16.2, the following provisions will apply:

16.1.1.1. If the Premises are not rendered untenable in whole or in part, this Lease shall continue in full force and effect without abatement or diminution of any Rent.

16.1.1.2. If the Premises are rendered partly untenable only, this Lease shall continue in full force and effect, except that Minimum Rent and Charges will abate to the extent the Expert determines that the Premises cannot reasonably be used for their intended purposes.

16.1.1.3. If the Expert determines that the Premises are rendered wholly untenable, this Lease shall continue in full force and effect, except that Minimum Rent and Charges will fully abate.

16.1.1.4. All abatements will occur from the date of the damage or destruction until the earlier of the date that Tenant is obliged to complete Tenant's Work within the Premises pursuant to Section 16.1.2 or the date that the period of indemnity for rental income insurance pursuant to Landlord's rental income insurance policy terminates.

16.1.1.5. Landlord will commence and proceed diligently to reconstruct, rebuild or repair any damage to the Premises to the extent only of Landlord's Work stipulated in Schedule "C", which Landlord may modify to be consistent with the plans, specifications and design criteria chosen by Landlord, acting reasonably, and which plans, specifications and design criteria shall not be inconsistent with then current building practice for buildings of similar in size and geographic location. Landlord will be under no obligation to restore the Premises to exactly the same condition and state as they existed before any damage or destruction.

16.1.2. Following Landlord's written notice that Landlord's Work has been substantially completed, Tenant

will diligently complete all Tenant's Work required to fully restore the Premises for business to the standard Landlord requires at the relevant time within the period provided in Section 16.1.4.

16.1.3. Tenant shall not be entitled to any allowance, inducement, payment or other consideration from Landlord in connection with Tenant's Work even if such allowance, inducement, payment or other consideration was made at the time of original construction of the Premises.

16.1.4. If the Premises have been closed for business, Tenant shall re-open them in conformity with Section 9.2 no later than thirty (30) days after Landlord notifies Tenant that the Premises are available for it to start Tenant's Work, unless Landlord specifies a later date. Tenant shall recommence payment of all Minimum Rent and Charges on the earlier of the date Tenant opens for business or the expiry of the period for completing Tenant's Work as specified by Landlord.

16.2. DAMAGE OR DESTRUCTION OF BUILDING

16.2.1. Despite any contrary provision in this Lease and specifically, but without limitation, Section 16.1, if the Building is totally or partially damaged or destroyed as a result of fire or other casualty (whether the Premises are affected or not), and:

16.2.1.1. in the Expert's opinion, the damaged or destroyed portions cannot reasonably be repaired, restored or rebuilt within twelve (12) months following the occurrence without overtime or other special arrangements; or

16.2.1.2. the cost as estimated by the Expert, of repairing, restoring or rebuilding the damaged or destroyed portions will exceed the proceeds of insurance available to Landlord for such purpose; or

16.2.1.3. the damage or destruction was caused by a peril Landlord was not obliged to insure against; or

16.2.1.4. twenty-five percent (25%) or more of the GLA of the Building is damaged or destroyed; or

16.2.1.5. twenty-five percent (25%) or more of the Common Facilities is damaged or destroyed; or

16.2.1.6. any lease agreement with a Major Tenant is terminated as a result of the damage or destruction; or

16.2.1.7. as at the date of the damage or destruction less than two (2) years remains during the Term;

then in any of the above cases, Landlord may, at its option (to be exercised by written notice to Tenant within ninety (90) days following any such occurrence) elect to terminate this Lease.

16.2.2. If Landlord elects to terminate this Lease, then the following provisions will apply:

16.2.2.1. If the Premises have been rendered wholly untenable, the termination will take effect from the date of the damage or destruction and all Rent will be adjusted to that date without prejudice to any pre-existing claims of the parties.

16.2.2.2. If the Premises have been rendered only partly untenable and Tenant has occupied or would have been reasonably capable of occupying any part of the Premises from the date of the damage or destruction, this Lease will terminate thirty (30) days from Landlord's notice. All unabated Minimum Rent, Percentage Rent, if any, and Charges will be adjusted to the date of termination. Minimum Rent and Charges will abate from the date of the damage and destruction until the date of termination in proportion to the extent the Premises cannot reasonably be used for their intended purposes, without prejudice to any pre-existing claims of the parties.

16.2.2.3. If the Premises were not rendered wholly or partly untenable, this Lease will terminate thirty (30) days from Landlord's notice and all Rent will be adjusted to that date, without prejudice to any pre-existing claims of the parties.

16.2.2.4. Tenant shall have no right or recourse of any nature whatsoever against Landlord resulting from the exercise by Landlord of its right to terminate this Lease.

16.2.3. If the Building is totally or partially damaged or destroyed and Landlord does not elect to terminate this Lease, subject to Section 16.2.4, Landlord shall commence and proceed diligently to reconstruct, rebuild

or repair, as necessary, those portions of the Building which have been so damaged or destroyed to the extent only of Landlord's responsibilities pursuant to the terms of the various leases for premises in the Building and exclusive of any tenant's responsibilities. Furthermore, if the Premises are being repaired, rebuilt or reconstructed, the provisions of Section 16.1 will apply.

16.2.4. Tenant acknowledges and agrees that if Landlord does any reconstruction, rebuilding or repairing, Landlord may do any one or more of the following:

16.2.4.1. use plans, specifications and working drawings which differ from those applicable to the Building existing prior to the damage or destruction;

16.2.4.2. change the configuration, design and/or size of the Building or any of its component parts to suit Landlord's needs at the time, including, without limitation, the location and size of any mall, court, entrance, parking facility or any of the other Common Facilities;

16.2.4.3. redesign the tenant mix to suit Landlord's needs at the time, both with respect to the kinds of uses which will be included in the tenant mix, as well as the physical location of the types of uses being operated prior to the damage and destruction.

16.2.5. Tenant agrees that none of the foregoing shall constitute a default of Landlord's obligation to provide peaceable enjoyment, nor shall it constitute a change of form or destination, nor shall the validity or enforceability of this Lease be affected in any manner by any of the foregoing.

16.3. EXPROPRIATION

16.3.1. Both Landlord and Tenant agree to cooperate with each other in respect of any expropriation of all or any part of the Premises or any other part of the Building, so that each may receive the maximum award to which each is respectively entitled by law.

16.3.2. If at any time during the Term, any part of the Building Landlord reasonably considers necessary to continue operations in the manner intended by this Lease is acquired or expropriated by any lawful expropriating authority, or if access to the Premises is materially affected by any such acquisition or expropriation, then either party may terminate this Lease on written notice to the other, which termination will take effect on the earlier of the date of acquisition or expropriation.

16.3.3. Whether this Lease is terminated or not, Tenant shall have no claim against Landlord as a result of or arising from the expropriation of all or any part of the Building.

ARTICLE 17 – DEFAULT, RECOURSES AND SECURITY

17.1. EVENT OF DEFAULT

17.1.1. Without limiting the generality of the following, the occurrence of any of the following shall constitute an Event of Default under this Lease:

17.1.1.1. Tenant fails to pay Rent within five (5) days after written notice of same to Tenant by Landlord; or

17.1.1.2. Tenant fails to fulfill any of its obligations under this Lease (other than those referred to in Sections 17.1.1.1 and 17.1.1.3 to 17.1.1.11 inclusive, to which this Section will not apply), and the default is not rectified within the earlier of: (i) ten (10) days after written notice of default to Tenant stating with reasonable particularity the nature of such default (or such longer period as may be necessary to cure the default if the default is not reasonably capable of being cured within such ten (10) day delay, and Tenant does not commence to cure such default within said ten (10) day delay and proceed to cure same with all due diligence); or (ii) any period stipulated in any specific provision of this Lease; or

17.1.1.3. Tenant, Indemnifier, if any, or any Person carrying on business in the Premises or any part thereof, becomes bankrupt or insolvent (as those terms are defined in the Bankruptcy and Insolvency Act) or takes the benefit of any law now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes an assignment for the benefit of its creditors or any arrangement or compromise; or

17.1.1.4. Tenant abandons or attempts to abandon the Premises or expresses its intent to abandon the Premises or its intent not to fulfill any of its obligations under this Lease; or

17.1.1.5. the Premises become and remain vacant for a period of three (3) consecutive days,

or are not open and operating for business to the public during the hours specified in this Lease; or

17.1.1.6. [Intentionally Deleted]; or

17.1.1.7. any of the property in the Premises is being seized before or after judgment and mainlevée or release of the seizure is not obtained within fifteen (15) days of the seizure being practised; or

17.1.1.8. a Transfer is effected or purported to be effected other than as permitted by this Lease; or

17.1.1.9. a receiver or a receiver and manager is appointed for all or a part of the property of Tenant, or of another Person carrying on business in the Premises, or of a Indemnifier, if any; or

17.1.1.10. steps are taken or proceedings are instituted for the dissolution, winding up or other termination of Tenant's or Indemnifier's, if any, existence or for the liquidation of their respective assets; or

17.1.1.11. Tenant makes or attempts to make a bulk sale of any of its assets regardless of where they are situated (except for a bulk sale made to a Transferee when the Transfer has been consented to by Landlord) or moves or commences, attempts or threatens to move its goods, chattels, property, affairs or revenues of Tenant (other than in the normal course of its business); or

17.1.1.12. [Intentionally Deleted]; or

17.1.1.13. Tenant fails to keep the Premises fully stocked with merchandise; or

17.1.1.14. [Intentionally Deleted].

17.1.2. [Intentionally Deleted].

17.1.3. Upon the occurrence of an Event of Default or of any other default towards which the repossession of the Premises or resiliation or termination of this Lease is permitted under any other terms of this Lease, this Lease shall, at Landlord's option, exercisable by written notice to Tenant, ipso facto terminate, without prejudice to all other rights and recourses of Landlord, and without diminishing or extinguishing the liability of any Indemnifier, if any, and Tenant shall immediately vacate and surrender to Landlord the Premises and the full amount of the Rent for that part of the Term that would have remained, but for the termination of this Lease, will become due and payable, and Landlord may without notice or any form of legal process forthwith re-enter upon and take possession of the Premises, remove or cause to be removed from any Person occupying same together with any property therein and/or may bolt the Premises or change the locks thereon, despite Applicable Laws to the contrary.

17.2. RIGHT TO RELET

17.2.1. Upon the occurrence of an Event of Default, without prejudice to all the rights and recourses of Landlord specified therein and without prejudice to all other rights and recourses of Landlord and without diminishing or extinguishing the liability of Indemnifier, if any, Landlord shall have the right, upon written notice to Tenant, to repossess the Premises without terminating this Lease and then, the following will apply:

17.2.1.1. Landlord may, from time to time, make such alterations and repairs as are necessary in order to relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term) and at such rent and upon such other terms and conditions as Landlord in its sole and unfettered discretion considers advisable.

17.2.1.2. The amounts received by Landlord as rental from such reletting shall be applied as follows:

17.2.1.2.1. first, to the payment of any indebtedness other than Rent due and unpaid hereunder;

17.2.1.2.2. second, to the payment of any costs and expenses of such reletting including, without limitation, brokerage fees and actual legal fees, disbursements and Sales Taxes Landlord pays to its legal counsel, whether described as being costs on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time, and of costs of all alterations and repairs to the Premises;

17.2.1.2.3. third, to the payment of Rent due and unpaid hereunder; and

17.2.1.2.4. the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same becomes due and payable hereunder.

17.2.2. If the amounts received from any third party as rental from any such reletting during any month is less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency which shall be paid monthly in advance on or before the first day of each and every month.

17.2.3. No such taking possession or reletting of the Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Tenant.

17.2.4. Notwithstanding any such taking possession and reletting of the Premises in virtue of this Section 17.2, Landlord may at any time thereafter, at its sole and unfettered discretion, elect to terminate this Lease for such previous Event of Default.

17.3. CONSEQUENCES OF DEFAULT

17.3.1. Upon the occurrence of an Event of Default by Tenant, Landlord shall be immediately entitled to payment of the equivalent of Minimum Rent and Charges for the then current month and for the next succeeding three (3) months as accelerated rent, and Landlord may immediately claim the same together with any arrears then unpaid and any other amounts owing to Landlord by Tenant, under reserve of and without prejudice to the rights of Landlord to recover: (i) arrears of Rent or damages for any antecedent Event of Default by Tenant of its obligations under this Lease; and (ii) damages for loss of Rent suffered by reason of this Lease having been prematurely terminated.

17.4. DAMAGES

17.4.1. If Landlord terminates this Lease for an Event of Default, it may recover from Tenant damages it incurs by reason of the Event of Default, including, without limitation, the cost of recovering the Premises, actual legal fees, disbursements and Sales Taxes Landlord pays to its legal counsel, whether described as being costs on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time, and the full amount of Rent for that part of the Term that would have remained but for the termination of this Lease, all of which amounts will be due immediately and payable by Tenant to Landlord.

17.5. RIGHT OF LANDLORD TO SEIZE

17.5.1. Tenant waives and renounces the benefit of any present or future law taking away or limiting Landlord's rights against the property of Tenant and, notwithstanding any such law, Landlord may seize and sell all Tenant's goods and property, whether within the Premises or not and apply the proceeds of such sale to the Rent and all other amounts outstanding and to the costs of the seizure and sale in the same manner as might have been done if such law had not been passed. Tenant further agrees that if it leaves the Premises leaving any Rent or other amounts provided to be paid under this Lease unpaid, Landlord, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of Tenant at any place to which Tenant or any other Person may have removed them, in the same manner as if such goods and chattels had remained upon the Premises. It is further understood and agreed that notwithstanding Articles 583 and following of the Code of Civil Procedure of Quebec, if applicable, or any other legislation, Landlord shall, in the event of any seizure before judgment or any seizure after judgment practised in virtue of this Lease, have the right, without judicial authorization to entrust the effects seized or any of them to a guardian other than the debtor, and the said guardian shall have the right, without judicial authorization to that effect, to remove the said effects, or to keep them in its charge, or to place guards, or to place them under lock and key, as the guardian deems advisable and that, in any event, and under no circumstances shall Landlord, the bailiff, or the guardian be held liable for any damages caused to Tenant as a result of such operation.

17.6. ADDITIONAL REMEDIES

17.6.1. Whenever an Event of Default occurs or Tenant expresses its intent not to fulfill any of its obligations under this Lease, Landlord may perform any such obligation for the account of Tenant and may enter upon the Premises for that purpose without notice unless the contrary is specified in this Lease. Tenant shall pay to Landlord on demand, the amount of all costs, charges and expenses incurred by Landlord in connection with such Event of Default or in curing or attempting to cure such Event of Default plus an administration fee of fifteen percent (15%).

17.6.2. If there has been an Event of Default or if Tenant expresses its intent not to fulfill any of its obligations under this Lease, then in addition to and without prejudice to any other rights or recourses of Landlord which Landlord may have pursuant to this Lease or at law, Landlord may obtain injunctive relief to enforce the

fulfilment of any obligation to do or not to do, Tenant hereby expressly acknowledging and agreeing that this Section constitutes a fin de non recevoir against any defence to Landlord's application for injunctive relief made to enforce the fulfilment of any obligation to do or not to do.

17.6.2.1.

17.7. NON-WAIVER

17.7.1. No condoning, excusing or over-looking by either party of an Event of Default by the other at any time in respect of any of its obligations herein contained shall operate as a waiver of Landlord's or Tenant's rights hereunder in respect of any such Event of Default or any subsequent Event of Default or so as to defeat or affect in any way the rights of Landlord or Tenant herein in respect of any such Event of Default or subsequent Event of Default. No waiver shall be inferred from or implied by anything done or omitted to be done by Landlord or Tenant unless such waiver is expressed in writing. No delivery by Tenant or acceptance by Landlord of any keys shall be deemed to be or construed as a surrender or other termination of this Lease or Landlord's acceptance of a surrender or termination, unless a written surrender agreement has been entered into by both Tenant and Landlord.

17.7.2. Without limiting the general application of Section 17.6.1, the acceptance of any sums of money, statements of account or reports that Tenant must pay or provide pursuant to this Lease, shall not constitute a renunciation of the rights of Landlord under this Lease or at law or in equity.

17.8. WAIVER

17.8.1. If there has been an Event of Default and Landlord has instituted proceedings to cancel, terminate or confirm its cancellation or termination of this Lease, notwithstanding any law or custom to the contrary (including Article 1883 of the Civil Code of Quebec, if applicable), Tenant shall not have any right to prevent such cancellation or termination by remedying such default subsequent to the institution of such legal proceedings or steps.

17.9. LEGAL FEES AND OTHER AMOUNTS PAYABLE BY TENANT

17.9.1. Whenever Landlord retains the services of legal counsel to enforce the fulfilment by Tenant of any of its obligations under this Lease, in addition to any other fee or charge payable under this Lease, Tenant shall pay to Landlord on demand, in addition to and without prejudice to legal costs otherwise payable by Tenant and whether or not legal proceedings are in fact instituted, an amount equal to fifteen percent (15%) of the amount otherwise owing by Tenant to Landlord, such sum to compensate Landlord for additional administrative expenses incurred in connection with the enforced fulfilment of Tenant's obligations hereunder. If Landlord engages the services of legal counsel to enforce a non-monetary Event of Default, the amount will be equal to the actual costs incurred by Landlord to enforce the default.

