

remove any such partitions and/or walls which are non-load bearing or non-structural walls or partitions;

- (iv) to alter, replace, demolish or remove non-structural or non-load bearing walls or columns within the Units and ultimately to reconstruct them;
- (v) to alter, replace or install any existing or new floor coverings, wall coverings, ceiling coverings, light fixtures, window coverings, store displays and facades, signage, canopies, advertising, and other similar finishing and/or installations so as to assist or facilitate the Owners thereof in the operation or conduct of the business, or other activity which is permitted by this Declaration to be carried on within such Units; or
- (vi) generally to conduct such improvements, or renovations which the Owners of any Unit and their tenants, agents and employees desire to make or effect to these Units, which are necessary or desirable to assist them in, the operation or conduct of any commercial/retail business or other activity which is permitted by this Declaration to be carried on within such Units.

Prior to commencing a Minor Installation onto the Common Elements, the Owner purporting to carry out same must first comply with the applicable requirements herein. Notwithstanding the foregoing, the Declarant shall not be required to comply with the requirements set out hereunder, when making or effecting a Minor Installation onto the Common Elements unless said provisions specifically provide that the Declarant (as opposed to an Owner of a Unit) is obliged to do so.

- (b) No Owner shall be entitled to allow any encroachment of any installation or facility onto any part of the adjacent areas of the Common Elements of the Condominium which are situate beyond the limit of the boundaries of any Unit where such boundary forms the vertical plane or line of face of any wall systems or any perimeter wall as illustrated on the description plan of the Condominium, or which is situate more than 8 inches beyond any boundary of a Unit where such boundary forms the line of face of concrete, concrete block, or brick parameter walls or the line of face of columns or pillars, as such boundary is illustrated on the description plan of the Condominium.
- (c) General Requirements for a Minor Installation on to the Common Elements

Prior to commencing a Minor Installation onto the Common Elements, the following requirements must be satisfied by the Owner purporting to carry out same, namely:

- (i) copies of all plans and specifications prepared by a certified architect or engineer must first be delivered to the Board. The aforesaid plans and specifications shall delineate all proposed construction in the Unit and illustrate in sufficient detail, the manner in which the Common Elements of the Corporation may be affected;
- (ii) the owner, in making the Minor Installation onto the Common Elements, must comply with the provisions of all rules, regulations and ordinances of any applicable governmental authority including without limiting the generality of the foregoing, paragraph 3.7 of this Article III;

- (iii) the Board must be satisfied, acting reasonable, that the use made by other Owners and/or the Corporation of the Units and Common Elements will not be unduly or unreasonable altered, disturbed or interfered with by such Minor Installation onto the Common Elements and that such construction in the applicable Unit will not unduly affect the structural or visual integrity of any other Unit or of the Common Elements nor will adversely interfere with the electrical, heating or other mechanical fixtures, equipment or systems servicing other Units or the Common Elements, and if the Board makes such determination, it may require the payment of a cash deposit or the posting of a letter of credit or security satisfactory to it to secure any of the obligations or matters described or referred to in this subparagraph;
- (iv) adequate measures must be taken by such Owner so that any noise, interference or vibration caused to any other Owner or to any part of the Condominium arising from the construction or installation activity within the Unit or in any Common Element area of the Condominium is minimized;
- (v) such Owner seeking to effect the Minor Installation onto the Common Elements must agree to indemnify and save the Corporation harmless from and against any and all costs, expenses, damages, claims or liabilities which it may incur or suffer as a result of or in connection with such Minor Installation onto the Common Elements and such Owner must agree to execute such further assurances as the Board may reasonable require in connection herewith;

on the express understanding that the Declarant, when carrying out a Minor Installation onto the Common Elements, shall only be obliged to comply with the requirements set out in subsection 3.6(c) (i) and (ii) above.

(d) Additional Requirements for a Unit Owner's Individual Servicing System Installation

Where a Minor Installation onto the Common Elements also constitutes a Unit Owner's Individual Servicing System installation, then the following additional requirements must also be satisfied prior to commencing any work on such Unit Owner's Individual Servicing System installation:

- (i) plans and specifications showing the nature of the installation and showing the altered layout, and interior partitions of the unit, and the servicing requirements and outlets for the Unit must be submitted to the Board for review and approval by the Condominium's designated engineer;
- (ii) the Condominium's designated engineer must be satisfied, in its professional opinion, that the Owner's Individual Servicing System installation will not disrupt the servicing or operation of any of the other Units for their intended purpose; that it will not give rise to the consumption of services or utilities constituting Extraordinary Expenses, and that it will not lead to or result in the services or utilities supplying that Unit and other Units in the Condominium affected by the service installation, to exceed the permitted utility or service tolerance or maximum consumption capacities designated for the units they are designed to serve;

- (iii) the Condominium's engineer must be satisfied that the Unit Owner's Individual Servicing System installation meets any applicable local utility requirements and the requirements of the Ontario Building Code and Electrical Code (if applicable) and are within the permitted utility or service tolerances (or maximum consumption capacities) designed for the Units in question in order to ensure that the Condominium's overall hydro service(s) will not, after such installation, exceed permitted or acceptable levels. If such tolerances or capacities will be exceeded, then such unit owner will be required to satisfy the reasonable requirements imposed by the Condominium's professional engineer as a result;
- (iv) the contractor performing such Owner's Individual Servicing System installation, must be approved by the Condominium's engineer, acting reasonably;
- (v) adequate liability insurance naming the Condominium as a named insured must be procured (with a certified copy delivered to the Board) by the Owner, with such provisions to be contained therein as the Condominium or its designated insurer deems adequate to protect it from liability for loss and/or damage to persons and/or property occasioned from the installation and operation of such service installation;
- (vi) if a Unit Owner's Individual Servicing System installation consists of any advertising or business identification installations including any sign, display, poster, awning or canopy, then the installation must be compatible with the visual integrity of the rest of the Condominium as determined by the Board, acting reasonably and the restrictions with respect to signs provided elsewhere in this Declaration; and
- (vii) any and all fees and costs incurred by the Condominium with respect to any of the foregoing matters (including without limitation the fees and cost of the Condominium's designated engineer), shall be paid for in advance, by the Owner carrying out the Unit Owner's Individual Servicing System installation;

on the express understanding that the Declarant shall not be obliged to comply with any of the foregoing requirements when affecting a Unit Owner's Individual Servicing System installation.

- (e) In addition to the foregoing requirements set out above, the Board shall be entitled to impose additional reasonable requirements upon an Owner desiring to carry out a Minor Installation onto the Common Elements, on the express understanding however, that any additional requirements will not apply to the Declarant and must not be so onerous or prohibitive so as to constitute a prohibition of such activity.

### 3.7 Requirements of the City of Toronto (the "Municipality")

- (a) Building Permit Applications are required for all construction affecting the Common Elements including Minor Installations on to the Common Elements.
- (b) The Corporation is responsible for ensuring that construction anywhere within the Common Elements or Units is authorized by the Municipality and complies with the applicable provisions of the Ontario Building Code, in force from time to time

and all applicable laws. In the event an owner fails to obtain the appropriate permit any costs incurred by the Corporation pursuant to this provision shall be added to the common expenses for said unit and may be collected as such.