17.9.2. [Intentionally Deleted].

17.10. REMEDIES GENERALLY

17.10.1. The remedies under this Lease are cumulative. No remedy is exclusive or dependent upon any other remedy. Any one or more remedies may be exercised generally or in combination. The specifying or use of a remedy under this Lease does not limit the right to use other remedies available at law generally. Notwithstanding the foregoing, any breach by Landlord under this Lease can be adequately compensated in damages and Tenant agrees that its only remedy to enforce its rights under this Lease is an action for damages.

17.11. LIMITATION

17.11.1. Tenant covenants that it will not object to any applications to: (i) amend the Official Plan designation(s) of the Building or any adjacent or contiguous lands owned by Landlord, the Owner or an affiliate; (ii) amend the zoning by-law(s) applicable to the Building or any adjacent or contiguous lands owned by Landlord, the Owner or any affiliate; (iii) obtain minor variances or committee of adjustment consents or any required consent pertaining to the Building or any adjacent or contiguous lands owned by Landlord, the Owner or any affiliate; or (iv) amend the site plan or site plan agreement(s) or any agreements pertaining to the Building or any adjacent or contiguous lands owned by Landlord, the Owner, or any affiliate. A breach by Tenant of the covenant contained in this Section shall be an Event of Default under this Lease entitling Landlord to exercise all remedies provided for herein. Notwithstanding the foregoing, this Section 17.11.1 shall not apply in the event that such an application may restrict or prohibit the Tenant's use or occupation of the Premises in the Tenant's reasonable opinion.

17.12. SECURITY DEPOSIT

17.12.1. Upon execution of this Lease, the Tenant will deliver the Security Deposit stipulated in Section 1.19 to

Landlord, which amount will be retained on account and held by Landlord, without interest, as security for Tenant's faithful performance of all the terms, covenants and conditions of this Lease to be kept, observed and performed by Tenant.

17.12.2. If there has been an Event of Default, then Landlord may, in addition to all other rights and remedies available to it and without prior notice to Tenant, appropriate and apply the Security Deposit or Prepaid Rent as Landlord considers necessary to compensate Landlord for loss or damage sustained or suffered by it due to or arising from such Event of Default. Upon written demand of Landlord following any such appropriation, Tenant shall pay forthwith to Landlord an amount sufficient to restore the Security Deposit or Prepaid Rent, as the case may be, to the original amount. If Tenant complies with all the terms, covenants and conditions of this Lease, the Security Deposit or Prepaid Rent, as the case may be, shall be returned to Tenant without interest within sixty (60) days after the Expiry Date or at Landlord's option may be applied to any Rent payable under this Lease at the end of the Term.

17.12.3. Landlord shall transfer the Prepaid Rent and Security Deposit or any remaining portions thereof to any purchaser or assignee of Landlord's interest in the Premises or the Building or any part thereof, and thereupon Landlord will be discharged from any further liability with respect to the Prepaid Rent and Security Deposit.

17.12.4. [Intentionally Deleted].

17.13. Letter of Credit

N/A

17.14. LANDLORD'S SECURITY INTEREST

17.14.1. N/A

17.15. TENANT SECURITY

N/A

17.15.1.

ARTICLE 18 – HAZARDOUS SUBSTANCES

18.1. ENVIRONMENTAL

18.1.1. If Landlord provides disposal facilities or collection services for Ordinary Municipal Waste, then Tenant will use such facilities and services only for the disposal of Ordinary Municipal Waste that is not a Hazardous Substance, which can be lawfully transported to and disposed of at the closest landfill site that accepts Ordinary Municipal Waste without surcharge or penalty. Tenant will use the sanitary drains and sewers only for liquid that is not a Hazardous Substance and which may be lawfully and safely discharged into the municipal sewer system.

18.1.2. Unless Applicable Laws provide to the contrary, all wastes (including Ordinary Municipal Waste and waste that is, or contains, a Hazardous Substance) will be disposed of by Tenant at its expense at least once every three (3) months (or more often if Landlord requires it) using a designated hauler or remover that is acceptable to Landlord, or if there is none, using a properly and lawfully licensed service that complies with Applicable Laws, including all applicable permits and approvals. If Applicable Laws require Tenant to keep waste at the Building for more than three (3) months or the period required by Landlord, then Tenant shall store such waste at its sole expense in a proper, clean and prudent manner that complies with all Applicable Laws in a location specified by Landlord.

18.1.3. Tenant will comply with all Applicable Laws pertaining to waste reduction (including, if applicable, reuse and recycling) in connection with the Premises and Tenant's conduct of business. Without limiting this requirement, Tenant will:

18.1.3.1. perform all waste audits and waste reduction work plans, on a commercially reasonable basis;

18.1.3.2. implement all waste reduction work plans as are commercially reasonable; and

18.1.3.3. provide to Landlord, within ten (10) days of Landlord's request in each case, copies of all evidence that Landlord reasonably requires concerning compliance. Tenant will also do whatever else is reasonably requested by Landlord in connection with any waste audits, waste reports, and waste reduction work plans that Landlord prepares.

18.1.4. Tenant will not authorize, cause or permit to be brought on or into the Premises, or the Building, any

Hazardous Substance, except in strict compliance with Applicable Laws and in a manner that will not result in harm or damage to the Premises or the Building or costs or liability to Landlord. Without limiting the foregoing, Tenant shall not cause or permit any condition to exist or be created in the Premises or at the Building that results or may result in a Hazardous Condition.

18.1.5. Tenant will not authorize, cause, permit, or suffer any Hazardous Substance to be Discharged except for such matters that are insignificant and part of Tenant's ordinary business. Landlord may, but is not required to, at any time and from time to time, perform an audit, investigation or assessment of any Discharge or Hazardous Condition (whether permitted by Applicable Laws or not), where a Discharge or Hazardous Condition may impact the Premises or the Building or may cause Landlord to attract any liability (directly or indirectly). Where a Discharge or Hazardous Condition occurs or may occur that is not permitted by Applicable Laws, is reportable to a government authority under Applicable Laws or may cause Landlord to attract any liability (directly or indirectly), Tenant will immediately notify Landlord and all Authorities and Tenant will immediately stop the Discharge and the Hazardous Condition, as the case may be, and clean up the Discharge and Hazardous Condition. Tenant will also take all steps to remediate the effects of the Discharge and the Hazardous Condition, including to restore the environment affected by the Discharge or the Hazardous Condition to the satisfaction of the Authorities and Landlord, all in accordance with Applicable Laws and a work plan prepared by an Expert, such that the Premises and the Building are returned to the condition existing prior to the Discharge or the creation of the Hazardous Condition. Tenant will further provide Landlord, in a timely manner, with a certificate from the Expert confirming that the clean up, remediation and restoration have been conducted and completed in accordance with all Applicable Laws and the terms of this Lease described above, including the Expert's work plan. For the purpose of liability, Tenant, and not Landlord, is the owner and Person in care, management and control of any Hazardous Substance or Hazardous Condition that Tenant authorizes, causes or permits to be present, spilled, leaked, discharged or otherwise released at, in, onto, over, under, to or from the Premises or the Building.

18.1.6. If Tenant fails or refuses to promptly clean up, remediate and restore the environment as required above, or if, in Landlord's reasonable opinion, Tenant is not competent to do so or has failed to do so properly in a reasonable or timely manner, Landlord may, but is not required to, upon notice to Tenant as may be appropriate in the circumstances, carry out the whole or any part of the clean-up, remediation and restoration and Tenant will pay to Landlord all costs incurred by Landlord in so doing plus an administration fee of fifteen percent (15%).

18.1.7. Tenant will fully comply with any orders, directives or other requirements of all Authorities concerning the presence, spill, leak, discharge or other release of Hazardous Substances, or the existence of a Hazardous Condition, authorized, caused, permitted or suffered by Tenant or any other party on the Premises, or otherwise at, in, onto, over, under, to or from the Premises or the Building, pollution control and environmental clean-ups, remediation and restoration of the Premises or the Building, and if Landlord is required by the Authorities to do anything in relation to an environmental problem authorized, permitted, caused or suffered by Tenant or any other party on the Premises, Tenant will, upon receipt of notice from Landlord as may be appropriate in the circumstances, carry out the order, directive or requirement at Tenant's expense. If Tenant fails or refuses to promptly and fully carry out such an order, directive or requirement, or if in Landlord's reasonable opinion, Tenant is not competent to carry out the order or has failed to do so properly in a reasonable or timely manner, Landlord may, but is not required to, upon notice to Tenant as may be appropriate in the circumstances, carry out the whole or any part of the order, directive or requirement and Tenant will pay to Landlord all costs incurred by Landlord, or that Landlord may have to incur, in so doing, plus an administration fee of fifteen percent (15%).

18.1.8. Tenant will perform or cause to be performed at its cost, in accordance with Landlord's request, any tests, assessments, inspections or work that any environmental assessment, study or audit recommends or that any authority requests or requires in connection with the Premises or Tenant's conduct of business in the Premises or the Building and will provide whatever reports, data or other information that Landlord reasonably requires. Landlord may instead, but is not required, on written notice to Tenant as may be appropriate in the circumstances, have the tests, assessments, inspections, reports and work performed by an Expert at Tenant's expense.

18.1.9. Tenant will take all proactive and preventative steps that may be imposed or recommended under any of the Applicable Laws or that a prudent tenant acting reasonably would take in order to minimize risk pertaining to Hazardous Substances, Hazardous Conditions or any of the other matters referred to in this Section 18.1.

18.1.10. Notwithstanding the foregoing or anything to the contrary in this Lease, the Tenant shall have no obligation to pay for the cost of any environmental matters (including remediation, clean up, tests, assessments, etc.) except to the extent that such costs arise as a result of the Tenant's use and occupation of the Premises. Such costs shall be at the Landlord's sole expense.

18.2. SPECIAL INDEMNITY

18.2.1. Without limiting Landlord's other rights and remedies under this Lease or at law, if Tenant fails promptly and expeditiously to properly and lawfully complete all or any of the obligations provided for in any of Section 18.1, Landlord will be entitled, but is not required, upon five (5) days' written notice (or, in the case of emergencies, on such a shorter notice as is reasonable in the circumstances) to enter upon the Premises and do whatever was required to be done by Tenant, and Landlord's costs of doing so will be paid by Tenant, plus an administration fee of fifteen percent (15%). Tenant will also indemnify the Released Persons and save them harmless from every loss, cost, claim, expense, damage, penalty, fine and liability whether imposed by Applicable Laws, or otherwise arising from or in any way related to Hazardous Substances or Applicable Laws (including but not limited to environmental legislation, waste reduction legislation and workplace health and safety legislation, whether Provincial, federal or otherwise) that relate to or affect the Premises, Tenant's use of the Premises or Tenant's conduct of business in the Premises or the Building, including, without limitation, any Hazardous Substances or Hazardous Conditions in or upon the Building caused, or contributed to, by any party on the Premises, whether or not an action or other proceeding has been commenced or a judgment or order issued or made. In particular, without limiting what is set out above, Tenant will indemnify the Released Persons and save them harmless in respect of any breach of Applicable Laws or of any of the obligations set out in the Sections mentioned above and this indemnity will survive expiration or earlier termination of this Lease. For greater certainty, the foregoing indemnity will not apply if the Damage is caused by the negligence of the Landlord or those for whom the Landlord is in law responsible.

ARTICLE 19 – HEALTH EMERGENCY

19.1. DEFINITIONS

19.1.1. In this Article the following definitions apply:

19.1.2. Landlord Person: an officer, director, employee or agent of Landlord, the Owner, or the Management Company, or of a contractor that does work in connection with the Building or a supplier of services in connection with the Building.

19.1.3. Tenant Person: an officer, director, employee of any tenant or occupant of the Building, of a contractor that does work for any tenant or occupant of the Building, or of a supplier of services in connection with any areas or space suitable for use or occupation in the Building.

19.1.4. Health Emergency: a situation in which Landlord determines, based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health official, that Landlord Persons or Tenant Persons are or may be exposed in or at the Building to imminent danger from any diseases, viruses or other biological or physical agents that may in any way be detrimental to human health which include, by way of example, SARS and Avian Flu (H5N1).

19.2. HEALTH EMERGENCY

19.2.1. If Landlord, acting in good faith, determines that a Health Emergency exists:

19.2.1.1. Landlord may amend, supplement or otherwise enforce any existing health emergency rules or regulations in existence; may pass additional rules and regulations and may impose restrictions to mitigate or minimize the effects of the Health Emergency by controlling access to parts of the Building, imposing sanitization requirements, and implementing health precautions consistent with advice from medical experts or public health officials.

19.2.1.2. Landlord will not be in default by reason of:

19.2.1.2.1. anything it does pursuant to Section 19.2.1.1 above;

19.2.1.2.2. any decision it makes in good faith in response to the Health Emergency and will not be liable in contract, tort or on any other basis of liability statutory or otherwise, by reason of any actions, omissions or failure to act in connection with or as the result of a Health Emergency.

19.2.1.3. Tenant agrees to cooperate with Landlord in all respects.

19.3. SUSPENSION OF SERVICES

19.3.1. If Landlord, due to a Health Emergency, acting in good faith, determines that it needs to suspend, reduce, or restrict Building services, in whole or in part including but not limited to janitorial services, it will not be considered to be in default under this Lease.

ARTICLE 20 – MISCELLANEOUS

20.1. UNAVOIDABLE DELAY

20.1.1. If any party hereto is bona fide delayed or hindered in or prevented from the performance of any term, obligation or act required hereunder by reason of Unavoidable Delay, then performance of such term, obligation or act is excused for the period of the delay. After the expiry of the delay, the party so delayed shall perform such term, obligation or act within the time period (or remainder thereof requested by this Lease). However, the provisions of this Section shall not operate to excuse Tenant from the prompt payment of Rent.

20.2. FINANCIAL INFORMATION

20.2.1. Tenant shall, within twenty (20) days of request, provide Landlord, a Mortgagee or any other Person having an interest in the Building, with such information as to Tenant's or Indemnifier's, if any, as the case may be, financial standing and corporate organization as Landlord, a Mortgagee or any other Person having an interest in the Building requires. Failure of Tenant to comply with any such request shall constitute an Event of Default under this Lease and Landlord shall be entitled to exercise all of its rights and remedies provided for in this Lease.

20.3. NO PARTNERSHIP

20.3.1. Nothing contained in this Lease or as a result of any acts of the parties hereto shall be deemed to create any partnership, joint venture or any other relationship between the parties other than the relationship of landlord, tenant, and if applicable, indemnifier.

20.4. TIME OF ESSENCE

20.4.1. Time shall be of the essence of this Lease.

20.5. ENTIRE AGREEMENT

20.5.1. This Lease constitutes the entire agreement between the parties. Tenant acknowledges that there are no promises, representations, agreements, conditions or understandings (whether oral or written, implied or expressed) between the parties other than as are expressly herein set forth. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless made in writing and signed by Landlord, Tenant and Indemnifier, if any. For greater certainty, this Lease supersedes and terminates any previous agreement between Landlord and Tenant with respect to the Premises, as of the Commencement Date hereof, whether such agreement is in the form of an offer to lease or any other agreement of the same nature. This Lease may not be modified except by agreement in writing executed by Landlord, Tenant and Indemnifier, if any.

20.6. NOTICES

20.6.1. Any notice, demand or request, to be given by any party to the other shall be given by registered or certified mail or delivered by hand or by courier, if to Landlord, at Landlord's address stipulated in Section 1.1, or if to Tenant, to Tenant's address stipulated in Section 1.2, or served by bailiff. However, invoices or other requests for payment may be sent by ordinary mail in lieu of or in addition to any of the foregoing methods.

20.6.2. Any notice, demand or request, sent by registered or certified mail will be deemed to have been received three (3) business days following the date of mailing (provided that at such time no postal strike is in progress or has been publicly announced), and any notice sent in any other manner stipulated in this Section will be deemed to have been received on the day it is delivered.

20.6.3. Any party may change its address for notice by advising the other party in writing of such change.

20.6.4. If there is more than one individual or entity signing this Lease as Tenant, any notice required or permitted by this Lease may be given by or to any one of them and has the same force and effect as if given by or to all of them.

20.7. COMPLIANCE WITH PLANNING ACT

20.7.1. It is an express condition of this Lease that the subdivision control provisions of the Planning Act (Ontario), as amended, and any successor or replacement legislation and any similar legislation in the Province, be complied with, if necessary. If such compliance is necessary Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and Landlord agrees to co-operate with Tenant in bringing such application. Until such time as the necessary consent is obtained, the Term shall be a maximum of twenty-one (21) years less one (1) day.