- (c) Owners shall not do any work on Common Elements (including Minor Installations on the Common Elements) (that may be approved by the Board pursuant to this Declaration) without first obtaining from the Municipality a building permit and providing a copy of same to the Corporation.

### 3.8 Declarant Rights

Notwithstanding anything provided in this Declaration to the contrary, and notwithstanding any Rules or By-laws of the Corporation hereafter passed or enacted to the contrary, it is expressly stipulated and declared that:

- (a) until such time as all of the Units in this Condominium have been transferred by the Declarant, the Declarant and its authorized agents, representatives and/or invitees shall have free and uninterrupted access to and egress from the Common Elements, for the purposes of implementing, operating and/or administering the Declarant's marketing, sale, construction and/or customer-service program(s) with respect to any unsold units in this Condominium, from time to time;
- (b) until such time as all of the Units in this Condominium have been transferred by the Declarant, the Declarant and its authorized agents or representatives shall be entitled to erect and maintain signs and displays for marketing/sale purposes, as well as model suites and one or more offices for marketing, sales, construction and/or customer-service purposes, upon any portion of the Common Elements, and within or outside any unsold Units, at such locations and having such dimensions as the Declarant may determine in its sole and unfettered discretion, all without any charge to the Declarant for the use of the space(s) so occupied, nor for any utility services (or any other usual or customary services) supplied thereto or consumed thereby, nor shall the Corporation (or any one else acting on behalf of the Corporation) prevent or interfere with the provision of utility services (or any other usual or customary services) to the Declarant's marketing/sales/construction/customer-service office(s) and said model suites; and
- (c) the Corporation shall ensure that no actions or steps are taken by anyone which would prohibit, limit or restrict the access and egress of the Declarant and its authorized agents, representatives, invitees, trades and/or contractors for any purpose required by the Declarant, including without limiting the generality of the foregoing, to permit the Declarant, and its authorized agents, representatives, invitees, trades and/or contractors, access to the Common Elements to fulfill its obligations and to complete any work required to be done by the Declarant as a requirement of any applicable governmental authority.

### 3.9 Animals

No animal, livestock or fowl, other than those household domestic pets as permitted pursuant to Article IV of this Declaration are permitted to be on or about the Common Elements, including the exclusive use Common Elements, if any, except for ingress to and egress from a Unit. All dogs and cats must be kept under personal supervision and control and held by leash at all times during ingress and egress from a Unit and while on the Common Elements. Notwithstanding the generality of the foregoing, no pet deemed by the Board, in their sole and absolute discretion, to be a danger is permitted to be within a Unit or on or about the Common Elements.

### 3.10 Outside of Units

Other than as set out in this Declaration, no Owner shall cause anything to be affixed, attached to, hung, displayed or placed on the exterior walls, including awnings and/or storm shutters, doors or windows of the buildings, nor shall an Owner make any structural alterations to the exterior walls, nor shall an Owner grow any type of plants, shrubbery, flowers, vines or grass outside such Owner's Unit, nor shall an Owner place anything outside such Owner's Unit, except with the prior written consent of the Board, which may be unreasonably withheld and, further, if approved, subject to the Rules adopted by the Board. Where applicable, no signs shall be placed on any of the gable elements on the Buildings in accordance with the site plan elevation drawing approved by the City of Toronto. This provision shall not be deleted or amended without the written consent of the Commissioner of Planning, Design and Development for the City of Toronto.

### 3.11 No Outdoor Storage of Refuse

No outdoor storage of refuse will be permitted on the site, in accordance with the zoning by-law and the site plan approved by the Municipality. This provision shall not be deleted or amended without the written consent of the Municipality.

## ARTICLE IV

### UNITS

#### 4.1 General Use

The occupation and use of the Units shall be in accordance with the following restrictions and stipulations:

- (a) No Unit shall be occupied or used by an Owner or anyone else, in such a manner as is likely to damage or injure any person or property (including any other Units or any portions of the Common Elements) or in a manner that will impair the structural integrity, either patently or latently, of the Units and/or Common Elements or in a manner that will unreasonably interfere with the use or enjoyment by other owners of the Common Elements or their respective Units, or that may result in the cancellation or threat of cancellation of any insurance policy referred to in this Declaration or that may increase any insurance premiums with respect thereto, or in such a manner as to lead to a breach by an Owner or by the Corporation of any provisions of this Declaration, the By-Laws, and/or any agreement authorized by any By-laws. If the use made by an Owner of a Unit, other than the Declarant (except as is contemplated in this Declaration or in the By-Laws, or in any agreement authorized by any By-laws) causes injury to any person or causes latent or patent damage to any Unit or to any part of the Common Elements, or results in the premiums of any insurance policy obtained or maintained by the Corporation being increased, or results in such policy being canceled, then such Owner shall be personally liable to pay and/or fully reimburse the Corporation for all costs incurred in the rectification of the aforesaid damages, and for such increased portion of the insurance premiums so payable by the Corporation (as a result of such Owner's use) and such Owner shall also be liable to pay and/or fully reimburse the Corporation for all other costs, expenses and liabilities suffered or incurred by the Corporation as a result of such Owner's breach of the foregoing provisions of this subparagraph and such Owner shall pay with his or her next monthly contribution towards the common expenses after receipt of a notice from the Corporation, all increases in premiums in respect of such policy or policies of insurance. All payments pursuant to this clause are deemed to be additional contributions towards common expenses and recoverable as such.

- (b) Each Owner shall comply, and shall require all members of his or her occupants, tenants, invitees, employees, servants, agents, contractors and licensees of his or her Unit to comply with the Act, the Declaration, the By-laws, and all agreements authorized by any By-laws and the Rules;
- (c) Each Owner of a Unit may make such modifications within his or her Unit which, if such modifications were outside the Unit would constitute a Minor Installation onto the Common Elements in paragraph 3.6(a) of this Declaration without having to comply with the requirements for making a Minor Installation onto the Common Elements, save and except the Owner shall comply at all times with paragraph 3.6(c)(ii) and paragraph 3.7, provided, however, no Owner of a Unit may make such modifications which would increase the gross floor area of the Unit as defined in the Applicable Zoning By-laws.
- (d) No animal, livestock or fowl of any kind other general household domestic pets shall be kept or allowed in any Unit. No pet, which is deemed by the Board or the property manager, in their absolute discretion, to be a nuisance shall be kept by any Owner in any Unit. Such Owner shall, within two (2) weeks of receipt of a written notice from the Board requesting the removal of such pet, permanently remove such pet from the Property. Notwithstanding the generality of the foregoing, no pet deemed by the Board, in their sole and absolute discretion, to be a danger shall be permitted in any Unit.
- (e) The Corporation, and where applicable, each Owner, tenant and/or occupant of a Commercial Unit shall ensure that the Common Elements (including all internal sidewalks fronting such Unit) shall be free of any obstructions or encumbrances.

#### 4.2 Commercial Units and Office Units

- (a) No Unit shall be used for any purpose or in any manner which:
  - (i) shall constitute a nuisance to, or otherwise unreasonably interfere with, the Owners or occupants of the Condominium,
  - (ii) results in the storage of any hazardous or noxious chemicals or materials;
  - (iii) substantially increases the security costs for guarding or maintaining the Property (which costs can be assessed against the Owner as common expenses and recovered as such);
  - (iv) constitute a breach or contravention of any Applicable Zoning By-laws;
  - (v) is contrary to or in non-compliance with any restrictive covenants or restrictions established by the Declarant or by any entity on its behalf and which are registered on title to a Unit or any portion of the Property.
- (b) There are no restrictions on the hours of operation of the Units.
- (c) No change shall be made in the colour of any window, door, glass or screen or of a Unit except with the prior written consent of the Board.

(d)

- (i) For the purpose of this subparagraph, "Vertical/Horizontal Party Wall" means a vertical or horizontal wall constructed along the boundary between two (2) Units shown in the Description as a vertical plane. Where and to the extent that concrete, concrete block or masonry portions of walls/floors/ceilings or columns located within the Unit are not load-bearing walls or columns, and contain no service conduits that service any other Unit or the Common Elements, an Owner may, with prior written consent of the Board which may attach any reasonable condition to its consent, including obtaining the approval of the insurer of the Property and the Owner's written agreement to indemnify and save the Corporation harmless from and against any and all costs, expenses, damages, claims, and/or liabilities which the Corporation may suffer or incur as a result of or in connection with such work:
  - (a) erect, remove or alter any internal walls or partitions within his or her Unit; or
  - (b) where he/she is the Owner of two (2) or more adjoining Units, erect, remove or alter along all or part of those portions of the vertical or horizontal boundaries of each of such adjoining Units shown in the Description as a line or plane, any Vertical/Horizontal Party Wall between his or her Unit and such adjoining Unit, or any soundproofing or insulating material on his or her Unit side of such Vertical/Horizontal Party Wall.
- (ii) Prior to performing any work which an Owner is entitled to perform pursuant to subparagraph (i) above, the Owner shall lodge with the Board the drawings and specifications detailing the location, materials and method of construction and installation of such work, together with a certificate addressed to the Corporation from a duly qualified architect and/or structural engineer certifying that if the work is carried out in accordance with the drawings and data so lodged with the Board, the structural integrity of the Common Elements will not be impaired and such work will not interfere with or impair any structure where there is functioning or operating machinery and equipment which is part of the Common Elements.
- (iii) All work performed under subparagraph (i) above will be carried out in accordance with:
  - (a) the provisions of all relevant municipal and other governmental by-laws, rules, regulations or ordinances;
  - (b) the provisions of the By-Laws of the Corporation and the conditions, if any, of approval by the Board; and
  - (c) the drawings, specifications and data lodged with the Board.
- (iv) Forthwith following the completion of any work which an Owner is entitled to perform pursuant to subparagraph (i) above, the Owner shall deliver a further certificate from the said architect and/or engineer, or such other architect and/or engineer as may be

acceptable to the Board, certifying that the work has in fact been completed in accordance with the drawings and data previously lodged with the Board, the structural integrity of the Common Elements has not been impaired, and that such work has not interfered with or impaired any structure or the functioning or operation of any machinery and equipment which is part of the Common Elements; or failing such certifications, specifying in reasonable detail the reasons why such certification cannot be made.

- (v) Notwithstanding the removal of the whole or any portion of any demising or partition wall or floor/ceiling as aforesaid, the adjoining Units thereto shall still constitute two separate Units, as illustrated in the Description and all obligations of the Owner(s) of the said two adjoining Units, whether arising under the Act, the Declaration, the By-Laws or the Rules of the Condominium, shall remain unchanged.

#### 4.3 Signs

Only Owners of the Commercial Units shall be entitled to erect signs or any other similar advertising or identification installations or material within or affixed to the exterior surface or boundary of their respective Commercial Unit on the exterior facade directly above the windows, including on any sign board comprising part of the Unit, and all to be done at their own sole cost and expense in accordance with the Applicable Zoning By-laws and in complete accordance with the Rules of the Corporation. All signage shall be in accordance with first class shopping centre practice, professionally made and installed and placed in such locations designated for such purpose, it being the intention that signs identifying an Owner's place of business be of uniform size and format as initially determined by the Declarant. Unless otherwise allowed by the Board no "mobile" signs or "sandwich board" type signs are permitted to be placed or erected outside of any Unit. Each Owner shall obtain a sign permit from the Municipality in accordance with the applicable sign by-law of the Municipality in force from time to time. In the event such activity entails the hook up into or connection with any electrical or mechanical system serving the Corporation, then the provision of sub-paragraphs 3.6(d) and 3.7 of this Declaration shall apply, but if it does not do so, (because the signage or display or similar installation does not consume electricity or any other utility) then only the provisions of sub-paragraphs 3.6(c) and 3.6(d) (i) and (vi) and 3.7 of this Declaration shall apply to such Owner.

The Pylon Sign(s), if any at the Property shall comprise portions of the Common Elements of the Corporation and same shall be operated and managed by the Board, and shall be subject to the following:

- (a) Subject to availability at any given time, an Owner will be permitted to attach a sign to the pylon sign(s) as per the direction of the Board. The Board shall be responsible for the allocation and approval of signs on the pylon sign(s).
- (b) Owners shall be solely responsible for the cost of installation, lettering and/or other design work to be set out on the facing of the sign(s) and same shall be in compliance with the restrictions contained in this Declaration and Owners shall also be responsible for maintaining the portion or area of the pylon sign(s) containing their individual signage at their sole cost and expense in accordance with the directives of the Board which may be issued from time to time.
- (c) All sign graphics and colours must conform to uniform signage specifications as determined by the Board.

#### 4.4 Leasing of Units

##### Notification of Lease:

- (a) Where an Owner leases his or her Unit, the Owner shall within thirty (30) days of entering into a lease or a renewal thereof:
  - (i) notify the Corporation that the Unit is leased;
  - (ii) provide the Corporation with the lessee's name, the Owner's address and a copy of the lease or renewal or a summary of it in accordance with Form 5 as prescribed by Section 40 of Regulation 49/01;
  - (iii) provide the lessee with a copy of the Declaration, By-laws and Rules of the Corporation;
- (b) If a lease of the Unit is terminated and not renewed, the Owner shall notify the Corporation in writing.
- (c) No tenant shall be liable for the payment of common expenses unless notified by the Corporation that the Owner is in default of payment of common expenses, in which case the tenant shall deduct, from the rent payable to the Owner, the Owner's share of the common expenses and shall pay the same to the Corporation.
- (d) An Owner leasing his or her Unit shall not be relieved thereby from any of his or her obligations with respect to the Unit, which shall be joint and several with his or her tenant.