20.8. GENERAL MATTERS OF INTENT AND INTERPRETATION

20.8.1. The captions appearing in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease or any of its provisions.

20.8.2. This Lease will be construed in accordance with the laws of Canada and the Province.

20.8.3. The use of the neuter singular pronoun to refer to Landlord or Tenant is a proper reference even though Landlord or Tenant is an individual, a partnership, a corporation or a group of two or more individuals, partnerships or corporations. The grammatical changes needed to make the provisions of this Lease apply in the plural sense when there is more than one Landlord or Tenant and to corporations, associations, partnerships or individuals, males or females, are implied.

20.8.4. Each obligation or agreement of Landlord or Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

20.8.5. If for any reason whatsoever, any term, obligation or condition of this Lease, or the application thereof to any Person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, obligation or condition:

20.8.5.1. shall be deemed to be independent of the remainder of this Lease and to be severable and divisible therefrom, and its invalidity, unenforceability or illegality shall not affect, impair or invalidate the remainder of this Lease or any part thereof; and

20.8.5.2. the remainder of this Lease shall not be affected, impaired or invalidated and will continue to be applicable and enforceable to the fullest extent permitted by law against any Person and circumstance other than those as to which it has been held or rendered invalid, unenforceable and illegal.

Neither party is obliged to enforce any term, condition or obligation in this Lease against any Person if it would cause the Person so enforcing to violate any law, ordinance, rule or enactment of any governmental or quasi-governmental authority in force from time to time.

20.9. OVERHOLDING

20.9.1. Despite any present or future legislation to the contrary, including without limitation, Article 1879 of the Civil Code of Quebec, if applicable, neither this Lease nor the Term shall be subject to tacit renewal.

20.9.2. Should Tenant remain in possession of the Premises after the expiry of the Term or earlier termination of this Lease without the prior written consent of Landlord, then despite any statutory provision or legal presumption to the contrary, Tenant will be deemed to be occupying the Premises as a tenant from month to month which tenancy may be terminated by either party upon thirty (30) consecutive days written notice and not one clear month, during which the monthly Minimum Rent will be equal to one-twelfth (1/12) of two (2) times the aggregate of the Minimum Rent and Additional Rent payable in the last twelve (12) month period of the Term; and otherwise, upon the same terms, covenants and conditions as are set forth in this Lease (including the payment of Charges and all other Additional Rent) so far as these are applicable to a monthly tenancy.

20.10. BROKERAGE FEES

20.10.1. All brokerage fees or leasing commissions payable in connection with this Lease shall be paid solely by Landlord to its agent, Jones Lang LaSalle Real Estate. Tenant represents and warrants that it has not engaged any real estate broker or agent to act on its behalf with respect to this lease transaction, other than FR Capital Realty Advisory Services Inc., Brokerage.

20.11. BINDING ON SUCCESSORS AND ASSIGNS

20.11.1. The rights and obligations under this Lease extend to and bind the successors and assigns of Landlord and, if Section 12.1 is complied with, the heirs, executors, administrators and permitted successors and permitted assigns of Tenant. If there is more than one tenant, or more than one Person comprising Tenant, each is bound solidarily by this Lease.

20.12. SEVERANCE

20.12.1. Tenant covenants that notwithstanding any Applicable Laws to the contrary, it will not object to the severance of any portion of the Building for lease, sale or mortgage purposes or the registration in priority to

Tenant's interest of any servitudes, rights-of-way or similar agreements affecting the severed lands and/or the Building.

20.13. ACT RESPECTING THE PROTECTION OF PERSONAL INFORMATION IN THE PRIVATE SECTOR

20.13.1. Tenant and Indemnifier, if any, authorizes and gives permission to Landlord to conduct a search of all financial or credit information (and constitute a file, if it so desires) or other personal information that Landlord may require and which are pertinent to the conclusion or to the execution of these presents, concerning Tenant and Indemnifier, if any. In this regard, any Person, notably, the credit bureaus, banks, suppliers, landlords, business relations, etc. are, by these presents, authorized to fully disclose all information requested by Landlord, during all of the Term of this Lease and subsequently, if necessary.

20.13.2. Tenant and Indemnifier, if any, recognizes having been informed of the specific objective of constituting a file or having a file constituted by Landlord on itself, as well as the use which could be made of the said information and recognizes that these objectives are of a serious and legitimate nature and that the said use is necessary for the conclusion and execution of these presents.

20.14. HST REGISTRATION NUMBERS

20.14.1. Landlord confirms that its HST registration number is 78826 5528 RT0001.

20.14.2. Tenant confirms that its HST registration number is _____ RT0001.

20.15. AGENT

20.15.1. Tenant acknowledges that where Landlord is not the Owner of the Building, then Landlord has executed this Lease solely in its capacity as manager and/or agent on behalf of the Owner of the Building and has no liability to Tenant.

20.16. CONFIDENTIALITY, PERSONAL INFORMATION

20.16.1. Tenant shall keep confidential all financial information with respect to this Lease, provided that it may disclose such information to its auditors, consultants and professional advisors so long as they have first agreed to respect such confidentiality. Any Tenant or Indemnifier that is an individual hereby consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of Landlord considering Tenant's offer to lease and determining the suitability of Tenant or Indemnifier, as applicable (both initially and on an on-going basis) including the disclosure of such information to existing and potential lenders, investors, and purchasers.

20.17. CONDITION TO LEASE

N/A

20.18. RECRUITMENT

20.18.1. Tenant hereby confirms that it is free to enter into this Lease.

20.18.2. Tenant acknowledges and agrees that Landlord has not made any representations or warranties as to any existing contractual or other arrangement with any existing landlord.

20.18.3. Tenant acknowledges Landlord's recommendation to obtain legal or other advice as to entering into this Lease. Tenant further acknowledges that such advice was sought and received, or alternately, considered and a decision made to forego such advice.

20.18.4. Tenant hereby releases and waives any claims or rights it may have against Landlord arising out of its recruitment.

20.18.5. Tenant shall indemnify and save harmless Landlord from and against all losses, costs, charges, expenses, damages and liability in connection with third party claims arising out of Tenant's recruitment, such as by way of example, but without limitation, claims from former landlords or tenants at the former property.

20.19. GOVERNING LAWS

20.19.1. This Lease will be construed in accordance with the laws of Canada and the Province.

20.20. ACKNOWLEDGEMENT AND SIGNATURE

20.20.1. The parties hereto acknowledge and declare that this Lease has been discussed and negotiated freely between them and that each party has received same and received all necessary legal advice from legal counsel of its choice before executing this Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK - SIGNATURES FOLLOW ON NEXT PAGE]

LANDLORD AND TENANT HAVE SIGNED BELOW, to confirm the terms of this Lease.

TENANT HAS EXECUTED THIS LEASE THE 28 DAY OF MAY, 2020

11819496 CANADA INC. O/A MCANNABIS
CANNABIS
(Tenant)

By: 
Name: _____
Title: ROBERT KWAK

By: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation.

LANDLORD HAS EXECUTED THIS LEASE THE 2 DAY OF June, 2020

PINNACLE INTERNATIONAL (ALDER PLACE) LTD.
(Landlord)

By: 
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation.

FOR INTERNAL PURPOSES ONLY

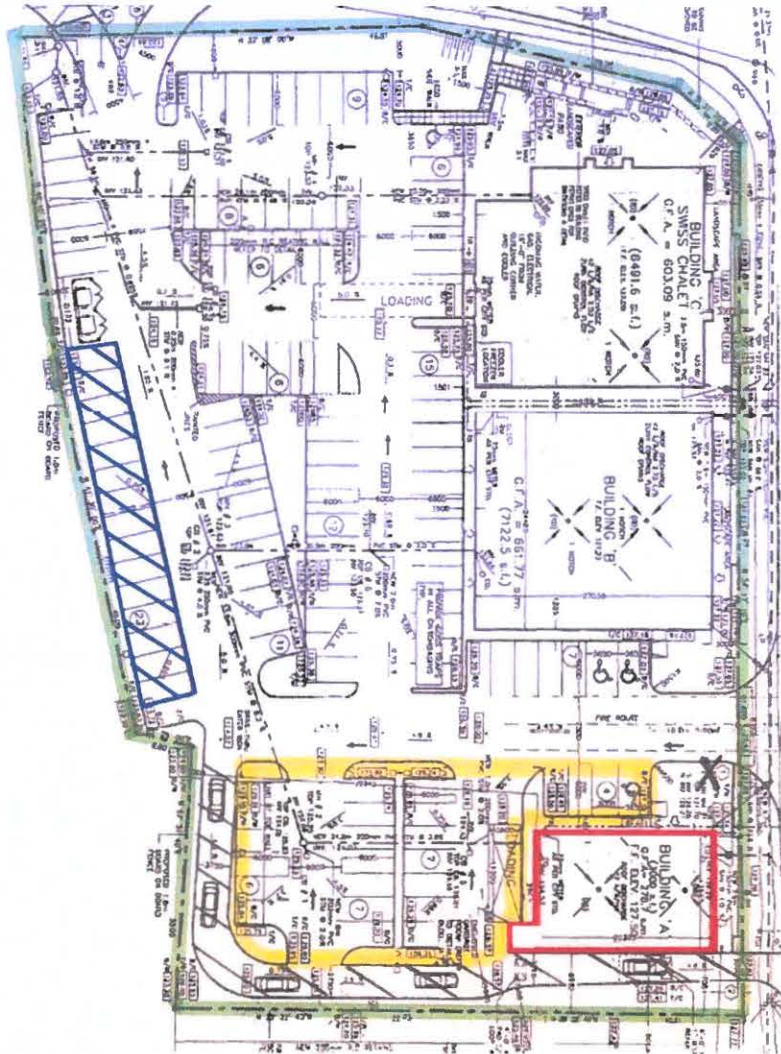

SCHEDULE "A"**LEGAL DESCRIPTION OF THE BUILDING**

PART OF LOTS 8, 9, 10, 11, 12 AND 20 ON PLAN 2104, PARTS 1, 2 AND 3 ON PLAN 66R29314; SUBJECT TO AN EASEMENT OVER PART OF LOT 9 PLAN 2104, PART 2 PLAN 66R29314 AS IN EB340126; SUBJECT TO AN EASEMENT OVER PART OF LOT 20 PLAN 2104, PART 3 PLAN 66R29314 AS IN EB542779; CITY OF TORONTO being the whole of
07549-0182 (LT)

SCHEDULE "B"

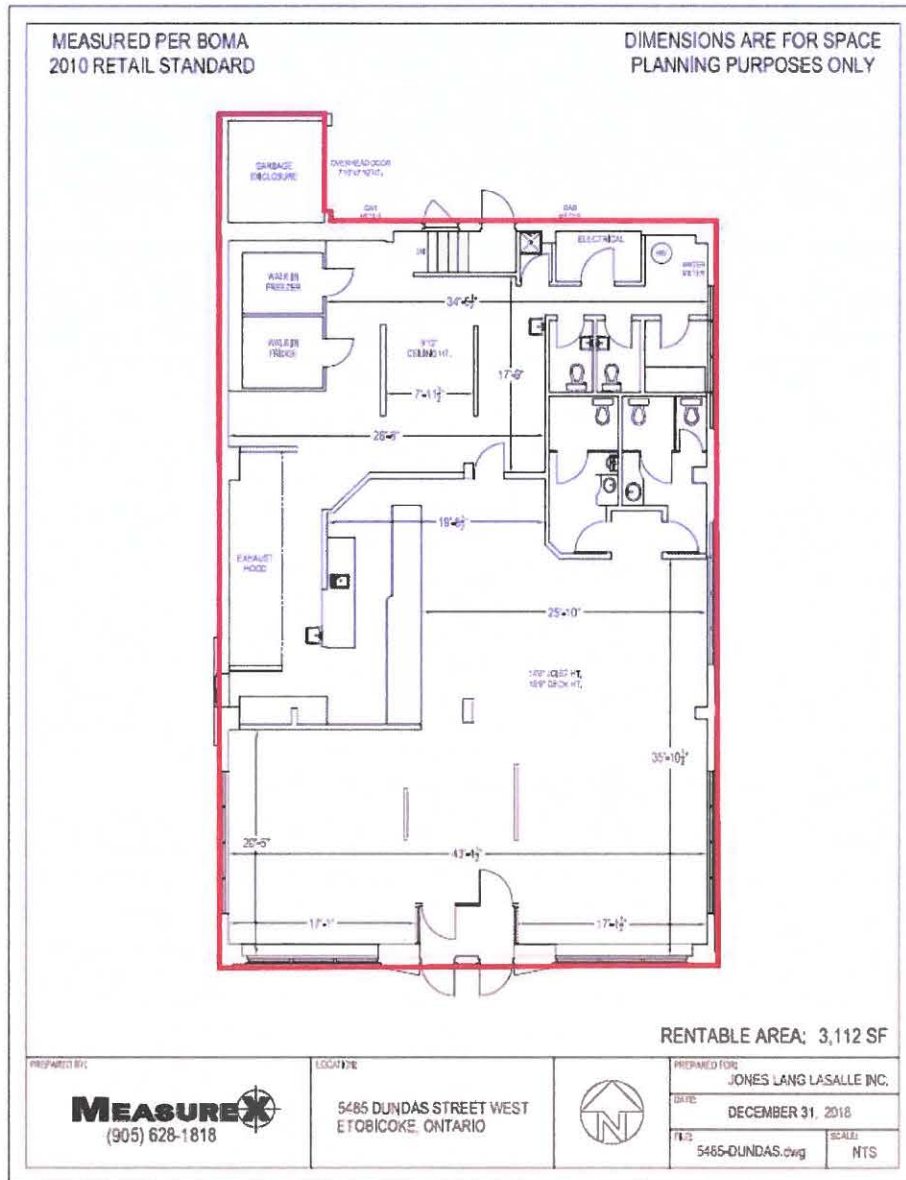
SITE PLAN

5485 DUNDAS STREET WEST, TORONTO



FLOOR PLAN

5485 DUNDAS STREET WEST, TORONTO



SCHEDULE "B1"

DRIVE THRU & PARKING AREA LOCATED TO THE SOUTH SITE PLAN



SCHEDULE "C"**CONSTRUCTION OF THE PREMISES
LANDLORD'S WORK AND TENANT'S WORK****LANDLORD'S WORK**

The Tenant shall accept the Premises in an "as is, where is" basis, with the exception of the Landlord's Work (if any). The Landlord shall not be responsible for any other repairs or other alterations to the Leased Premises prior to the Commencement Date (and thereafter subject to the terms of this Lease). All other renovations and other alterations required in respect of the Premises (and all permits and approvals relating thereto) shall be the Tenant's responsibility at its sole expense. Notwithstanding the foregoing or anything else contained in this Lease, any roof leaks shall be repaired by the Landlord.

SCHEDULE "C-1"**CHECK METER INSTALLATION****1. INSTALLATION OF CHECK METER**

At any time during the period of Landlord's approval of Tenant's drawings and at any time thereafter, Landlord may at its entire discretion, require Tenant to install a check meter for the Premises, which shall be acceptable to Landlord and the installation of which is to be at Landlord's entire cost and expense. Tenant hereby agrees that it will conform itself to any such request of Landlord in accordance with the following:

- (a) Landlord's cost of installing the check meter shall include, without limitation, the costs of all preparatory plans and specifications, labour, materials, permits, licenses and any other costs directly or indirectly related thereto.
- (b) Within fifteen (15) days of Landlord's request, Tenant shall submit for Landlord's approval the plans and specifications prepared by an engineer or other qualified professional showing in detail all information Landlord requires concerning the installation of the check meter in the Premises, the location of the check meter and the date of the installation.
- (c) If the installation of the check meter is not completed within thirty (30) days of Landlord's approval, or if Tenant fails to provide the plans and other information required by sub-section 1(b), Landlord shall have the right, without prejudice to its other rights under the Lease, to install the check meter at Tenant's cost plus a fifteen (15%) percent administration charge thereon. These amounts will become payable by Tenant as Additional Rent on demand.

2. PAYMENT OF THE CHECK METERED UTILITY CHARGE FOR THE FIRST TWELVE MONTH PERIOD

- (a) During the first twelve (12) month period after the check meter is installed Tenant shall pay a utility charge on the provisional monthly estimate calculated on the basis of (i) Tenant's consumption of utilities as determined by periodic check meter readings conducted solidarily by representatives of Landlord and Tenant, and (ii) the applicable utility rate charged to Landlord by the supplier ("Applicable Rate") for the relevant period.
- (b) Subject to Landlord's right to conduct additional check meter readings, a minimum of three check meter readings shall be conducted during the first twelve (12) months as follows:
 - (i) thirty (30) days after installation of the check meter;
 - (ii) five (5) months after the reading to be taken under sub-section 2(b)(i);
 - (iii) six (6) months after the reading to be taken under sub-section 2(b)(i).
- (c) Landlord will furnish its estimates of utility charges to Tenant prior to the commencement of the period for which it is intended to apply or as soon as practical thereafter. Thereafter, the last previous existing estimate shall apply until replaced by another. The first estimate will be based upon the thirty (30) day check meter reading and the Applicable Rate then in force and subsequent estimates will be based upon subsequent check meter readings and Applicable Rate(s).
- (d) Within a reasonable delay after each check meter reading, (except the first), Landlord will furnish Tenant with a statement showing the actual amount to be paid for the utilities consumed during the period to which the estimate applies. If the total of Tenant's provisional payments with respect to such amount is less than the actual amount payable, the difference will become due and exigible with the next instalment of Minimum Rent. If Tenant's provisional payments exceed the actual amounts payable, Landlord will credit such amount without interest against other sums due or to become due under the Lease.