#### 4.5 Exclusive Uses

- (a) No Unit in the Condominium, other than Unit 1, Level 1, may be used as a business carrying on, as a principal use, the operation of a cheque cashing, payday advance, Western Union type operation.
- (b) No Unit in the Condominium, other than Unit 4, Level 1, may be used as a business carrying on, as a principal use, the sale of cell phones and related accessories.
- (c) No Unit in the Condominium, other than Unit 9, Level 1, may be used as a business carrying on an Indian Sweets and Indian Fine Dining Restaurant, provided that nothing herein shall prevent any other Units from carrying on the sales of Indian type foods and products or the serving of Indian type foods incidental to or in conjunction with the sale of other items in any Unit.
- (d) No other Unit in the Condominium, other than Units 10 and 11, Level 1, may be used as a business carrying on the following:
  - (i) a Pharmacy where prescription drugs, pharmaceutical, health and beauty aid products, and other similar products administering to the individual and personal needs of persons are sold to the public which may include, on the basis and understanding that the following herein do not form part of the exclusive use of a pharmacy, the accessory sales of goods such as food snacks and beverages sundries, tobacco, stationary, magazines, newspapers;

(ii) a Wellness Centre providing or carrying on the services of:

1. a Chiropractor;
2. Physiotherapy;
3. Massage Therapy;
4. Acupuncture;
5. Nutritionist store;
6. a Homeopathic Doctor;
7. a Naturopathic Doctor; and
8. Orthopedics relating to orthotics;

provided that and for greater certainty nothing herein shall allow or permit Units 10 and 11, Level 1 described above to be used as a Dental Office and/or for Optical, Eye Examination Services and the sale of ophthalmic products (except for the incidental sale of ophthalmic products and related items from being sold in any pharmacy being operated in Units 10 and 11, Level 1 in conjunction or incidental to the sale of other pharmaceutical, health and beauty aid products in such Units), which uses are exclusive to Unit 17, Level 1 and Unit 18, Level 1 respectively as provided under this Declaration and furthermore nothing contained herein shall prevent or prohibit the following uses from being conducted or operated in the following Units:

9. a Beauty Salon and Spa operation in Unit 13, Level 1; and
10. a Family Doctor Clinic in Unit 28, Level 1;

- (e) No other Unit in the Condominium other than Unit 11, Level 1 may be operated as a Medical Centre establishment used by physicians, surgeons, drugless practitioners, and/or any other health care professionals, their staff and their patients for the purpose of consultation, diagnosis, surgical or therapeutic treatment and may include medical laboratories, provided that and for greater certainty nothing herein shall allow or permit Unit 11, Level 1 described above to be used as a Dental Office and/or for Optical, Eye Examination Services and (subject to subparagraph (d) above) the sale of ophthalmic products and related items, which uses are exclusive to Unit 17, Level 1 and Unit 18, Level 1 respectively as provided under this Declaration and furthermore nothing herein shall prevent or prohibit Unit 28, Level 1 from being used as a Family Doctor Clinic.
- (f) No Unit in the Condominium, other than Unit 12, Level 1, may be used as a business carrying on an Indian-Pakistani-Canadian Grocery Store, provided that nothing herein shall prevent the incidental sale of similar type products as that sold in an Indian-Pakistani-Canadian Grocery Store from being sold in any other Unit in conjunction with the sale of other items in any other such Units.
- (g) No Unit in the Condominium, other than Unit 13, Level 1, may be used as a business carrying on a beauty salon and spa and the sale of related accessories, including laser treatments and hair removal, provided that nothing herein shall prevent the operation of a nail salon type operation in any other Unit and provided that nothing herein shall prevent the incidental sale of products sold in a beauty salon and spa from being sold in any other Unit in conjunction or incidental to the sale of other items in any other such Units.

- (h) No Unit in the Condominium, other than Unit 17, Level 1, may be used as a Dental Office.
- (i) No Unit in the Condominium, other than Unit 18, Level 1, may be used for Optical, Eye Examination Services and the sale of ophthalmic products and related items, provided that nothing herein shall prevent the incidental sale of ophthalmic products and related items from being sold in any pharmacy being operated in Units 10 and 11, Level 1 in conjunction or incidental to the sale of other pharmaceutical, health and beauty aid products in such Units.
- (j) No Unit in the Condominium, other than Unit 22, Level 1, may be used as a business carrying on a Pizza Store, provided that nothing herein shall prevent the incidental sale of pizza type food and products from being sold in any other Unit in conjunction or incidental to the sale of other items in any other such Units.
- (k) No Unit in the Condominium, other than Unit 24, Level 1, may be used as a business carrying on, as a principal use, a nail salon, provided that nothing herein shall prevent a beauty salon type operation from operating in any other Unit which may, incidental to its operations, provide nail treatment services to its patrons.
- (l) No Unit in the Condominium, other than Units 30 and 31, Level 1, may be used as a business carrying on a Convenience Store and Coffee Cafe, provided that nothing herein shall prevent the incidental sale of products sold in a Convenience Store and Coffee Café from being sold in any other Unit in conjunction or incidental to the sale of other items in any other such Units.
- (m) No Unit in the Condominium, other than Unit 32, Level 1, may be used as a business carrying on a Meat Shop, provided that nothing herein shall prevent the incidental sale of meat products from being sold in any other Unit in conjunction or incidental to the sale of other items in any other such Units.
- (n) No Unit in the Condominium, other than Unit 33, Level 1, may be used as a business carrying on a Shawarma Restaurant.
- (o) No Unit in the Condominium, other than Unit 36, Level 1, may be used as a business carrying on a Dry Cleaning Depot.

#### 4.6 Waste Removal

Each Owner, tenant and/or occupant of a Unit shall be responsible for any and all waste collection and removal, as well as recyclable collection and removal in respect of such waste and recyclables generated by the commercial activities within such Unit, all at such Owner's or tenant's or occupant's sole cost and expense. The Corporation shall only be responsible for the waste collection and removal, as well as recyclable collection and removal generated from or within the Common Elements.

### ARTICLE V

#### MAINTENANCE AND REPAIRS

##### 5.1 Repairs and Maintenance by Owner

- (a) Each Owner shall maintain his or her Unit, and subject to the provisions of this Declaration, each Owner shall repair his or her Unit after damage, all at his or her own expense. Without limiting the generality of the foregoing, each Owner shall maintain:
  - (i) and repair the interior and exterior surface of doors which provide the means of ingress and egress from his or her Unit and repair damage to those doors caused by the negligence of the Owner,

guests, visitors, employees, tenants, licensees or invitees to his or her Unit and/or damages caused by any other means;

- (ii) and repair the interior and exterior surface of all windows and glazing, and repair damage to those windows and glazing caused by the negligence of the Owner, residents, family members, guests, visitors, employees, tenants, licensees or invitees to the Unit and/or damages caused by any other means;
  - (iii) and repair all pipes, wires, cables, conduits, ducts and mechanical or similar apparatus including sprinkler "drops", that supply any service to his or her Unit only;
  - (iv) and repair all exhaust fans and fan motors located in the Unit or adjacent Common Elements and services the Unit; and
  - (v) and repair the exterior sign box forming part of the Unit.
- (b) Each Owner shall further maintain, repair and replace the heating, air conditioning and ventilation equipment, including thermostatic controls contained within or outside of the configuration of the Unit and servicing his or her Unit only such maintenance to include regularly scheduled inspections of all such equipment. Such periodic maintenance shall include the cleaning and replacement of air filters. The Corporation may make provision in its annual budget for the maintenance and repair of the heating system, servicing each Unit, including the replacement of air filters, whereupon such costs shall be allocated as part of the common expenses. Each Owner shall be liable for any damage to the unit and/or Common Elements due to the malfunction of such equipment caused by the act or omission of an Owner, his or her servants, agents, tenants, family or guests. No Owner shall make any change, alteration or addition in or to such equipment without the prior written consent of the Board.
- (c) The Corporation shall make any repairs that an Owner is obliged to make pursuant to paragraph 5.1 and that the Owner does not make within a reasonable time and in such an event, an Owner shall be deemed to have consented to having said repairs done by the Corporation, and an Owner shall reimburse the Corporation in full for the cost of such repairs, including any legal or collection costs incurred by the Corporation to collect the costs of such repairs, and all such sums of money shall bear interest at the rate of eighteen (18%) per cent per annum. The Corporation may collect all such sums of money in such instalments as the Board may decide upon. The instalments shall form part of the monthly contributions towards the common expenses of such Owner, after the Corporation has given written notice thereof. All such payments are deemed to be additional contributions towards the common expenses and recoverable as such.