3. PAYMENT OF CHECK METERED CHARGE FOR THE REMAINDER OF THE TERM

- (a) After the first twelve (12) month period following the installation of the check meter, Tenant shall pay a utility charge on the basis of provisional monthly estimates taking into account Tenant's average monthly utility consumption during the immediately preceding twelve (12) month period and the Applicable Rate(s) in force at each relevant time.
- (b) Notwithstanding sub-section 3(a), Landlord may at any time conduct periodic check meter readings for the purpose of monitoring the consumption and verifying the accuracy of the estimated utility charge.

(c) If such a periodic check meter reading (when applied to the Applicable Rate) indicates that Tenant is underpaying provisionally, then Tenant shall pay any deficiency with the next instalment of Minimum Rent following Landlord's invoice and Landlord may increase the estimated utility charge accordingly.

(d) Subject to Landlord's rights under sub-sections 3(b) and 3(c), the utility charge shall be adjusted annually in the same manner stipulated in sub-section 2(d) which will apply mutatis mutandis.

4. RETROACTIVE ADJUSTMENTS

[Intentionally Deleted]

SCHEDULE "D"

OPERATING COSTS

- (a) "Operating Costs" means the total amounts incurred, paid or payable whether by Landlord or by others on behalf of Landlord for the maintenance, operation, repair, replacement, management and administration of the Building, including the Common Facilities. Landlord retains the right, acting on a reasonable and equitable basis, to gross up certain Operating Costs which vary with actual occupancy, such as by way of example, garbage removal, to more accurately reflect the costs (and Tenant's Proportionate Share thereof) which would be incurred were the Building ninety-five percent (95%) occupied.
- (b) Operating Costs include, without limitation and without duplication, the aggregate of:
- (i) the total cost of placing, maintaining and keeping in force all insurance for the Building as well as Landlord's operations therein;
 - (ii) general maintenance and operation including cleaning, snow removal, garbage and waste collection and disposal, the costs of security and supervision, parking lot striping and landscaping, and the cost of all Utilities consumed in the operation of the Building;
 - (iii) the wages and salaries of on-site management, administration and other personnel, and/or an equitable allocation of wages and salaries of off-site personnel where they are employed to perform services for the Building together with other properties including benefits, travel and other expenses related thereto, and any associated costs thereof;
 - (iv) management fees paid to any Management Company;
 - (v) the cost of the purchase and rental of any equipment and signs, and the cost of supplies, used by Landlord in the maintenance and operation of the Building;
 - (vi) audit fees and the cost of accounting services and expenses incurred in the preparation of the certificates referred to in this Lease and related financial statements;
 - (vii) the cost of conducting any environmental audit or other testing on or in any part of the Building and all costs and expenses incurred by Landlord in removing any Hazardous Substance from any part of the Building;
 - (viii) all costs, charges and other expenses incurred by Landlord in maintaining, operating, replacing, servicing and repairing the Building including the Common Facilities and the systems, facilities, equipment, pylon and other sign(s) serving the Building;
 - (ix) depreciation or amortization of (1) the costs and expenses, including the cost of initial supply and installation and the repair and replacement, of all equipment, meters and other fixtures, equipment and facilities, including sprinkler and irrigation systems, serving or comprising the Building which by their nature, require periodic or substantial repair or replacement, unless, pursuant to Paragraphs (b)(viii), they are charged fully in the Lease Year in which they are incurred, in accordance with accounting principles used generally by landlords in the shopping centre industry in Canada ("Accounting Principles"), and (2) the costs of improvements, repairs and replacements properly charged to capital account, amortized over their useful life, as determined by Landlord in accordance with generally accepted accounting principles;
 - (x) interest calculated at two (2) percentage points above the Prime Rate charged during such Lease Year upon the undepreciated or unamortized portion of the original cost of all fixtures, equipment and facilities referred to in Paragraph (b)(ix);
 - (xi) all Taxes, business taxes, all Capital Taxes as defined in Paragraph (c) as they relate to or are allocated by Landlord to the Building, and business transfer and other taxes and similar charges allocated by Landlord to the Common Facilities;
 - (xii) [Intentionally Deleted]; and
 - (xiii) a fee for the administration and management of the Building in an amount comparable to that which would be charged by landlords for shopping centres of similar size, type and location in the area in which the Building is located. This fee is in addition to and is not a duplication of the expenses, salaries, benefits and fees referred to in (b)(iii) and (iv) above.

Notwithstanding any of the above inclusions, the Landlord shall deduct or exclude from Operating Costs the following amounts:

- (1) all net recoveries received by Landlord from tenants as a result of any act, omission, default or negligence of such tenants or by reason of a breach by such tenants of provisions in their respective leases (other than recoveries from such tenants under clauses in their respective leases requiring their contribution to Operating Costs);
- (2) net proceeds received by Landlord from insurance policies taken out by Landlord to the extent that the proceeds relate to Operating Costs;
- (3) contributions to Operating Costs received by Landlord from tenants whose premises are excluded in calculating the GLA of the Building;
- (4) capital costs and expenditures, determined in accordance with generally accepted accounting principles, except to the extent permitted under Paragraph (b)(ix), above;
- (5) the cost of acquiring, constructing, expanding or altering the Building or in installing any improvements within the Building for other tenants, or for services, utilities or materials for the sole use and benefit and solely attributable to the account of other tenants or occupants of the Building, paid for by such tenants and not capable of benefiting all tenants in the Building;
- (6) the costs of correcting structural defects and latent defects in the Landlord's Work and the cost of correcting inherent structural defects or weaknesses relating to the initial construction of the Building or initial maladjustment in operating equipment and systems in the Building;
- (7) the cost of all work to the Building made necessary by non-compliance at the time of construction of the improvements with any laws, regulations, by-laws, ordinances or orders of the applicable municipal, regional, provincial or federal governing authority in that regard;
- (8) the cost of structural repairs to the roof, foundations, sub floor and outer support walls of the building or buildings comprising the Building;
- (9) any loss or damage to the Building or any personal injury for which the Landlord is or ought to have been insured under this lease to the extent of insurance proceeds actually recovered or received by the Landlord, or which would have been recovered or received had the Landlord maintained the insurance required hereunder;
- (10) recoveries from warranties to the extent that the repair costs in respect of the work covered by the warranty is or have been included in Landlord's costs;
- (11) costs arising from or occasioned by the negligence or willful misconduct of the Landlord or those for whom the Landlord is in law responsible;
- (12) costs incurred as a result of any negligence or willful misconduct of, and any amounts directly chargeable or attributable to, or owed by, other tenants in the Property;
- (13) all costs and expenses relating to any repair, closure, detoxification, decontamination or other clean up or remediation of any environmental matter in the Building not attributable to the Tenant, its agents, employees, contractors, invitees or those for whom the Tenant is at law responsible;
- (14) income, franchise, corporation or other taxes personal to the Landlord, and any business taxes relating exclusively to those parts of the Building other than the Premises;
- (15) payment of principal and interest under any mortgage, financing or capital retirement of debt;
- (16) ground rentals;
- (17) the amount of any HST paid by the Landlord on any purchases of goods or services included in Operating Costs;
- (18) costs incurred in leasing premises in the Building to other tenants; and
- (19) tenant improvements, tenant allowances and leasing commissions.

(c) Capital Tax is an imputed amount presently or hereafter imposed from time to time upon Landlord or the Owner and payable by Landlord or the Owner (or by any entity acting on behalf of Landlord or the Owner) and which is levied or assessed against Landlord or the Owner on account of its ownership of or capital employed in the Building. Where Landlord or the Owner is not a corporation, Capital Tax will be calculated on the basis that Landlord and/or Owner is a corporate entity. Capital Tax will be imputed as if the amount of such tax were that amount due if the Building were the only real property of Landlord or the Owner and Capital Tax includes the amount of any capital or place of business tax or other tax or assessment levied by the provincial government, federal government or other applicable taxing authority against Landlord or the Owner whether or not known as Capital Tax, large corporations tax or by any other name.

SCHEDULE "E"

SPECIAL PROVISIONS

In the event of any ambiguities, conflicts or inconsistencies between or among any of the provisions of this Schedule "E" and any other provisions of this Lease, the provisions of this Schedule "E" shall govern.

1. OPTION TO EXTEND

Provided that the Tenant or a Permitted Transferee is in physical occupation of the entire Premises and is not and has not been in habitual default under this Lease, the Tenant may extend the term for one (1) year following the expiry of the initial Term (the "Extension"), by giving notice in writing to the Landlord at least three (3) months prior to the expiration of the Term (the "Notice Period"), to extend the Term of this Lease on the same terms and conditions set out in the Lease, save and except that the Premises shall be taken on an "as is, where is" basis and there shall be no Landlord's Work, allowance, rent-free periods or other inducements.

The Landlord shall have the right to terminate the Lease at the end of the initial term or any Extension period giving ninety (90) days written notice to the Tenant. Tenant acknowledges that it shall have no claim against Landlord as a result of the exercise by Landlord of its right hereunder and upon the date of termination, any necessary adjustments in Rent shall be made between the Landlord and the Tenant.

2. PERMITTED TRANSFERS

Notwithstanding anything to the contrary in this Lease, the Tenant shall have the right to assign, sublet, transfer in whole or in part the Lease, or otherwise part with possession of all or any part of the Premises, or effect a Change in Control, provided that the transferee of the Lease or shares of the Tenant, as the case may be, is, in each instance, a Permitted Transferee, with the prior written consent of the Landlord, but with at least fifteen (15) days prior written notice to the Landlord. Concurrently with Tenant's notice as aforesaid, Tenant shall furnish the Landlord with copies of all relevant financial statements and additional information that Landlord may reasonably require to ascertain the financial standing of such Permitted Transferee. The Permitted Transferee shall carry on in the Premises only the use permitted by the Lease and shall enter into a written agreement with the Landlord to assume, be bound by and observe and perform the terms, conditions and provisions of the Lease. Following a Transfer to a Permitted Transferee, the Transferor and the Indemnifier shall be automatically released from their obligations under this Lease.

"Permitted Transferee" means any corporation, partnership or other person: (i) which is an affiliate of Ontario Cannabis Holdings Corp.; (ii) which is a successor entity formed as a result of an amalgamation or merger of Ontario Cannabis Holdings Corp.; (iii) that is publicly traded on a recognized securities exchange; or (iv) that possesses an equal or greater financial covenant as that of Tenant on the Commencement Date as determined by the Landlord acting reasonably based upon the relevant financial statements and additional information regarding the Permitted Transferee that Landlord may reasonably require.

"Change in Control" means where the Tenant is a corporation or partnership, the transfer, by sale, issuance form treasury, cancellation or redemption, or otherwise, of any shares, voting rights or interest which will result in a change of the identity of the person exercising, or who might exercise, effective voting control of such corporation or partnership.

Except as otherwise provided above, the Tenant shall not assign the Lease, sublet all or part of the Premises or effect a Change of Control without first obtaining the Landlord's prior approval, such approval not to be unreasonably withheld or unduly delayed. If the prospective assignee or sublessee proposes to use the Premises for a purpose other than as stipulated in Section 1.11, the Landlord agrees to act reasonably in considering the Tenant's request for consent.

3. REDEVELOPMENT

If the Landlord bona fide intends to demolish or redevelop the whole or substantially the whole of the Building forming at any time and vacant possession of the Premises is required to carry out such demolition or redevelopment, the Landlord may elect to terminate this Lease on not less than twelve (12) months prior written notice to the Tenant, in which case this Lease shall terminate, without recourse arising as a result if that termination, on the date specified in the Landlord's notice (such notice from the Landlord being herein called a "Redevelopment Notice") and in no event shall the date of termination occur before December 31, 2023.

4. RESTORATION

At the Landlord's option, the Tenant shall be required to return the Premises to base building condition or to remove any of the Leasehold Improvements at the expiry of the Term, or any extension thereof. Any Leasehold Improvements installed or alterations made by Tenant without the prior written consent of Landlord shall, if requested by Landlord, be promptly removed or restored, as the case may be, by Tenant at Tenant's expense, prior to the expiry of this Lease. All signage shall be removed at the Tenant's sole cost and expense, including any repair necessary.

5. ACCESS & OPERATING HOURS

Notwithstanding the provisions of Section 9.2.2, the Landlord shall allow Tenant to have access to the Premises by the main entrance or entrances of the Building and Premises and parking areas at all times, 365 days a year, on a 24-hour basis, subject to the rules and regulations provided in this Lease, and subject to emergencies. For further clarity, Tenant may operate in the Premises during evenings and on weekends.

6. NON-DISTURBANCE

Upon receiving written notice from the Tenant, the Landlord shall, at Tenant's expense, use its reasonable efforts to obtain from any existing or future holder of a mortgage, charge or hypothec, a non-disturbance agreement on the Mortgagee's standard form in favour of the Tenant whereby the Tenant's possession of the Premises will not be interfered with by any such holder as long as the Tenant remains in good standing under this Lease.

7. INDEMNIFIER

As set out in Section 1.3, it is understood and agreed that the obligations of the Indemnifier shall be for the initial Term of the Lease and any extensions thereof, except in the event of any default occurring prior to the end of the Term or any extension thereof, as the case may be, in which event the liability of the Indemnifier shall continue until such default has been cured.

The Indemnifier covenants and agrees with the Landlord:

- a. to execute the Indemnity Agreement attached to this Lease as Appendix "A" contemporaneously with its execution of this Lease; and
- b. that even though such Indemnity Agreement is attached as an appendix to this Lease and its terms incorporated into this Lease, such attachment is for convenience only and despite such attachment such Indemnity Agreement shall be deemed to be a separate agreement distinct and independent of this Lease.

8. BUSINESS TAXES, UTILITIES AND INSURANCE

Notwithstanding the provisions of Section 7.5.1, the Tenant shall pay all business, sales, machinery and other taxes, charges and license fees levied or imposed by any competent Authority in respect of its personal income, business, sales, fixtures, machinery or otherwise. The Tenant shall pay for, and will discharge, all rates charged for, all services and utilities whatsoever supplied to or used in connection with the Premises, whether separately metered or allocated to operating costs. The Tenant shall take out and keep in force insurance pursuant to the provisions of this Lease.

In addition, the Tenant shall be responsible for the Tenant's in-store cleaning, storefront maintenance, telecommunications and security costs associated with the Premises.

9. TERMINATION RIGHT – DRIVE-THRU AND PARKING AREA

If the Landlord bona fide intends to demolish or redevelop the whole or substantially the whole of the Drive-Thru and parking area located to the south of the Building as shown outlined and hatched in red in the attached Schedule "B1", and vacant possession of the Drive-Thru and parking area located to the south of the Building is required to carry out such demolition or redevelopement, the Landlord may elect at any time to terminate the option to use the Drive-Thru and parking area located to the south of the Building with prior written notice to the Tenant, in which case the use of the Drive-Thru and parking area located to the south of the Building shall terminate, without recourse arising as a result of the termination, on the date specified in the Landlord's notice (such notice from the Landlord being herein called a "Drive-Thru Termination Notice").

10. REGISTRATION OF LEASE

The Tenant acknowledges the confidential nature of this Lease and agrees with the Landlord not to register this Lease. However, if the Tenant wishes to register a caveat, short form of lease or notice of this Lease (the "Notice"), the Tenant shall prepare and execute at its sole expense the Notice in such form as will preserve the confidentiality of the Rent and other financial terms of this Lease and submit same to the

Landlord for written approval and execution prior to registering same, such approval not to be unreasonably withheld or delayed; provided that, if there is a conflict between the provisions of the Notice and this Lease, the provisions of this Lease shall govern. The Tenant further acknowledges and agrees that any Notice shall be subordinate to any and all existing and future mortgages and trust deeds registered against title to the Project, provided the Tenant has obtained a signed non-disturbance agreement in a form satisfactory to it, acting reasonably.

11. EXCLUSIVITY

During the Fixturing Period and Term of this Lease and any extensions thereof, the Landlord shall not lease or consent to the use or operation of any other business, within the Building or within 300 metres of the property the Landlord has an interest in or control of whose principal business includes the retail sale of cannabis.