## 5.2 Responsibility of Owner for Damage

Each Owner shall be responsible for all damage to any and all other Units and to the Common Elements, which is caused by the failure of the Owner, his or her residents, family members, guests, visitors, tenants, licensees or invitees to his or her Unit, to so maintain and repair his or her Unit and such parts of the Common Elements for which he/she is responsible, or caused by the negligence or wilful misconduct of the Owner, his or her residents, tenants, licensees, or invitees, save and except for any such damage for which the cost of repairing same may be recovered under any policy of insurance held by the Corporation.

### 5.3 Repair and Maintenance by Corporation

- (a) Save as otherwise specifically provided in this Declaration to the contrary, the Corporation shall maintain, and repair after damage, the Common Elements. The Corporation's duty to maintain and repair shall include any exterior perimeter fences erected by the Declarant along the boundaries of the Property at the Corporation's expense.
- (b) Notwithstanding anything provided in paragraph 5.3(a) hereof to the contrary, it is understood and agreed that each Owner shall be responsible for the maintenance of all interior and exterior door and window surfaces with respect to his or her Unit.

## ARTICLE VI INDEMNIFICATION

- 6.1 Each Owner shall indemnify and save harmless the Corporation from and against any loss, costs, damage, injury or liability whatsoever which the Corporation may suffer or incur resulting from or caused by an act or omission of such Owner, his family, guests, visitors or tenants to or with respect to the Common Elements and/or all other Units, except for any loss, costs, damages, injury or liability caused by an insured (as defined in any policy or policies of insurance) and insured against by the Corporation. All payments to be made by an Owner pursuant to this Article shall be deemed to be additional contributions toward common expenses payable by such Owner and shall be recoverable as such.

## ARTICLE VII INSURANCE

### 7.1 By the Corporation

The Corporation shall obtain and maintain to the extent obtainable, at reasonable cost, the following insurance, in one or more policies:

- (a) "All Risk" Insurance: Insurance against "all risks" (including fire and major perils as defined in the Act) as is generally available from insurers in a standard "all risks" insurance policy and insurance against such other perils or events as the Board may from time to time deem advisable, insuring:
  - (i) the Property and building, but excluding improvements made or acquired by an Owner; and
  - (ii) all assets of the Corporation, but not including furnishings, furniture, or other personal property supplied or installed by the Owners;

in an amount equal to the full replacement cost of such real and personal property, and of the units and Common Elements, without deduction for depreciation. This insurance may be subject to a loss deductible clause as determined by the Board from time to time, and which deductible shall be the responsibility of the Corporation in the event of a claim with respect to the units and/or the Common Elements (or any portion thereof), provided however that if an owner, tenant or other person residing in the unit with the knowledge or permission of the owner, through an act or omission causes damage to such owner's unit, or to any other unit(s), or to any portion of the Common Elements, in those circumstances where such damage was not caused or contributed by any act or omission of the

Corporation (or any of its directors, officers, agents or employees), then the amount which is equivalent to the lesser of the cost of repairing the damage and the deductible limit of the Corporation's insurance policy shall be added to the common expenses payable in respect of such owner's unit.

(b) Policy Provisions

Every policy of insurance shall insure the interests of the Corporation and the Owners from time to time, as their respective interests may appear (with all mortgagee endorsements subject to the provisions of the Act, this Declaration and the Insurance Trust Agreement, if any) and shall contain the following provisions:

- (i) waivers of subrogation against the Corporation, its directors, officers, manager, agents, employees and servants and against the Owners, and the Owners' respective residents, tenants, invitees or licensees, except for damage arising from arson, fraud, vehicle impact, vandalism or malicious mischief caused by any one of the above;
  - (ii) such policy or policies of insurance shall not be terminated or substantially modified without at least sixty (60) days prior written notice to the Corporation and to the Insurance Trustee;
  - (iii) waivers of the insurer's obligation to repair, rebuild or replace the damaged property in the event that after damage the government of the Property is terminated pursuant to the Act;
  - (iv) waivers of any defence based on co-insurance (other than a stated amount co-insurance clause); and
  - (v) waivers of any defence based on any invalidity arising from the conduct or act or omission of or breach of a statutory condition by any insured person.
- (c) Public Liability Insurance: Public liability and property damage insurance, and insurance against the Corporation's liability resulting from breach of duty as occupier of the Common Elements insuring the liability of the Corporation and the Owners from time to time, with limits to be determined by the Board, but not less than TWO MILLION (\$2,000,000.00) DOLLARS per occurrence and without right of subrogation as against the Corporation, its directors, officers, manager, agents, employees and servants, and as against the Owners and any member of the household or guests of any Owner or occupant of a Unit.

(d) Boiler, Machinery and Pressure Vessel Insurance

Insurance against the Corporation's liability arising from the ownership, use or occupation, by or on its behalf of boilers, machinery, pressure vessels and motor vehicles to the extent required as the Board may from time to time deem advisable.

7.2 General Provisions

- (a) The Corporation, its Board and its officers shall have the exclusive right, on behalf of itself and as agents for the Owners, to adjust any loss and settle any claims with respect to all insurance placed by the Corporation, and to give such releases as are required, and any claimant, including the Owner of a damaged

Unit, shall be bound by such adjustment. Provided, however, that the Board may in writing, authorize any Owner, in writing, to adjust any loss to his or her Unit.

- (b) Every mortgagee shall be deemed to have agreed to waive any right to have proceeds of any insurance applied on account of the mortgage where such application would prevent application of the insurance proceeds in satisfaction of an obligation to repair. This subparagraph 7.2(b) shall be read without prejudice to the right of any mortgagee to exercise the right of an Owner to vote or to consent if the mortgage itself contains a provision giving the mortgagee that right.
- (c) A certificate or memorandum of all insurance policies, and endorsements thereto, shall be issued as soon as possible to each Owner, and a duplicate original or certified copy of the policy to each mortgagee who has notified the Corporation of its interest in any Unit. Renewal certificates or certificates of new insurance policies shall be furnished to each Owner and to each mortgagee noted on the Record of the Corporation who have requested same. The master policy for any insurance coverage shall be kept by the Corporation in its offices, available for inspection by any Owner or mortgagee on reasonable notice to the Corporation.
- (d) No insured, other than the Corporation, shall be entitled to amend any policy or policies of insurance obtained and maintained by the Corporation. No insured shall be entitled to direct that the loss shall be payable in any manner other than as provided in the Declaration and the Act.
- (e) Where insurance proceeds are received by the Corporation or any other person rather than the Insurance Trustee, they shall be held in trust and applied for the same purposes as are specified otherwise in Article VIII.
- (f) Prior to obtaining any new policy or policies of insurance and at such other time as the Board may deem advisable and also upon the request of a mortgagee or mortgagees holding mortgages on fifty (50%) per cent or more of the Units and in any event, at least every three (3) years, the Board shall obtain an appraisal from an independent qualified appraiser of the full replacement cost of the assets for the purpose of determining the amount of insurance to be effected and the cost of such appraisal shall be a common expense.

### 7.3 By the Owner

- (a) It is acknowledged that the foregoing insurance is the only insurance required to be obtained and maintained by the Corporation and that the following insurance, must be obtained and maintained by each Owner at such Owner's own expense:
  - (i) Insurance on any improvements to a Unit to the extent same are not covered as part of the standard unit for the class of unit to which the Owner's Unit belongs by the insurance obtained and maintained by the Corporation and for furnishings, fixtures, equipment, decorating and personal property and chattels of the Owner contained within the Unit and the personal property and chattels stored elsewhere on the Property, including automobiles, and for loss of use and occupancy of the Unit in the event of damage. Every such policy of insurance shall contain waiver(s) of subrogation against the Corporation, its directors, officers, manager, agents, employees and servants, and against the other Owners except for any damage arising from arson, fraud, vehicle impact, vandalism or malicious mischief caused or contributed by any of the aforementioned parties.

- (ii) Public liability insurance covering any liability of any Owner or any tenant, invitee or licensee of such Owner, to the extent not covered by any public liability and property damage insurance obtained and maintained by the Corporation.
  - (iii) Insurance covering the deductible on the Corporation's master insurance policy for which an owner may be responsible.
- (b) Owners are recommended to obtain, although it is not mandatory, insurance covering:
- (i) business interruption if an Owner is unable to continue business as a result of one of the hazards protected against under the Corporation's policy;
  - (ii) special assessments levied by the Corporation and contingent insurance coverage in the event the Corporation's insurance is inadequate.

#### 7.4 Indemnity Insurance for Directors and Officers of the Corporation

The Corporation shall obtain and maintain insurance for the benefit of all of the directors and officers of the Corporation, if such insurance is reasonably available, in order to indemnify them against the matters described in the Act, including any liability, cost, charge or expense incurred by them in the execution of their respective duties (hereinafter collectively referred to as the "**Liabilities**"), provided however that such insurance shall not indemnify any of the directors or officers against any of the Liabilities respectively incurred by them as a result of a breach of their duty to act honestly and in good faith, or in contravention of the provisions of the Act.

### ARTICLE VIII

#### INSURANCE TRUSTEE AND PROCEEDS OF INSURANCE

- 8.1 The Corporation is authorized to enter into an agreement with an Insurance Trustee which shall be a Trust Company registered under the *Loan and Trust Corporations Act*, or shall be a Chartered Bank, which agreement shall, without limiting its generality, provide the following:
- (a) the receipt by the Insurance Trustee of any proceeds of insurance in excess of twenty-five (25%) percent of the replacement cost of the property covered by the insurance policy;
  - (b) the holding of such proceeds in trust for those entitled thereto pursuant to the provisions of the Act, this Declaration, and any amendments thereto;
  - (c) the disbursement of such proceeds in accordance with the provisions of the Insurance Trust Agreement; and
  - (d) the notification by the Insurance Trustee to the mortgagees of any insurance monies received by it.

If the Corporation is unable to enter into such agreement with such Trust Company or such Chartered Bank, by reason of its refusal to act, the Corporation may enter into such agreement with such other Corporation authorized to act as a Trustee, as the Owners may approve by By-law at a meeting called for that purpose. The Corporation shall pay the

fees and disbursements of any Insurance Trustee and any fees and disbursements shall constitute a common expense.

8.2 In the event that:

- (a) the Corporation is obligated to repair or replace the Common Elements, any Unit, or any asset insured in accordance with the provisions of the Act, the Insurance Trustee shall hold all proceeds for the Corporation and shall disburse same in accordance with the provisions of the Insurance Trust Agreement in order to satisfy the obligation of the Corporation to make such repairs;
- (b) there is no obligation by the Corporation to repair or replace, and if there is termination in accordance with the provisions of the Act, or otherwise, the Insurance Trustee shall hold all proceeds for the Owners in the proportion of their respective interests in the Common Elements and shall pay such proceeds to the Owners in such proportions upon registration of a notice of termination by the Corporation. Notwithstanding the foregoing, any proceeds payable as aforesaid shall be subject to payment in favour of any mortgagee or mortgagees to whom such loss is payable in any policy of insurance and in satisfaction of the amount due under a Certificate of Lien registered by the Corporation against such Unit, in accordance with the priorities thereof;
- (c) the Board, in accordance with the provisions of the Act, determines that:
  - (i) there has not been substantial damage to twenty-five (25%) per cent of the buildings; or
  - (ii) there has been substantial damage to twenty-five (25%) per cent of the buildings and within sixty (60) days thereafter the Owners who own eighty (80%) per cent of the Units do not vote for termination,

the Insurance Trustee shall hold all proceeds for the Corporation and Owners whose Units have been damaged as their respective interests may appear and shall disburse same in accordance with the provisions of this Declaration and the Insurance Trust Agreement in order to satisfy their respective obligations to make repairs pursuant to the provisions of this Declaration and the Act.

## ARTICLE IX

### DUTIES OF THE CORPORATION

9.1 In addition to any other duties or obligations of the Corporation set out elsewhere in this Declaration and/or specified in the By-Laws of the Corporation, the Corporation shall have the following duties, namely:

- (a) To not interfere with the supply of (and insofar as the requisite services are supplied from the Corporation's property, to cause) heat, hydro, water, gas and all other requisite utility services to be provided to the Property so that same are fully functional and operable during normal or customary hours of use.
- (b) To ensure that no actions or steps are taken by or on behalf of the Corporation or by any unit owner which would in any way prohibit, restrict, limit, hinder or interfere with the Declarant's access and egress over any portion of the Property so as to enable the Declarant to construct and complete the Condominium.
- (c) To ensure that no actions or steps are taken by or on behalf of the Corporation, or by any Owner or their respective tenants or invitees which would prohibit,

restrict, limit, hinder or interfere with the Declarant's ability to utilize portions of the Common Elements of this Condominium for its marketing/sale/construction programs in connection with any of the Condominium, as more particularly set out in the foregoing provisions of this Declaration.