SCHEDULE "F"

RULES AND REGULATIONS

The Tenant shall observe the following Rules and Regulations (as amended, modified or supplemented from time to time by the Landlord as provided in this Lease):

1. The Tenant shall not permit in the Premises any cooking or the use of any apparatus for the preparation of food or beverages (except for the use of coffee makers, kettles, microwave ovens or refrigerators or where the Landlord has approved of the installation of cooking facilities as part of the Tenant's Leasehold Improvements) nor the use of any electrical apparatus likely to cause an overloading of electrical circuits.
2. The sidewalks, entries, passages, corridors, lobbies, elevators and staircase shall not be obstructed or used by the Tenant, his agents, servants, contractors, invitees or employees for any purpose other than ingress to and egress from the offices. The Landlord reserves entire control of the Common Areas and all parts of the Building and the Land employed for the common benefit of the tenants.
3. The Tenant, his agents, servants, contractors, invitees or employees, shall not bring in or take out, position, construct, install or move any safe, business machine or other heavy office equipment without first obtaining the consent in writing of the Landlord. In giving such consent, the Landlord shall have the right in its sole discretion, to prescribe the weight permitted and the position thereof, and the use and design of planks, skids or platforms to distribute the weight thereof. All damage done to the Building by moving or using any such heavy equipment or other office equipment or furniture shall be repaid at the expense of the Tenant. The moving of all heavy equipment or other office equipment or furniture shall occur between 6:00 p.m. and 8:00 a.m. or any other time consented to by the Landlord and the persons employed to move the same in and out of the Building must be acceptable to the Landlord. Safes and other heavy office equipment will be moved through the halls and corridors only upon steel bearing plates. No deliveries requiring the use of an elevator for freight purposes will be received into the Building or carried in the elevators, except during hours approved by and scheduled through the Landlord. Only elevators so designated by the Landlord shall be used for deliveries of workmen and materials, furniture and other freight. The Tenant shall pay, as Additional Rent, any costs incurred by the Landlord in connection with the moving of the Tenant's equipment, furniture, etc.
4. All persons entering and leaving the Building at any time other than during Normal Business Hours shall register in the books kept by the Landlord at or near the entrance or entrances and the Landlord will have the right to prevent any person from entering or leaving the Building unless provided with a key to the premises to which such person seeks entrance and a pass in a form to be approved by the Landlord and provided at the Tenant's expense. Any persons found in the Building at such times without such keys or passes will be subject to the surveillance of the employees and agents of the Landlord. The Landlord shall be under no responsibility for failure to enforce this rule.
5. Any persons requiring access to telephone rooms or closets may be required to show proof that they have authority to access such space.
6. The Tenant shall not place or cause to be placed any additional locks upon any doors of the Premises without the approval of the Landlord, which approval shall not be unreasonably withheld, and subject to any conditions imposed by the Landlord. Additional keys may be obtained from the Landlord at the cost of the Tenant.
7. The water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting from misuse shall be repaired at the cost of the Tenant by whom or by whose agents, servants or employees the same is caused. Tenants shall not let the water run unless it is in actual use, and shall not deface or mark any part of the Building, or drive nails, spikes, hooks or screws into the walls or woodwork of the Building.
8. No one shall use the Premises for sleeping apartments or residential purposes, or for any illegal purpose, or for the storage of personal effects or articles other than those required for business purposes.
9. Canvassing, soliciting and peddling in the Building or Common Areas are prohibited.
10. Any hand trucks, carry-alls, or similar appliances used in the Building shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.
11. No animals or birds shall be brought into the Building.

12. The Tenant shall not install or permit the installation or use of any machine dispensing goods for sale in the Premises or the Building or permit the delivery of any food or beverages to the Premises without the approval of the Landlord or in contravention of any regulations made by the Landlord. Only persons authorized by the Landlord shall be permitted to deliver or to use the elevators in the Building for the purpose of delivering food or beverages to the Premises. The Landlord acknowledges that the Tenant, acting reasonably, will be permitted to have small quantities of food and beverages delivered to the Premises provided such delivery does not interfere with traffic flow to the Building and with Building operations.
13. The Tenant shall not perform any acts or carry on any practice which may damage the Building or the Common Areas or be a nuisance to any tenant in the Building.
14. The Tenant shall keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises.
15. The Tenant shall not use or permit the use of any objectionable advertising medium such as without limitation, loud speakers, stereos, public address systems, sound amplifiers, radio broadcast or television apparatus within the Building which is in any manner audible or visible outside of the Premises.
16. The Tenant shall not mark, drill into, bore or cut or in any way damage or deface the walls, ceilings, or floors of the Premises. No wires, pipes, conduits, telephonic, telegraphic, electronic wire service or other connections shall be installed in the Premises without the prior written approval of the Landlord.
17. The Tenant shall not, except with the prior written consent of the Landlord, install any blinds, drapes, curtains or other window coverings in the Building and shall not remove, add to or change the blinds, curtains, drapes or other window coverings installed by the Landlord from time to time. So that the Building may have a uniform appearance from the outside, the Tenant shall co-operate with the Landlord in keeping window coverings open or closed at various times as the Landlord may reasonably, from time to time, direct.
18. The Tenant shall not use any janitor, telephone or electrical closets for anything other than their originally intended purposes nor shall it install any of its equipment in such spaces.
19. The Tenant shall abide and be bound by the Security Services in force in the Building from time to time. For the purpose of this clause, the term "Security Services" shall mean all aspects of security for the Building and the Lands, including equipment, procedures, rules and regulations pertaining to such security.
20. No public or private auction or other similar type of sale of any goods, wares or merchandise shall be conducted in or from the Premises.
21. Nothing shall be placed on the outside of window sills or projections of the Premises, nor shall the Tenant place any air-conditioning unit or any other equipment or projection so that it will project out from the Premises. The Tenant may not install air-conditioning equipment of any kind in any part of the Premises without the prior written consent of the Landlord.
22. All glass and trimmings in, upon or about the doors and windows of the Premises shall be kept whole, and whenever any part thereof shall become broken, the same shall be immediately replaced or repaired under the direction and to the satisfaction of the Landlord and shall be paid for by the Tenant as Additional Rent.
23. No bicycles or other vehicles shall be brought within the Building except as specifically designated by the Landlord.
24. No inflammable oils or other inflammable, dangerous or explosive materials shall be brought into the Building or kept or permitted to be kept in the Premises.
25. In the event the Premises are used for restaurant or food handling purposes, the Tenant shall, at its expense:
 - (a) carry out at least monthly a roach/insect spraying program, and provide evidence thereof to the Landlord; and
 - (b) clean all exhaust ducts at least twice yearly, and provide evidence thereof to the Landlord.

SCHEDULE "G"
PAYOR'S PAD AGREEMENT
Business Pre- Authorized Debit Plan*
Authorization of the Payor to the Payee to Direct Debit an Account

Instructions:

1. Please complete all sections in order to instruct your financial Institution to make payments directly from your account.
2. Please sign the Terms and Conditions on the reverse of this document.
3. Return the completed form with a blank cheque marked "VOID" to the Payee at the address noted below.
4. If you have any questions, please write or call the Payee.

PAYOR INFORMATION (please type or print clearly)

Payor Name:	
Address:	
Telephone:	
Name(s) of Authorized Signing Officer(s):	
Signature(s) of Authorized Signing Officer(s):	Date:

PAYOR FINANCIAL INSTITUTION/BANKING INFORMATION (Please type or print clearly)

Branch Number	Institution #	Account Number
Name of Financial Institution		
Branch		
Branch Address		
City/Province		Postal Code

PAYEE INFORMATION (Please type or print clearly)

Payee Name:
Address: Number, Street/Avenue/Blvd/Crsc/City/Province/Postal Code
Telephone:
Fax:
Email:

PAYMENT INFORMATION (Please type or print clearly)

Please specify whether the payment is a: (Please check one)	<input checked="" type="checkbox"/> Fixed Amount: (Please specify) <input type="checkbox"/> Variable Amount: If variable, please specify whether there is a maximum amount or indicate N/A if there is no maximum amount: _____
Occurring at: (Please check one)	<input checked="" type="checkbox"/> Set intervals: Please specify the timing (i.e. weekly, by-weekly, monthly) Monthly Sporadic intervals The Payor must describe the occurrence of an Event or other criteria that will trigger the debit of the account <input type="checkbox"/> Mandatory description here: _____
Are tops-ups or adjustment permissible? (Please check one)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

* This form is for PADs which relate to commercial activities of a Payor who is a corporation, organization, trade, association, government entity, profession, venture or enterprise.

PAYOR'S PAD AGREEMENT
Business Pre-Authorized Debit Plan
Terms & Conditions
December 2008

1. In this Agreement "we", "us" and "our" refers to the Payor indicated on the reverse hereof.
2. We agree to participate in this Business Pre-Authorized Debit Plan and we authorize the Payee indicated on the reverse hereof and any successor or assign of the Payee to draw a debit in paper, electronic or other form for the purpose of making payment for goods or services related to our commercial activities (a "Business PAD") on our account indicated on the reverse hereof (the "Account") at the financial institution indicated on the reverse hereof (the "Financial Institution") and we authorize the Financial Institution to honour and pay such debits.

This Agreement and our authorization are provided for the benefit of the Payee and our Financial Institution and are provided in consideration of our Financial Institution agreeing to process debits against our Account in accordance with the Rules of the Canadian Payments Association.

We agree that any direction we may provide to draw a Business PAD, and any Business PAD drawn in accordance with this Agreement, shall be binding on us as if signed by us, and, in the case of paper debits, as if they were cheques signed by us.

3. We may revoke or cancel this Agreement at any time upon notice being provided by us either in writing or orally. We acknowledge that in order to revoke or cancel the authorization provided in this Agreement, we must provide notice of revocation or cancellation to the Payee.

This Agreement applies only to the method of payment and we agree that revocation or cancellation of this Agreement does not terminate or otherwise have any bearing on any contract that exists between us and the Payee.

The Payee shall use best efforts to cancel the PAD in the next business, billing or processing cycle but shall within not more than 30 days from the notice cease to issue any new PADs.

We understand that we may obtain a sample cancellation form, or further information on our right to cancel a PAD Agreement, at our financial institution or at www.cdnpay.ca.

4. We agree that our Financial Institution is not required to verify that any Business PAD has been drawn in accordance with this Agreement, including the amount, frequency and fulfillment of any purpose of any Business PAD.
5. We agree that delivery of this Agreement to the Payee constitutes delivery by us to our Financial Institution. We agree that the Payee may deliver this Agreement to the Payee's financial institution and agree to the disclosure of any information which may be contained in this Agreement to such financial institution.

Circle
either 6(a)
or 6(b) as
applicable.

6. (a) We understand that with respect to:
 - (i) fixed amount Business PADs occurring at set intervals, we shall receive written notice from the Payee of the amount to be debited and the due date(s) of debiting, at least ten (10) calendar days for Paper PADs/ 15 calendar days for Electronic PADs before the due date of the first Business Pad, and such notice shall be received every time there is a change in the amount or payment date(s);
 - (ii) variable amount Business PADs occurring at set intervals, we shall receive written notice from the Payee of the amount to be debited and the due date(s) of debiting, at least ten (10) calendar days before the due date of every Paper PAD/ 15 calendar days for Electronic PADS before the due date of the first Business PAD; and
 - (iii) fixed amount and variable amount Paper and/or Electronic Business PADs occurring at set intervals, where the Business PAD Plan provides for a change in the amount of such fixed and variable amount PADs as a result of our direct action (such as, but not limited to, a telephone instruction) requesting the Payee to change the amount of a PAD, no pre-notification of such changes is required.

- OR -

If Payor
agrees to
waive pre-
notification,
Payor must
sign where
indicated.

- (b) We agree to either waive the pre-notification requirements in section 6(a) of this Agreement or to abide by any modification to the pre-notification requirements as agreed to with the Payee.

Signature of Payor

Signature of Payor

7. We agree that with request to Business PADs, where the payment frequency is sporadic, a password or secret code or other signature equivalent will be issued and shall constitute a valid authorization for the Payee or its agent to debit our account.

8. We may dispute a Business PAD by providing a signed declaration to our Financial Institution under the following conditions:
 - (a) the Business PAD was not drawn in accordance with this Agreement;
 - (b) this Agreement was revoked or cancelled; or
 - (c) any pre-notification required and not waived by section 6 (b) was not received by us.

We acknowledge that, in order to obtain reimbursement from our Financial Institution for the amount of a disputed Business PAD, we must sign a declaration to the effect that either (a), (b) or (c) above took place and present it to our Financial Institution up to and including but not later than ten (10) business days after the date on which the disputed Business PAD was posted to our Account.

We acknowledge that, after this ten (10) business day period, we shall resolve any dispute regarding a Business PAD solely with the Payee, and that our Financial Institution shall have no liability to us respecting any such Business PAD.
9. We certify that all information provided with respect to the Account is accurate and we agree to inform the Payee, in writing, of any change in the Account information provided in this Agreement at least ten (10) business days prior to the next due date of a Paper and/or Electronic Business PAD. In the event of any such change, this Agreement shall continue in respect of any new account to be used for Business PADs.
10. We have certain recourse/reimbursement rights if any debit does not comply with this Agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on our recourse/reimbursement rights, we may contact our financial institution or visit the CPA website at www.cdnpay.ca.
11. We warrant and guarantee that all persons whose signatures are required to sign on the Account have signed this Agreement below. In addition, we warrant and guarantee, where applicable, that we have the authority to electronically agree to commit to this Agreement by secure electronic signature and that our secure electronic signature conforms with the requirements of Rule H1.
12. We agree that a payment service provider will administer the PAD. **PINNACLE INTERNATIONAL REALTY GROUP II INC.** will be administering the PAD.
13. We understand and agree to the foregoing terms and conditions.
14. We agree to comply with the Rules of the Canadian Payments Association, or any other rules or regulations which may affect the services described herein, as may be introduced in the future or are currently in effect and we agree to execute any further documentation which may be prescribed from time to time by the Canadian Payments Association in respect of the services described herein.

		Per :
Name of Payor		Signature of Authorized Signing Officer Date
		Name:.....
		Title:.....
		Per:
		Signature of Authorized Signing Officer Date
		Name:.....
		Title:.....

SCHEDULE "H"
STATUS STATEMENT

Within ten (10) days after each request by Landlord, Tenant will deliver to Landlord, on a form supplied by Landlord, a status statement or certificate to any proposed Mortgagee, purchaser or transferee of the Building and to Landlord, stating:

- (a) that this Lease is in full force and effect, except only for any modifications that are set out in the statement or certificate;
- (b) the Commencement Date and Expiry Date of this Lease;
- (c) the date to which Rent has been paid under this Lease and the amount of any Prepaid Rent or any Security Deposit held by Landlord;
- (d) that the Rent then accruing under this Lease or the dates on which each of these will start accruing;
- (e) that the Premises are free from any construction deficiencies, or if there are such deficiencies, the certificate will state the particulars;
- (f) that there is not any uncured default on the part of Landlord or if there is a default, the certificate will state the particulars;
- (g) whether there are any set-offs, defences or counter-claims against enforcement of the obligations to be performed by Tenant under this Lease;
- (h) with reasonable particularity, details concerning Tenant's and any Indemnifier's financial standing and corporate organization; and
- (i) any other information or statement that a proposed Mortgagee, purchaser, or Transferee may reasonably require.

SCHEDULE "I"
LANDLORD'S SECURITY INTEREST

[Intentionally Deleted]

SCHEDULE "J"

EXISTING EXCLUSIVE AND RESTRICTIVE COVENANTS

N/A

SCHEDULE "K"

CONSENT AND ACKNOWLEDGEMENT AGREEMENT

[Intentionally Deleted]

APPENDIX "A"

INDEMNITY AGREEMENT

THIS AGREEMENT is date May 28, 2020, and is made between:

PINNACLE INTERNATIONAL (ALDER PLACE) LTD.

("Landlord")

OF THE FIRST PART

-and-

VQTCO LTD.
with head office address at:
2727 PARKDALE BLVD N.W.
CALGARY, ALBERTA
T2N 3S7

("Indemnifier")

OF THE SECOND PART

1. Indemnifier intervenes in the Lease dated **March 11th, 2020** between Landlord and **11819496 Canada Inc. o/a MCannabis**, as Tenant, and having taken communication of the Lease, declares itself to be fully satisfied with the contents thereof and furthermore declares that in consideration of Landlord leasing the Premises to Tenant, the sufficiency of which consideration Indemnifier hereby acknowledges, Indemnifier binds itself to Landlord, solidarily with Tenant and with each other if applicable, for the due performance of every obligation, condition and agreement in the Lease on the part of Tenant to be performed, observed or kept, (collectively, "Obligations"), including without limitation, the prompt payment of all Rent which may become due pursuant to the Lease. Indemnifier waives the benefits of division and discussion.
2. Indemnifier hereby consents to Landlord making any agreement or arrangement whatever with Tenant, any other indemnifier, or any other Person with respect to any one or more Obligations, including without limitation, extensions of time to fulfill any Obligation, the release of Tenant, any other indemnifier, or any other Person to fulfill all or any part of any Obligation, or the change or surrender of any and all security with respect to the Obligations. Indemnifier agrees that none of the foregoing will in any way, affect or impair in any manner whatsoever the liability of Indemnifier hereunder.
3. Nothing shall release or satisfy the liability of Indemnifier until all Obligations and all consequences of default to fulfill them are satisfied in full. Indemnifier's liability hereunder will not be affected or impaired by the bankruptcy, insolvency or winding-up of Tenant, any other indemnifier, nor by any disclaimer or any other action taken by any trustee, liquidator, or other officer appointed by any court or other body of competent jurisdiction under any bankruptcy, insolvency or winding-up legislation then in force, nor Landlord's failure or delay to proceed to litigation or to seek a remedy for an Event of Default against Tenant, any other indemnifier or any other Person, nor by any other act, omission or event whatsoever which might otherwise lessen, affect or discharge a surety. Furthermore, notwithstanding any custom or provision of law to the contrary, including without restriction Article 2363 of the Civil Code of Quebec, if applicable, or any similar or succeeding legislation, the cessation of the duties of Indemnifier as principal, shareholder, director or officer of Tenant or of any other duties of Indemnifier shall not in any way, affect or impair in any manner whatsoever the liability of Indemnifier hereunder.
4. This Indemnity is irrevocable by Indemnifier and will continue in full force and effect as long as there exists or may exist any Obligations or any unsatisfied consequences thereof whether prior to, during or after the expiration of the Term. Indemnifier's liability hereunder will remain in full force and effect during any renewal or extensions of the Term. This Indemnity will be binding upon Indemnifier's successors, legal representatives and assigns. Furthermore, this Indemnity will remain in full force and effect, notwithstanding any change of name, amalgamation, merger or change of status of Landlord, Tenant, Indemnifier, any other Indemnifier, or any other Person, notwithstanding any juridical acts or facts as a result of which Landlord is replaced by any other entity as a party to the Lease and/or any party other than Tenant becomes the debtor of any of the Obligations. Furthermore, if Landlord is replaced by any other entity as a party to the Lease, then

this Indemnity will remain in full force and effect in favour of that entity even as regards obligations flowing from the Lease, and having their inception after such replacement.

5. Indemnifier acknowledges and confirms there are no representations, warranties, inducements or undertakings made or given to it or to Tenant or to any other indemnifier by Landlord in connection with this Indemnity. Moreover, any alteration or amendment to this Indemnity or any future undertaking by Landlord, in order to be binding upon Landlord, must be made in writing.

6. [Intentionally Deleted].

7. This Indemnity shall be construed and governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

8. Indemnifier acknowledges that it has requested and consented that this Indemnity and all documents, notices, correspondence and legal proceedings consequent upon, ancillary or relating directly or indirectly hereto, forming part hereof or resulting here from be drawn up in the English language.

[REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK - SIGNATURES FOLLOW ON NEXT PAGE]

LANDLORD AND INDEMNIFIER HAVE SIGNED BELOW to confirm the terms of this Indemnity.

INDEMNIFIER HAS EXECUTED THIS INDEMNITY THE 28 DAY OF May 2020

VQTCO LTD.
(Indemnifier)

By: [Signature]
Name: Vu Tran
Title: Director

I/We have authority to bind the Corporation.

LANDLORD HAS EXECUTED THIS INDEMNITY THE 2 DAY OF June 2020

PINNACLE INTERNATIONAL (ALDER PLACE) LTD.
(Landlord)

By: [Signature]
Name: Mike Decotlis
Title: President

I/We have authority to bind the Corporation.

L E A S E

2159121 ONTARIO INC.

Landlord

- and -

OCH ONTARIO CONSULTING CORP.

Tenant

LEASE

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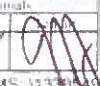
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

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initial.	
Landlord	
Tenant	

RETAIL LEASE

Effective Date: August 1st, 2020

BETWEEN

2159121 ONTARIO INC.
and
OCH ONTARIO CONSULTING CORP.



Term Sheet of Principal Lease Terms

- A. **Floor Area of the Leased Premises:** 1,225 square feet
- B. **Basic Rent per Month of the Term*:**

Period of Time	Approximate Per Sq. Ft. per annum	Base Rent per annum*	Monthly Installments*
Year 1	\$48.98	\$60,000.00	\$5,000.00
Year 2	\$51.43	\$63,000.00	\$5,250.00
Year 3	\$53.88	\$66,000.00	\$5,500.00
Year 4	\$56.33	\$69,000.00	\$5,750.00
Year 5	\$58.78	\$72,000.00	\$6,000.00

* HST and Additional Rent are to be charged in addition to the Basic Rent.

- C. **Additional Rent per Month of the Term:** The Tenant will be responsible for the Common Expenses, Operating Costs, realty taxes and utilities as further defined in the Lease (the "Additional Rent"). HST shall be in addition to all Additional Rent payments.
- D. **Reduced Rent Period:** The Tenant shall be entitled to a reduced rent period for the first three months of the Term of the Lease, being August 1, 2020 to November 1, 2020. During this time, the Basic Rent shall be reduced to \$2,500.00 plus HST and Additional Rent.
- E. **Utilities:** The Tenant will be responsible for setting up and maintaining accounts for the supply of electricity, gas, water, sewage and telecommunications supplied to the Leased Premises.
- F. **Building:** The building municipally described as 680 Rexdale Boulevard, Etobicoke, Ontario, M9W 0B5.
- G. **Commencement Date:** August 1, 2020.
- H. **Permitted Use:** A retail business for the sale of cannabis, cannabis accessories, and any other cannabis-related products (as they become legal from time to time), including, without limitation, edibles, cannabis-infused beverages, and non-nicotine vaping devices as sold in the majority of Tenant's stores in Ontario (a "Cannabis Retail Store"), or any other use consented to by the Landlord acting reasonably.
- I. **Leased Premises:** Unit # 5, of the Building, and legally described as UNIT 5, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2050 AND ITS APPURTENANT INTEREST SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT2294323 CITY OF TORONTO (PIN 13050 - 0005). The Leased Premises are shown outlined in heavy black on Schedule "B" annexed hereto.
- J. **Schedule of Special Lease Provisions:** Schedule "C" to this Lease sets out certain special provisions applicable to the Lease of the Leased Premises by the Tenant.
- K. **Term:** Five (5) years commencing on the Commencement Date.
- L. **Renewal:** See Section 2.3.

Landlord	Tenant
	

CAN_DMS 1133454377

THIS INDENTURE made the 1st day of August 2020. (the "Lease")

BETWEEN:

2159121 ONTARIO INC.

(hereinafter called the "Landlord")

PARTY OF THE FIRST PART

AND:

OCH ONTARIO CONSULTING CORP.

(hereinafter called the "Tenant")

PARTY OF THE SECOND PART

ARTICLE I

DEFINITIONS

It is acknowledged and agreed by the Landlord and the Tenant that when used in this Lease and all schedules thereto all words and expressions have the same meaning ascribed to them as are set out in this Lease.

1.1 "**Additional Rent**" means the annual rent payable by the Tenant pursuant to Section 8.2 of this Lease.

1.2 "**Basic Rent**" shall have the meaning ascribed to it in Section 3.1(a) hereof.

1.3 "**Building**" means the building or buildings located at the address set out on the front page of this Lease and located on the Lands described in Schedule "A" hereto, as shown on the floor plan attached hereto as Schedule "B", including the roof thereof, as such Building may be altered, expanded or reduced from time to time and all improvements from time to time made to the Building.

1.4 "**Business Taxes**" means the taxes, license fees and other charges for the Tenant's improvements, equipment and facilities in any part of the Building, the business carried on in the Leased Premises, the use, occupancy or ownership of any part of the Building by the Tenant or its subtenants or licensees, or the Landlord, and any substitute taxes and other charges whether imposed against the Landlord or the Tenant.

1.5 "**Cannabis Retail Store**" shall have the meaning ascribed to it in the Term Sheet of Principal Lease Terms hereof.

1.6 "**Change in Control**" shall have the meaning ascribed to it in Section 13.1 hereof.

1.7 "**Commencement Date**" shall have the meaning ascribed to it in the Term Sheet of Principal Lease Terms hereof.

1.8 "**Common Areas and Facilities**" means those areas, facilities, utilities, improvements, equipment and installations in the Building which, from time to time, are not designated or intended by the Landlord to be leased to the Tenant; and all that part of the Building and the Lands which is not leased or designated by the Landlord to be leased to the Tenant, including without limitation, all automobile parking areas, facilities, equipment, apparatus, general signs, easements, common access drives, utilities, improvements, equipment and installations which serve or are for the benefit of the Building whether they are located within, adjacent to, or near the Building and which, from time to time are designated as part of the Common Areas and Facilities. Common Areas and Facilities includes without limitation, all areas, facilities, utilities, improvements, equipment and installations which are provided or designated (and which may be changed from time to time) by the Landlord for the use by or benefit of the Tenant, its employees, customers and other invitees in common with others entitled to the use or benefit of such areas and facilities in the manner and for the purpose permitted by this Lease. Without

limiting the generality of the foregoing, Common Areas and Facilities includes the roof, exterior weather walls, exterior and interior structural elements and bearing walls in the buildings and improvements comprising the Building; pedestrian sidewalks, exterior landscaped areas; parking areas (including the underground parking area, if any); all enclosed malls, courts and arcades; public and service corridors; stairways; interior landscaped areas; tenant common and public washrooms; electrical transformer vault, boiler, air cooling, fan, telephone, utility, meter, valve, mechanical, elevator, mail, storage, garbage and janitor rooms, lobbies, closets and galleries; music, fire prevention, security and communication systems; general signs; columns; pipes; electrical, plumbing, drainage, mechanical and all other installations or services located therein or related thereto as well as the structures housing same.

1.9 **"Condominium Corporation"** means Toronto Standard Condominium Plan No. 2050, and its successor, that manages, supervises, and operates the Building and Premises.

1.10 **"Condominium Documents"** means the constating documents registered in respect of Toronto Standard Condominium Plan No. 2050, including but not limited to the condominium declaration and description, condominium by-laws, construction policy and other documents whether registered or not, as amended from time to time by the Condominium Corporation in respect of the premises as set out in Schedule "E" attached hereto and the condominium rules, as amended from time to time by the Condominium Corporation in respect of the premises as set out in Schedule "D" attached hereto.

1.11 **"Common Expenses"** means all common expenses, within the meaning of the *Condominium Act, 1998* and the Condominium Documents, payable by the Landlord from time to time in respect of the Landlord's ownership of the Leased Premises pursuant to the Condominium Documents, whether payable to the Condominium Corporation or to any other person to whom the Condominium Corporation has directed such amounts to be paid.

1.12 **"Early Termination Date"** [Intentionally Deleted].



1.13 **"Environmental Laws"** means the statutes, policies, directives, regulations, orders, approvals and other legal requirements of any governmental authority having jurisdiction over the Landlord, the Tenant, the Building or the Leased Premises which impose any obligations relating to the protection, conservation or restoration of the natural environment.

1.14 **"Floor Area of the Leased Premises"** means the floor area expressed in Section 2.1 in square feet of the Leased Premises as certified from time to time by the Landlord's architect or surveyor calculated by measuring, from the exterior surfaces of the exterior walls and of all walls adjoining the Common Areas and Facilities, from the centre line of party or demising walls separating two or more interior leasable premises from other areas in the Building where no wall exists, all without deduction or exclusion for any space occupied by or used for columns, stairs, elevators, escalators or other interior construction or equipment or for any storefront or doorway areas recessed from the lease line. The Floor Area of the Leased Premises shall at all times throughout the Term and any extensions thereof be deemed to be 1,225 square feet for the purposes of the calculation of Basic Rent, Additional Rent and all other amounts payable by the Tenant that are calculated based on the Floor Area of the Leased Premises.

1.15 **"Hazardous Substance"** shall include without limitation, any solid, liquid, smoke, waste, odour, heat, vibration, radiation or combination thereof which is deemed, classed or found to affect the nature, physical, chemical or biological quality of the environment or which is or is likely to be injurious to the health or safety of persons or which is injurious or damaging to property, plant or animal life, or which interferes with or is likely to interfere with the comfort, livelihood or enjoyment of life by a person, or which is declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Landlord, the Tenant, the Building or the Leased Premises, and without limiting the generality of the foregoing shall include any dangerous, noxious, toxic, flammable or explosive substance, radioactive material, asbestos or PCBs.

1.16 **"Insurable Hazards"** means fire and other perils for which insurance is available and which a reasonably prudent Landlord would obtain in similar circumstances.

1.17 **"Landlord"** means the Owner(s), its respective predecessors, successors, and assigns.

Landlord	Tenant
	

1.18 "Landlord's Work" shall have the meaning ascribed to it in Schedule "C" attached hereto.

1.19 "Lands" means the lands legally described in Schedule "A" attached hereto.

1.20 "Lease Year" means a twelve (12) month period commencing with the first day of January in one calendar year and ending on the last day of December in that calendar year; provided that the first Lease Year shall commence on the Commencement Date of the Term and end on the last day of December of the calendar year of the Commencement Date of the Term and the last Lease Year shall end on the last day of the Term of this Lease and commence on the first day of January preceding that date. From time to time by written notice delivered to the Tenant, the Landlord may specify an annual date upon which each subsequent Lease Year is to commence, in which event, the then current Lease Year will terminate on the day preceding the day so specified and all appropriate adjustments will be made for any lease year which is more or less than twelve (12) calendar months.

1.21 "Leased Premises" shall have the meaning ascribed to them in Section 2.1 hereof.

1.22 "Leasehold Improvements" have the meaning ascribed to them in Section 17.2(a) hereof.

1.23 "Management Company" means a company or other entity, if any, retained by the Landlord from time to time to operate or manage the Building. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Management Company, "Management Company" includes the officers, directors, employees, and agents of the Management Company.

1.24 "Minimum Rent" [Intentionally Deleted].

1.25 "Mortgage" means any mortgage or charge (including a deed of trust and mortgage securing bonds and all indentures supplemental thereto) granted by the Landlord over all or any portion of the Lands.

1.26 "Mortgagee" means any mortgagee, lender or trustee for bondholders named in a Mortgage.

1.27 "Operating Costs" means the Common Expenses and, without duplication, the total amounts incurred, accrued, paid, payable or attributable by or to the Landlord in insuring, repairing or replacing the Leased Premises. Notwithstanding the foregoing, Operating Costs shall exclude:

- (a) capital costs and expenditures except to the extent that such costs are amortized on a straight-line basis over the useful life of the capital item and in accordance with generally accepted accounting principles and not fully charged in the year they are incurred
- (b) the cost of acquiring, constructing, expanding or altering the Building, any costs or expense incurred in constructing or altering the Building for, or in installing any improvements within the Building for other tenants, or for services, utilities or materials for the sole use and benefit and solely attributable to the account of other tenants or occupants of the Building;
- (c) the costs of correcting structural defects and latent defects in the Landlord's Work and the cost of correcting inherent structural defects or weaknesses relating to the initial construction of the Building or initial maladjustment in operating equipment and systems in the Building;
- (d) the cost of all work to the Building made necessary by non-compliance at the time of construction of the improvements with any laws, regulations, by-laws, ordinances or orders of the applicable municipal, regional, provincial or federal governing authority in that regard;
- (e) the cost of structural repairs to the roof, foundations, sub floor and outer support walls of the Building;

Initials	
Landlord	Tenant
<i>[Signature]</i>	<i>[Signature]</i>

- (f) net proceeds of insurance received by the Landlord from its insurers, to the extent that the proceeds relate to costs previously included in Operating Costs;
- (g) any loss or damage to the Building or any personal injury for which the Landlord is or ought to have been insured under this Lease to the extent of insurance proceeds actually recovered or received by the Landlord, or which would have been recovered or received had the Landlord maintained the insurance required hereunder;
- (h) recoveries from warranties to the extent that the repair costs in respect of the work covered by the warranty is or have been included in Landlord's costs;
- (i) costs arising from or occasioned by the negligence or willful misconduct of the Landlord or those for whom the Landlord is in law responsible;
- (j) costs incurred as a result of any negligence or willful misconduct of, and any amounts directly chargeable or attributable to, or owed by, other tenants in the Building;
- (k) all costs and expenses relating to any repair, closure, detoxification, decontamination or other clean up or remediation of any environmental matter in the Building not attributable to the Tenant, its agents, employees, contractors, invitees or those for whom the Tenant is at law responsible;
- (l) income, franchise, corporation or other taxes personal to the Landlord, and any business taxes relating exclusively to those parts of the Building other than the Leased Premises;
- (m) payment of principal and interest under any mortgage, financing or capital retirement of debt;
- (n) ground rentals;
- (o) the amount of any HST paid by the Landlord on any purchases of goods or services included in Operating Costs;
- (p) costs incurred in leasing premises in the Building to other tenants; and
- (q) tenant improvements, tenant allowances and leasing commissions.