- (d) To ensure that no actions or steps are taken by or on behalf of the Corporation, or by an Owner, or their respective tenants or invitees which would prohibit, limit or restrict the access to, egress from and/or use any easement enjoyed by the Condominium and/or their respective residents, tenants and invitees as more particularly set out in the foregoing provisions of this Declaration.
- (e) To enter into, abide by and comply with, the terms and provisions of any outstanding subdivision, condominium, site plan, development or similar agreements (as well enter into a formal assumption agreement with the Municipality or other Governmental Authorities relating thereto, if so required by the Municipality or other Governmental Authorities).
- (f) To take all reasonable steps to collect from each Owner his or her proportionate share of the common expenses and to maintain and enforce the Corporation's lien arising pursuant to the Act, against each Unit in respect of which the owner has defaulted in the payment of common expenses.
- (g) To grant, immediately after registration of this Declaration, if required, an easement in perpetuity in favour of utility suppliers or cable television operators, over, under, upon, across and through the Common Elements, for the purposes of facilitating the construction, installation, operation, maintenance and/or repair of utility or cable television lines or equipment (and all necessary appurtenances thereto), in order to facilitate the supply of utilities and/or cable television service to each of the units in the Condominium and if so requested by the grantees of such easements, to enter into (and abide by the terms and provisions of) an agreement with the utility and/or cable television suppliers pertaining to the provision of their services to the Condominium and for such purposes shall enact such by-laws or resolutions as may be required to sanction the foregoing.
- (h) To take all actions reasonably necessary as may be required to fulfil any of the Corporation's duties and obligations pursuant to this Declaration.

## ARTICLE X

### GENERAL MATTERS AND ADMINISTRATION

#### 10.1 Rights of Entry to the Unit

- (a) The Corporation or any insurer of the Property or any part thereof, their respective agents, or any other person authorized by the Board, shall be entitled to enter any Unit at all reasonable times and upon giving reasonable notice, to perform the objects and duties of the Corporation, and, without limiting the generality of the foregoing, for the purpose of making inspections, adjusting losses, making repairs, correcting any condition which violates the provisions of any insurance policy and remedying any condition which might result in damage to the Property or any part thereof or carrying out any duty imposed upon the Corporation.
- (b) In case of an emergency, an agent of the Corporation may enter a Unit at any time and this provision constitutes notice to enter the Unit in accordance with the Act for the purpose of repairing the Unit, Common Elements, or for the purpose of correcting any condition which might result in damage or loss to the Property.

The Corporation or anyone authorized by it may determine whether an emergency exists;

- (c) If an Owner shall not be personally present to grant entry to his Unit, the Corporation or its agents may enter upon such Unit without rendering it, or them, liable to any claim or cause of action for damages by reason thereof provided that they exercise reasonable care;
- (d) The rights and authority hereby reserved to the Corporation, its agents, or any insurer or its agents, do not impose any responsibility or liability whatever for the care or supervision of any Unit except as specifically provided in this Declaration or the By-laws.

#### 10.2 Invalidity

Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability in whole or in part of any one or more of such provisions shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

#### 10.3 Waiver

The failure to take action to enforce any provision contained in the Act, this Declaration, the By-laws or any other Rules and regulations of the Corporation, irrespective of the number of violations or breaches which may occur, shall not constitute a waiver of the right to do so thereafter, nor be deemed to abrogate or waive any such provision.

#### 10.4 Interpretation of Declaration

This Declaration shall be read with all changes of number and gender required by the context.

#### 10.5 Headings

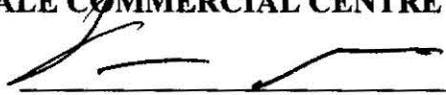
The headings in the body of this Declaration form no part of the Declaration but shall be deemed to be inserted for convenience of reference only.

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IN WITNESS WHEREOF the Declarant has hereunto affixed its corporate seal under the hands of its proper officer duly authorized in that behalf.

DATED at Toronto, this 28<sup>th</sup> day of January, 2010.

**REXDALE COMMERCIAL CENTRE LTD.**

Per:  c/s

Name: Sanford Minuk

Title: Authorized Signing Officer

I have authority to bind the Corporation

*M:\07\070691\Declaration for Registration\Master Declaration\Declaration January 28 2010.DOC*

## SCHEDULE "A"

28

**FIRSTLY**

In the City of Toronto, formerly the City of Etobicoke and Province of Ontario, being composed of All of Block 248, according to a Plan registered in the Land Titles Division of the Toronto Registry Office (No. 66) as Plan 66M-2258, hereinafter referred to as the "Condominium Lands".

**SUBJECT TO** an easement in favour of the City of Toronto, formerly the City of Etobicoke, over Part of Block 248 on said Plan 66M-2258, designated as PARTS 3, 4 and 5, according to a Plan deposited in the Land Titles Division of the Toronto Registry Office (No. 66) as Plan 66R-24159, for the purposes as set out in Instrument A537162.

**SUBJECT TO** an easement in favour of Toronto Hydro-Electric System Limited, over Part of Block 248 on said Plan 66M-2258, designated as PARTS 2 and 4, on said Plan 66R-24159, for the purposes as set out in Instrument AT2098048.

Being All of P.I.N. 07371-0352(LT).

**SECONDLY**

In the City of Toronto, formerly the City of Etobicoke and Province of Ontario, being composed of All of Block 255, according to a Plan registered in the Land Titles Division of the Toronto Registry Office (No. 66) as Plan 66M-2258, hereinafter referred to as the "Condominium Lands".

**SUBJECT TO** an easement in favour of the City of Toronto, formerly the City of Etobicoke, over the "Condominium Lands", for the purposes as set out in Instrument C740698.

**SUBJECT TO** an easement in favour of the City of Toronto, formerly the City of Etobicoke, over the "Condominium Lands", for the purposes as set out in Instrument A537162.

Being All of P.I.N. 07371-0609(LT).

**THIRDLY**

In the City of Toronto, formerly the City of Etobicoke and Province of Ontario, being composed of All of Block 256, according to a Plan registered in the Land Titles Division of the Toronto Registry Office (No. 66) as Plan 66M-2258, hereinafter referred to as the "Condominium Lands".

**SUBJECT TO** an easement in favour of the City of Toronto, formerly the City of Etobicoke, over the "Condominium Lands", for the purposes as set out in Instrument C740698.

**SUBJECT TO** an easement in favour of the City of Toronto, formerly the City of Etobicoke, over the "Condominium Lands", for the purposes as set out in Instrument A537162.

Being All of P.I.N. 07371-0610(LT).

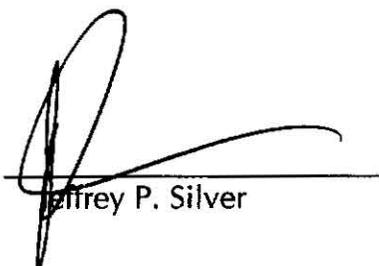
29 A-2

In our opinion, based on the parcel register or abstract index and the plans and documents recorded in them, the legal description set out above is correct, the easements hereinbefore described will exist in law upon registration of the declaration and description and the declarant is the registered owner of the aforementioned lands and appurtenant easements hereinbefore described.

Harris, Sheaffer, LLP.  
duly authorized representatives of  
**REXDALE COMMERCIAL CENTRE LTD.**

JAN 11/10  
Dated

Per:



Jeffrey P. Silver

## SCHEDULE "B"

30

## CONSENT

(under clause 7(2)(b) of the *Condominium Act, 1998*)

1. Morstar Investments Inc., has a registered mortgage within the meaning of clause 7(2)(b) of the *Condominium Act, 1998* registered as Instrument No. AT1542289 in the Land Registry Office for the Land Titles Division of Toronto (No. 66).
2. Morstar Investments Inc., consents to the registration of this declaration, pursuant to the Act, against the land or the interests appurtenant to the land, as the land and the interests are described in the description.
3. Morstar Investments Inc., postpones the mortgage and the interests under it to the declaration and the easements described in Schedule "A" to the Declaration.
4. Morstar Investments Inc., is entitled by law to grant this consent and postponement.