1.28 "Owner(s)" means the owner(s) of the Building, from time to time, its respective successors, and assigns.

1.29 "Permitted Transfer" shall have the meaning ascribed to it in Section 13.1 hereof.

1.30 "Permitted Transferee" shall have the meaning ascribed to it in Section 13.1 hereof.



1.31 "Renewal" shall have the meaning ascribed to it in Section 2.3 hereof.

1.32 "Rent" means all amounts due from the Tenant, including without limitation, Basic and Additional Rent.

1.33 "Rules and Regulations" means the Rules and Regulations adopted or promulgated by the Landlord from time to time acting reasonably and, in such manner, as would a prudent landlord of a reasonably similar development. The Landlord may adopt and promulgate Rules and Regulations applicable to the Leased Premises or the Building including, without limiting the generality of the foregoing, Rules and Regulations for the operation and maintenance of equipment; use of the Common Areas and Facilities; delivery and shipping of merchandise between the general shipping and receiving areas and the Leased Premises; garbage disposal; business hours of the Building; lighting of premises and display signs; and other matters relating to the establishment of a proper image of the Building and Leased Premises.

1.34 "Schedules" and "Appendices" means the following schedules and appendices which form a part of this Lease:

Schedule "A" - Legal Description

Initials	
Landlord	Tenant
	

- Schedule "B" – Floor Plan of Leased Premises
- Schedule "C" – Special Provisions
- Schedule "D" – Rules and Regulations
- Schedule "E" – Declaration and By-Laws
- Schedule "F" – Parking Lot Policy

1.35 "Security Deposit" has the meaning ascribed to it in Section 3.2.

1.36 "Taxes" means the aggregate of all real property, sewer, municipal and other property taxes and rates, whether general or special, of any nature whatsoever, including school and local improvement taxes and all business taxes, commercial concentration levy, corporation capital taxes and other capital taxes levied, charged, rated or assessed by any lawful authority against the Building and the Lands, or against the Landlord on account of its ownership thereof or deferred payments and interest or penalties and any other taxes, assessments or duties levied, rated, charged or assessed in substitution for or in addition to any of the foregoing, together with the reasonable costs of the Landlord in contesting or negotiating the same.

1.37 "Term" shall have the meaning ascribed to it in Section 2.2 hereof.

1.38 "Year of the Term" means each successive twelve (12) calendar month period (or part thereof) throughout the Term commencing on the Commencement Date.

ARTICLE 2

GRANT

Leased Premises

2.1 In consideration of the Basic Rent, Additional Rent, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Leased Premises that are designated as Unit No. 5 - 680 Rexdale Boulevard, Etobicoke, Ontario, M9W 0B5, now or hereafter to be erected as part of the Building, which Leased Premises contain a floor area of **one thousand two hundred twenty five square feet (1,225 sq. ft)** (the "Leased Premises"). The boundaries and location of the Leased Premises are outlined in heavy black on the floor plan of the Building which is marked as Schedule "B" attached hereto. In addition, the Tenant shall be entitled, for the benefit of the Leased Premises, to use in common with others entitled thereto the Common Areas and Facilities. The Tenant accepts the Leased Premises in "as is, where is" condition, subject to the Landlord's Work. The Tenant shall examine the Leased Premises before taking possession hereunder and such taking of possession shall be conclusive evidence as against the Tenant that at that time, the Leased Premises were in good order and satisfactory condition and any promises, representations and undertakings by or binding upon the Landlord with respect to any alteration, remodelling or decorating of or installation of fixtures in the Leased Premises were fully satisfied by the Landlord, except for defects which the Tenant notifies the Landlord of within twenty (20) days of taking possession or defects which by their nature would not be made known to the Tenant until a later date.

Term

2.2 The Tenant will have and hold the Leased Premises for the term (the "Term") which, unless sooner terminated, is five (5) years, commencing on August 1, 2020 (the "Commencement Date"), and expiring on July 31, 2025. The Term is identified as follows:

Period of Time	Commenced on	Expires on
Year 1	August 1 2020	July 31 2021
Year 2	August 1 2021	July 31 2022
Year 3	August 1 2022	July 31 2023
Year 4	August 1 2023	July 31 2024
Year 5	August 1 2024	July 31 2025

Initials	
Landlord	Tenant
<i>JRL</i>	<i>[Signature]</i>

Renewal of Lease

2.3 Provided that the Tenant is not currently in default of any of the covenants or conditions of the Lease beyond any applicable cure periods, the Landlord shall grant to the Tenant two (2) options to extend the Term of the Lease for a period of **five (5) years** (the "Renewal Term") each, exercisable by the Tenant giving written notice to the Landlord not less than sixty (60) days and not more than one hundred and eighty (180) days prior to the expiration of the Term or the first Renewal Term, as applicable, on the same terms and conditions as this Lease, save and except for Basic Rent, Additional Rent, any free rent, or any Tenant inducements, allowances or other similar items (all of which will not apply to any renewal period) and that there will be no further right of extension beyond the second option to extend the Term. The Basic Rent payable during the first and second Renewal Term shall be the fair market basic rent for the Leased Premises as at the commencement of the applicable Renewal Term for similarly improved premises in a similar location and building. The parties shall make bona fide efforts to agree as to the fair market basic rent. If, however, the parties have not agreed to the amount of Basic Rent by the thirtieth (30th) day prior to the commencement of the applicable Renewal Term, either party may give the other written notice that the matter shall be submitted to binding arbitration, as determined by a single arbitrator pursuant to the Arbitration Act (Ontario). In any event, the Basic Rent per annum during the Renewal Term shall not be less than the Basic Rent payable in the last year of the expiring term. Upon the agreement of the parties as to, or the determination by arbitration of the Basic Rent for the Renewal Term, the Tenant shall pay to the Landlord such amount retroactive to the commencement of the Renewal Term, and any necessary adjustments shall then be made within twenty (20) days following such agreement or determination.

Delayed Possession

2.4 If the Landlord is delayed in delivering possession of all or any part of the Leased Premises to the Tenant on or before the Commencement Date for any reason whatsoever, the Tenant shall take possession of the Leased Premises on the date when the Landlord actually delivers possession of all of the Leased Premises, which date shall be conclusively established by written notice to the Tenant accompanied and confirmed by a certificate of the Landlord's architect, and all dates prescribed in this Lease shall be extended on a day-for-day basis equal to the length of the delay. For clarity, the Tenant will not be obligated to pay Basic Rent under Section 3.1 until the Landlord has actually delivered possession of the Leased Premises. If the Landlord's delay continues for a period of fifteen (15) days or more, the Tenant shall be entitled to one (1) day of free Rent for each day the delay continues beyond such fifteen (15) day period.


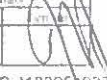
ARTICLE 3

RENT

Basic Rent

3.1 (a) The Tenant will, throughout the Term, pay to the Landlord or as the Landlord directs in Canadian funds, without demand and without deduction, abatement, set-off or compensation, as Basic Rent, the following amounts representing payment of Basic Rent during the Term:

Period of Time	Approximate Per Sq. Ft. per annum	Base Rent per annum*	Monthly Installments*
Year 1 **	\$48.98	\$60,000.00	\$5,000.00
Year 2	\$51.43	\$63,000.00	\$5,250.00
Year 3	\$53.88	\$66,000.00	\$5,500.00
Year 4	\$56.33	\$69,000.00	\$5,750.00
Year 5	\$58.78	\$72,000.00	\$6,000.00

Initials	
Landlord	Tenant
	

(b) If the Commencement Date is not the first day of a calendar month, the Tenant will pay, on the Commencement Date, Basic Rent calculated on a per diem basis (based on three hundred and sixty-five (365) days) from the Commencement Date to the end of the month in which it occurs.

Pre-paid Security Deposit

3.2 The Landlord acknowledges receipt of a Pre-paid Security Deposit in the sum of **Fifteen Thousand Dollars (\$15,000.00)**, from the Tenant, which will be held by the Landlord without interest as security for the faithful performance by the Tenant of all the terms, covenants and conditions of this Lease (the "Security Deposit") and applied to:

- (a) The first month of the Term (\$6,834.64 (inclusive of Additional Rent estimate and HST))
- (b) The sixtieth month of the Term (\$8,165.36 (inclusive of Additional Rent estimate and HST))

If the Tenant is in default hereunder, the Landlord at its option and without prejudice to any of its rights or remedies, may apply all or part of the Security Deposit as is necessary to compensate it for any loss as a result of the default and the Tenant shall restore the Security Deposit to an amount equal to the Security Deposit being held by the Landlord at that time.

In the event of a sale of the Leased Premises or a transfer or assignment of this Lease, the Landlord may transfer the Security Deposit or as much of it as remains, to the purchaser, transferee, or assignee. Once the Landlord has done so, it will be freed and discharged from any further liability in connection with the Security Deposit provided that the purchaser, transferee or assignee has agreed to perform the covenants and obligations on the part of the Landlord under this Lease.

Post-Dated Cheques

3.3 The Tenant shall make payment of the Basic Rent, Additional Rent and applicable taxes payable monthly under this Lease by way of a series of twelve (12) post-dated cheques, payable to 2159121 ONTARIO INC. in advance or for such period as the Landlord may request. The Tenant shall deliver to the Landlord concurrently with this Lease, post-dated cheques for all of the remaining months of the first year of the Lease.

3.4 The Tenant shall also deliver to the Landlord, at the beginning of each year to the Lease, a series of monthly post-dated cheques for the Lease year for the total of the monthly payments of Basic Rent and any Additional Rent that is payable monthly under this Lease during said Lease year.



3.5 If the Tenant defaults in paying Basic Rent or Additional Rent, the unpaid Basic or Additional Rent shall bear interest from the due date thereof to the date of payment at a rate per annum of eighteen (18%) percent. Any cheque payable to the Landlord which is not honoured by the financial institution on which it is drawn shall bear a NSF charge of \$150.00, payable by the Tenant forthwith upon demand. Nothing contained herein shall be construed so as to compel the Landlord to accept any payment of Basic Rent or Additional Rent in arrears should the Landlord elect to apply its remedies under the forfeiture or any other Article of this Lease in the event of default hereunder by the Tenant.

Irregular Periods

3.6 All payments required to be made by the Tenant under this Lease, including, without limitation, Basic Rent, shall be deemed to accrue from day to day and if for any reason it shall become necessary to calculate Basic Rent for irregular periods of less than one year an appropriate pro-rata adjustment shall be made on a daily basis based on a period of 365 days, in order to compute payment for such irregular period.

Rent Disputes

3.7 The Tenant may dispute any invoice, billing or statement in respect of Basic Rent or Additional Rent only by giving written notice to the Landlord specifying the basis of the dispute

Landlord	Tenant
	

within fifteen (15) days after the Tenant becomes aware of the disputed amount or of any potential discrepancy, mistake or error. The Tenant will, in any event, continue to pay Basic Rent and Additional Rent in accordance with the Landlord's invoice, billing or statement until the dispute is resolved. No dispute is valid unless the procedure set out above is strictly complied with.

Reduced Rent Period

3.8 Reduced Rent Period: The Tenant shall be entitled to a reduced rent period for the first three months of the Term of the Lease, being August 1, 2020 to November 1, 2020 (the "Reduced Rent Period"). During the Reduced Rent Period, the Basic Rent shall be reduced to \$2,500.00 plus HST and Additional Rent.

ARTICLE 4

INTENTIONALLY DELETED

ARTICLE 5

TAXES

Taxes

- 5.1 (a) The Tenant shall be responsible for paying all realty taxes for the Leased Premises and the portion of the realty taxes allocated to the Landlord for the Building included in Common Expenses.
- (b) The Tenant will promptly pay all Business Taxes for the Premises (i) to the taxing authorities; or (ii) if imposed on the Landlord, to the Landlord or as the Landlord directs.

Separate Tax Assessments

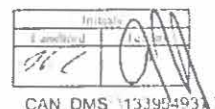
5.2 In the event that there is a separate assessment for the realty taxes made against the Leased Premises, the Landlord agrees to pay all such taxes attributable to the Leased Premises as a result of such separate assessment directly to the taxing authority when due.

Business and Other Taxes Payable by the Tenant

5.3 In each and every Lease Year of the Term, the Tenant shall pay and discharge within twenty (20) days after same becomes due and payable, all taxes, rates, duties and assessments and other charges that may be levied, rated, charged or assessed against or in respect of all improvements, machinery, equipment and facilities of the Tenant on or in the Leased Premises, other than Taxes included in Section 5.1 and every tax and licence fee in respect of any and every business carried on therein or in respect of the use or occupancy thereof by the Tenant (and any and every sub-tenant or licensee), other than income taxes assessed upon the income of the Landlord (or such sub-tenant or licensee), whether such taxes, rates, duties, assessments and license fees are charged by any municipal, parliamentary, school or other body during the Term, against the Tenant or against the Landlord on account of the Tenant's use and occupancy of the Leased Premises and against payment of all loss, costs, charges and expenses occasioned by, or arising from any and all such taxes, rates, duties, assessments, license fees, and any and all taxes which may in the future be levied in lieu of such taxes; and any such loss, costs, charges, and expenses suffered by the Landlord as a result of the Tenant's default under this Section 5.3 may be collected by the Landlord as rent with all rights of distress and otherwise as reserved to the Landlord in respect of Basic Rent in arrears. Any of the taxes, rates, duties or assessments referred to in this Section 5.3 which are levied or assessed against the Landlord, the Building or the Lands shall be paid by the Tenant to the Landlord.

Harmonized Sales Tax

5.4 In the event any business transfer tax, value-added tax, multi-stage sales tax, sales tax, goods and services tax, harmonized sales tax, or any like tax is imposed on the Landlord by any governmental authority on any Basic Rent payable by the Tenant under this Lease, the Tenant



shall reimburse the Landlord for the amount of such tax within twenty (20) days after same becomes due and payable.

Evidence of Payment

5.5 The Tenant further covenants and agrees that upon request of the Landlord, the Tenant will promptly deliver to the Landlord for inspection, receipt for payment of all taxes, rates, duties, assessments, and other charges in respect of all improvements, equipment and facilities of the Tenant on or in the Leased Premises which were due and payable up to one (1) month prior to such request, and in any event will furnish to the Landlord evidence of payment satisfactory to the Landlord upon thirty (30) days' notice.

ARTICLE 6

PARKING AND USE OF COMMON AREAS AND FACILITIES

Control of Common Areas and Facilities by the Landlord

6.1 All Common Areas and Facilities from time to time provided by the Condominium Corporation, shall at all times be subject to the exclusive control and management of the Condominium Corporation, and the Tenant acknowledges that the Condominium Corporation or the Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the Leased Premises and all Common Areas and Facilities.

Access

6.2 The Landlord for itself and its assigns hereby grants to the Tenant and its permitted assigns a free right of access in common with the Landlord and all other persons entitled to the like right over all of the areas designated by the Landlord from time to time as parking areas, roadways and walkways in the Building and on the Lands.

License to Park

6.3 The Landlord hereby grants to the Tenant the license, irrevocable unless the Tenant is in default hereunder beyond any applicable cure period, in common with other tenants of the Building, over all of the areas designated by the Landlord from time to time as parking lots for the purpose of parking automobiles thereon, (save for roadways, sidewalks, lanes, service areas and landscaped areas) and subject at all times to the rules and regulations described in Section 6.1 and Section 23.1.

6.4 The Tenant shall abide by all Rules and Regulations and comply with all directives, policies and requests of the Landlord and Condominium Corporation in connection with the more efficient operation of the Building, including without limitation, the movement of all goods and merchandise to and from the Leased Premises, the disposal of all wastes and the parking of all vehicles of the Tenant, or its agents, employees, contractors, invitees or licensees in the Leased Premises.

6.5 The Tenant shall not allow or cause any act to occur in or about the Building or Leased Premises which, in the Condominium Corporation's opinion, hinders or interrupts the flow of vehicular and pedestrian traffic to, in and from the Building and Leased Premises, or in any way obstructs the free movement of Persons doing business in the Building.

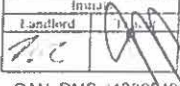
6.6 The Tenant shall adhere to the Parking Lot Policy attached as Schedule "F"

ARTICLE 7

OPERATING COSTS

Landlord's Responsibility

7.1 In each Lease Year, the Landlord covenants to pay the Common Expenses required to operate, maintain, service, repair, restore, renew, improve, equip, insure, clean, light, secure.

Insured	
Landlord	

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police, supervise, manage and administer the Building and the Lands or any portion thereof in each Lease Year, in order to maintain and keep the same in a good state of repair commensurate with other commercial buildings within the vicinity of the Leased Premises.

Tenant's Responsibility

7.2 In each Lease Year, the Tenant shall be solely responsible for and promptly pay all charges relating to heat, water, gas, electricity or any other utility used or consumed in the Leased Premises directly to the utility provider. The Tenant shall be responsible for transferring all of the utilities in its name prior to the Commencement Date and provide proof of such transfer to the Landlord.

ARTICLE 8

TENANT'S COVENANTS

Rent

8.1 The Tenant covenants to pay to the Landlord, without demand, Basic Rent as herein provided without set-off or deduction, when due and payable and in accordance with Article 3 hereof.

Additional Rent

8.2 (a) All amounts payable under this Lease other than Basic Rent are "Additional Rent".

(b) The Landlord may estimate amounts equivalent to the Additional Rent at the commencement of each fiscal year for the Leased Premises, or fraction of a fiscal year within the Term. The Tenant will pay to the Landlord the estimated amounts in equal monthly installments in advance throughout the period for which the estimate is made. However, if the Landlord is obligated by the taxing authorities to pay the full amount of Realty Taxes over a portion of the calendar year, the amount of the Tenant's contribution so estimated shall, at the Landlord's option, be adjusted and be payable by the Tenant to the Landlord in equal monthly installments in advance over the portion of the calendar year in which the entire amount of such Realty Taxes becomes due and payable by the Landlord. The Landlord may periodically revise its estimates and notify the Tenant of the revised estimates, and the Tenant's monthly payments will be adjusted accordingly.

(c) Within a reasonable time, but not exceeding one hundred and eighty (180) days after the end of the fiscal year (or in the case of realty taxes, after receipt of the final bills) the Landlord will provide to the Tenant a statement of the actual amounts payable by the Tenant, showing in reasonable detail the determination of the costs and the calculation of the Tenant's payments. The Landlord's failure to provide such statement within a reasonable time after the end of the fiscal year (or in the case of realty taxes, after receipt of the final bills) shall in no way excuse the Tenant from its obligation to pay such amounts from the Tenant in accordance with this clause. Any amounts owing by the Tenant to the Landlord will be paid within twenty (20) days after the date of delivery of the statement by the Landlord. Any amounts owing by the Landlord to the Tenant will be credited to the Tenant's account, without interest, or returned to the Tenant if the Term of this Lease has expired.

ARTICLE 9

USE OF PREMISES

Use of Premises

9.1 (a) The Tenant shall use the Leased Premises for the purpose of a Cannabis Retail Store or any other use consented to by the Landlord acting reasonably and will not use, permit or suffer the Leased Premises or any part thereof to be used for any other business or purpose (the "Permitted Use"). The Tenant may operate on such days and at such

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times as it may choose, and Tenant shall provide prior written notice to Landlord detailing the hours of operation. In particular, but without limiting the generality of the foregoing, the Tenant shall not use, permit or suffer the Leased Premises or any part thereof to be used for any of the following businesses or activities:

- (i) a store conducted principally or in part for the sale of second hand goods (except resale of trade ins), war surplus articles, insurance salvage stock or fire sale stock or the sale of merchandise damaged by fire except in the event of a fire taking place in the Leased Premises and then only for the sale of merchandise damaged by such fire during the period of thirty (30) days immediately after such store shall have opened following such fire;
- (ii) any operation and any line of merchandise in which the Tenant is making a practice of fraudulent or deceptive advertising or selling procedures;
- (iii) an auction other than a fine art antique auction; and
- (iv) a pawn shop.



(b) The Tenant will not perform any acts or carry on any practices which may injure the Building or the Lands or be a nuisance or a menace to the Landlord or to other tenants in the Building.

(c) The Tenant, in the use and occupation of the Leased Premises and in the prosecution or conduct of the foregoing business therein, shall comply with the requirements of all laws, ordinances, rules and regulations of the federal, provincial and municipal authorities and with any direction or certificate of occupancy issued pursuant to any laws by any public officer or officers. The Tenant shall not use or permit to be used any part of the Leased Premises for any dangerous, noxious, or offensive trade or business and will not cause or maintain any nuisance in, at, or on the Leased Premises.

(d) The Tenant acknowledges and understands that the Landlord has made no representation or warranty to the Tenant concerning any aspect of the Building or the Leased Premises, and the Tenant is solely responsible for satisfying itself that such use is permissible pursuant to all applicable zoning and other municipal laws and regulations as well as all applicable Environmental Laws. The Tenant represents and warrants that the use of the Leased Premises shall not contravene any restrictions that are in force for the Building.

(e) Notwithstanding the foregoing or anything to the contrary contained in this Lease, the Landlord acknowledges and agrees that, during that portion of the Term that City of Toronto, the Alcohol and Gaming Commission of Ontario or any other governmental bodies or authorities having jurisdiction have not issued to the Tenant such licenses, permits, authorizations or approvals required by law to permit the Tenant to sell cannabis at retail from the Leased Premises, the Tenant shall not be obligated to use, occupy, open for business or conduct its business from the Leased Premises. The Tenant (either directly or through a related entity) agrees to use reasonable commercial efforts to diligently pursue, obtain and maintain all such licenses, permits or authorizations required by law to permit the Tenant to sell cannabis at retail from the Leased Premises. At all material times, the Tenant shall maintain a current licence under the *Cannabis Licence Act, 2018 Ontario Regulation 497/18*, as amended, or any succeeding statute, regulation or law regulating the retail sale of cannabis, throughout the Term of the Lease, and any Renewal thereof.

(f) The Tenant shall keep and maintain the Leased Premises in a clean and tidy condition and maintain the Premises in a good state of repair, to the standard of a commercially reasonable tenant.

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Condominium Documents

9.2 The Tenant has had an opportunity to review the Condominium Documents and is satisfied that the Condominium Documents do not expressly prohibit the Permitted Use of the Leased Premises as a Cannabis Retail Store.

9.3 The Landlord warrants and represents that (i) the Condominium Documents are in full force and effect; (ii) there are no defaults or events or conditions existing, which, with notice or the lapse of time or both, could constitute a default by Landlord or any persons for whom the Landlord is responsible in law of any of the Landlord's duties, covenants, conditions and/or obligations under the condominium documents; and (iii) to date no objections from the Toronto Standard Condominium Corporation No. 2050 or any other persons in connection with the Permitted Use of the Leased Premises as a Cannabis Retail Store have been received or reported to the Landlord.

ARTICLE 10

UTILITIES AND TELECOMMUNICATIONS SYSTEMS

Utility Charges and Meters

10.1 The Tenant shall be solely responsible for and shall promptly pay all charges for lighting, heating, ventilating and air conditioning the Leased Premises and all water, gas, electricity, telephone and other utilities used or consumed in the Leased Premises. If there are no separate meters for measuring the consumption of such utilities, the Tenant shall pay to the Landlord, in advance, by monthly instalments, such amount as may be reasonably estimated by the Landlord or its Management Company from time to time as the cost of such utilities for the Leased Premises. Except where caused by or arising from the wilful acts or negligence of the Landlord or persons for whom the Landlord is in law responsible, the Landlord shall not be liable for, nor have any obligation with respect to, an interruption or failure in the supply of such utilities or services to the Leased Premises, whether supplied by the Landlord or others but shall take all reasonable steps to rectify any interruptions. In the event of any abnormal consumption of any utility on the Leased Premises due to the nature of the Tenant's business or the use of particular machinery, equipment or appliances, the Landlord shall have the right to require the Tenant to install a separate meter at the Tenant's expense. The Tenant shall advise the Landlord forthwith of any installations, appliances, machinery or equipment used by the Tenant which consume or are likely to consume large amounts of electricity, water or other utilities.

Service Contracts

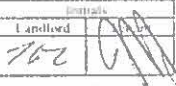
10.2 The Tenant covenants and agrees to take out a standard servicing contract with a capable and reputable company for the service and maintenance of the heating units and furnaces and air conditioning equipment exclusively serving the Leased Premises, such contract to include the quarterly cleaning of exchangers and replacement of filters and to keep such contract in force at its own cost throughout the Term. The Tenant agrees to provide the Landlord with a copy of such servicing contract upon request.

Temperature of Leased Premises

10.3 The Tenant covenants and agrees to heat and air condition the Leased Premises at its own expense to a reasonable temperature to prevent the occurrence of any damage to the Leased Premises or the Building by cold, frost or heat.

Telecommunications Systems

10.4 The Tenant may utilize a telecommunication service provider of its choice with Landlord's prior written consent, which shall not be unreasonably withheld.

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ARTICLE 11

MAINTENANCE OF LEASED PREMISES

Maintenance by Tenant

11.1 (a) The Tenant shall at all times during the Term at its own cost and expense repair, maintain, keep in good order and repair, and make non-capital replacements to the Leased Premises and all equipment, fixtures and mechanical systems within or exclusively serving the Leased Premises including the heating, ventilating and air-conditioning equipment and any improvement now or hereafter made to the Leased Premises as a careful tenant would do, and the Tenant covenants to perform such maintenance, to effect such non-capital repairs and replacements and to decorate at its own cost and expense as and when necessary or reasonably required so to do by the Landlord. For the purposes of the foregoing, a non-capital repair or replacement is a repair or replacement the cost of which would be charged in a single year (and not amortized or depreciated) in accordance with generally accepted accounting principles as commonly applied in the commercial real estate industry in Ontario. Notwithstanding the foregoing, the Landlord may, at its option, give notice to the Tenant that the Landlord will make non-capital repairs and replacements to the heating, ventilating and air-conditioning equipment and in such instances, the Tenant shall pay to the Landlord the cost of such repairs or replacements within twenty (20) days of written notice from the Landlord to the Tenant providing evidence of same as Additional Rent.

(b) The Tenant shall promptly repair or make whole all damaged glass, plate glass, doors, and windows in the Leased Premises unless such damage is caused by the Landlord or persons for whom the Landlord is in law responsible.

(c) The Tenant shall at all times keep the Leased Premises and, without limitation, the exterior surfaces of the Leased Premises in a neat, clean and sanitary condition and shall not allow any refuse or garbage, or pallets, cartons or like material resulting from deliveries, or loose or waste material to accumulate in or about the Leased Premises. All trash, rubbish, waste material and other garbage shall be kept at all times from the view of the general public, including patrons of the Building, and shall be disposed of by the Tenant on a regular basis, as determined by the Landlord but at the Tenant's sole expense. In the event the Tenant fails to clean in accordance with this Section 11.1(c) upon written notice from the Landlord so to do, the Landlord may clean the same and the cost thereof shall be paid by the Tenant to the Landlord, upon demand.

(d) The Tenant shall, without notice from the Landlord, at the expiration or sooner termination of the Term, peacefully surrender and yield up to the Landlord the Leased Premises in good and tenantable repair, reasonable wear tear excepted, and in the condition required by this Lease.

Landlord's Approval

11.2 Before commencing any repairs, replacements, maintenance, alteration, decoration or improvements set out above, or elsewhere referred to in this Lease, the Tenant shall obtain the Landlord's written approval, which shall not be unreasonably withheld, and shall, if required by the Landlord to do so, submit plans and specifications therefor. Any repairs, replacements, maintenance, alterations, decorations, or improvements so done by the Tenant shall be carried out in a good and workmanlike manner. The Tenant shall be responsible at its sole cost and expense for all permits, approvals and licenses from all applicable governmental authorities in connection with such repairs, replacements, maintenance, alterations, decorating or improvements and shall provide evidence of same to the Landlord upon request.

Repair Where Tenant Is at Default

11.3 If the Tenant refuses or neglects to repair properly as required hereunder and to the reasonable satisfaction of the Landlord within fifteen (15) days after written notice by the Landlord to the Tenant thereof (or such longer period as may be reasonably required in the circumstances), the Landlord may make such repairs without liability to the Tenant (excepting the Landlord's negligence or the negligence of persons for whom the Landlord is in law

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responsible) for any loss or damage that may accrue to the Tenant's merchandise, fixtures, or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay the Landlord's actual reasonable costs in the circumstances plus fifteen (15%) percent of such costs for making such repairs, forthwith upon presentation of an invoice therefor.

Repair by Landlord

11.4

(a) The Landlord shall be responsible for structural repairs to the structural elements of the Building, repairs and replacements of the roof, the roof deck, roof membrane, the foundations, sub-floor and outer support walls of the Building, normal wear and tear.

(b) The Landlord shall be responsible for capital repairs and replacements to the Leased Premises and all equipment, fixtures and mechanical systems within or necessarily incidental to the Leased Premises including the heating, ventilating and air-conditioning equipment and any improvement now or hereafter made to the Leased Premises as a careful owner would do. For the purposes of the foregoing, a capital repair or replacement is a repair or replacement the cost of which would be not charged in a single year (but rather amortized or depreciated) in accordance with generally accepted accounting principles as commonly applied in the commercial real estate industry in Ontario.

Cost of Repair of Common Areas and Facilities Where Tenant at Fault

11.5 If the Building or the Common Area and Facilities, including without limiting the generality of the foregoing, the exterior of the Leased Premises, including the front thereof and entrance thereto, the boilers, engines, pipes and other apparatus (or any of them) used for the purpose of heating, ventilating or air-conditioning the Building, or if the water pipes, drainage pipes, electric lighting or other equipment of the Building or the roof or outside walls of the Building get out of repair or become damaged or destroyed through the negligence, carelessness, misuse or excessively heavy use of the Tenant, its servants, agents, employees, contractors, lessees, licensees or concessionaires, or through it or them in any way stopping up, injuring or rendering inoperable the heating apparatus, water pipes, drainage pipe or other equipment or part of the Building, the expense of necessary repairs, replacements or alterations shall be borne by the Tenant who shall pay the same to the Landlord upon demand.

ARTICLE 12

INSURANCE AND INDEMNITY

Landlord's Insurance

12.1 The Landlord covenants and agrees to place and maintain with respect to the Leased Premises:

- (a) all risks insurance in an amount equal to the full replacement value (excluding excavations and foundations) of the buildings and equipment comprising the Leased Premises and rental interruption insurance; and
- (b) commercial general liability insurance with limits of not less than two million (\$2,000,000.00) dollars for any one occurrence in respect of the Building; and
- (c) any and all other insurance considered necessary by the Landlord acting reasonably as a prudent owner.

Notwithstanding the foregoing, the Landlord shall not be required to take out or maintain any insurance with respect to any loss, injury, or damage against which the Tenant is required to insure pursuant to this Lease. All insurance referred to above shall provide for waiver of the insurer's rights of subrogation as against the Tenant.

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Tenant's Insurance

- 12.2 (a) During the whole of the Term and during such other time as the Tenant occupies the Leased Premises, the Tenant shall take out and maintain in the name of the Tenant and at the Tenant's sole expense:
- (i) commercial general liability insurance against claims for third party bodily injury, including death, and property damage or loss arising out of the use or occupation of the Leased Premises, or the Tenant's business on or about the Leased Premises, such insurance to be in the name of the Tenant with the Landlord named as additional insured so as to indemnify and protect both the Tenant and the Landlord and to contain a "cross liability" or "severability of interest" clause so that the Landlord and the Tenant may be insured in the same manner and to the same extent as if individual policies had been issued to each, and shall be for the amount of not less than two million (\$2,000,000.00) dollars combined single limit or such other amount as may be reasonably required by the Landlord from time to time;
 - (ii) all risks insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Leased Premises owned by the Tenant or for which the Tenant is legally liable, and insurance upon all glass and plate glass in the Leased Premises against breakage and damage from any cause, all in an amount equal to the full replacement value thereof, which amount in the event of a dispute shall be determined by the Landlord in its sole discretion;
 - (iii) boiler and machinery insurance on such boilers and pressure vessels and equipment as may be installed by, or under the exclusive control of, the Tenant in the Leased Premises.
- (b) The Tenant's policies of insurance hereinbefore referred to shall:
- (i) name the Landlord, its designated representatives and the Mortgagee as additional insureds as their respective interests may appear;
 - (ii) contain provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of a claim under such policies and such policies shall not be affected or invalidated by any act, omission or negligence of the Tenant or any third party which is not within the control of the Landlord;
 - (iii) be primary and non-contributing with respect to any policies carried by the Landlord;
 - (iv) provide for waiver of the insurer's rights of subrogation as against the Landlord; and
 - (v) not be restricted, materially changed or cancelled without the insurer endeavouring to provide the Landlord with thirty (30) days written notice stating when such restriction, change or cancellation shall be effective.
- (c) The Tenant shall during the whole of the Term maintain such other insurance in such amounts and in such sums as the Landlord may reasonably determine from time to time. If the Tenant fails to take out or keep in force any insurance referred to in this Section 12.2 and does not commence to diligently rectify (and thereafter proceed to diligently rectify) the situation within twenty-four (24) hours after written notice by the Landlord to the Tenant, the Landlord has the right, but not the obligation, and without assuming any obligation in connection therewith, to effect such insurance at the sole cost of the Tenant, and all outlays by the Landlord shall be paid by the Tenant to the Landlord on demand as Additional Rent, without prejudice to any other rights and remedies of the Landlord under this Lease.
- (d) Evidence satisfactory to the Landlord of all policies of insurance required to be maintained by the Tenant pursuant to the provisions of this Lease shall be provided to the Landlord prior to the Tenant taking possession of the Leased Premises and upon request.

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