DATED this \_\_\_\_\_ day of January, 2009.

## MORSTAR INVESTMENTS INC.

Per: 

Name: J. Scott Bodie

Title: President

Per: 

Name: Dan Kanashiro

Title: Authorized Signing Officer

I/We have the authority to bind the Corporation.

## SCHEDULE "B"

## CONSENT

(under clause 7(2)(b) of the *Condominium Act, 1998*)

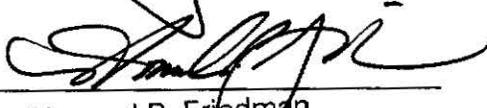
1. Travelers Guarantee Company of Canada has a registered mortgage within the meaning of clause 7(2)(b) of the *Condominium Act, 1998* registered as Instrument No. AT1817187 in the Land Registry Office for the Land Titles Division of Toronto (No. 66).
2. Travelers Guarantee Company of Canada consents to the registration of this declaration, pursuant to the Act, against the land or the interests appurtenant to the land, as the land and the interests are described in the description.
3. Travelers Guarantee Company of Canada postpones the mortgage and the interests under it to the declaration and the easements described in Schedule "A" to the Declaration.
4. Travelers Guarantee Company of Canada is entitled by law to grant this consent and postponement.

DATED this 11<sup>TH</sup> day of JANUARY, 2009.

Travelers Guarantee Company of Canada

Per: Name: **Brian Argue**

Title: Senior Underwriter

Per: 

Name: Howard P. Friedman

Title: National Vice President

I/We have the authority to bind the Corporation.

**SCHEDULE "C"**

Each Commercial Unit and Office Unit, shall comprise the area within the heavy lines shown on Part 1, Sheet 1 of the Description with respect to the unit numbers indicated thereon. The monuments controlling the extent of the units are the physical surfaces and planes referred to below and are illustrated on Part 1, Sheet 1 of the Description and all dimensions shall have reference to them.

Without limiting the generality of the foregoing, the boundaries of each unit are as follows:

**1. BOUNDARIES OF THE COMMERCIAL UNITS**

(being Units 1 to 37 inclusive on Level 1).

- a) Each Commercial Unit is bounded vertically by:
  - i) the upper surface and plane of the concrete floor slab and production.
  - ii) the lower surface and plane of the metal roof and production.
- b) Each Commercial Unit is bounded horizontally by one or a combination of the following:
  - i) the unit side surface and plane of the concrete/concrete block walls and production.
  - ii) the exterior surface and plane of the exterior doors and door frames, window and window frames, said doors and windows being in a closed position and the exterior surface of all glass panels contained therein.
  - iii) the backside surface and plane of the drywall sheathing separating the Unit from the Common Element.
  - iv) the vertical plane established by the centerline of the demising wall and production.

**2. BOUNDARIES OF THE OFFICE UNITS**

(being Units 1 to 7 inclusive on Level 2).

- a) Each Office Unit is bounded vertically by:
  - i) the upper surface and plane of the concrete floor slab and production.
  - ii) the lower surface and plane of the metal roof and production.
- b) Each Office Unit is bounded horizontally by one or a combination of the following:
  - i) the unit side surface and plane of the concrete/concrete block walls and production.
  - ii) the exterior surface and plane of the exterior doors and door frames, window and window frames, said doors and windows being in a closed position and the exterior surface of all glass panels contained therein.

- iii) the backside surface and plane of the drywall sheathing separating the Unit from the Common Element.

I hereby certify that the written description of the monuments and boundaries of the Units contained herein accurately corresponds with the diagrams of the Units shown on Part 1, Sheet 1 of the Description.

January 11, 2010  
Dated

  
\_\_\_\_\_  
Dario A. Miret,  
Ontario Land Surveyor

Reference should be made to the provisions of the Declaration itself, in order to determine the maintenance and repair responsibilities for any Unit and whether specific physical components (such as any wires, pipes, cables, conduits, equipment, fixtures, structural components and/or any other appurtenances) are included or excluded from the Unit, regardless of whether same are located within or beyond the boundaries established for such Unit.

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**SCHEDULE "D-1"**  
**TO THE DECLARATION OF REXDALE COMMERCIAL CENTRE LTD.**  
**PERCENTAGE CONTRIBUTION TO COMMON EXPENSES AND PERCENTAGE**  
**INTEREST IN COMMON ELEMENTS BY UNIT AND LEVEL NUMBER**

<u>UNIT NO.</u>	<u>LEVEL NO.</u>	<u>% INTEREST IN COMMON ELEMENTS</u>	<u>% CONTRIBUTION TO COMMON EXPENSES</u>
1	1	1.696	1.696
2	1	1.912	1.912
3	1	1.844	1.844
4	1	1.374	1.374
5	1	2.157	2.157
6	1	1.906	1.906
7	1	2.157	2.157
8	1	2.157	2.157
9	1	3.691	3.691
10	1	3.558	3.558
11	1	3.522	3.522
12	1	3.945	3.945
13	1	2.296	2.296
14	1	2.296	2.296
15	1	2.296	2.296
16	1	2.208	2.208
17	1	3.115	3.115
18	1	2.048	2.048
19	1	2.048	2.048
20	1	2.048	2.048
21	1	2.048	2.048
22	1	2.048	2.048
23	1	2.048	2.048
24	1	2.048	2.048
25	1	2.048	2.048
26	1	1.990	1.990
27	1	2.182	2.182
28	1	2.182	2.182
29	1	1.601	1.601
30	1	2.208	2.208
31	1	2.208	2.208
32	1	2.287	2.287
33	1	2.287	2.287
34	1	1.144	1.144
35	1	1.144	1.144
36	1	1.144	1.144
37	1	1.144	1.144
1	2	2.990	2.990
2	2	5.272	5.272
3	2	2.048	2.048
4	2	2.235	2.235
5	2	3.634	3.634
6	2	1.832	1.832
7	2	1.954	1.954
		<b>100.000</b>	<b>100.000</b>

6:09 PM18/12/2009

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B-09-12-18-A

**SCHEDULE "D-2"**  
**TO THE DECLARATION OF REXDALE COMMERCIAL CENTRE LTD.**  
**PERCENTAGE CONTRIBUTION TO COMMON EXPENSES**

UNIT NO.	LEVEL NO.	% CONTRIBUTION TO COMMON EXPENSES
1	1	0.000001
2	1	0.000001
3	1	0.000001
4	1	0.000001
5	1	0.000001
6	1	0.000001
7	1	0.000001
8	1	0.000001
9	1	0.000001
10	1	0.000001
11	1	0.000001
12	1	0.000001
13	1	0.000001
14	1	0.000001
15	1	0.000001
16	1	0.000001
17	1	0.000001
18	1	0.000001
19	1	0.000001
20	1	0.000001
21	1	0.000001
22	1	0.000001
23	1	0.000001
24	1	0.000001
25	1	0.000001
26	1	0.000001
27	1	0.000001
28	1	0.000001
29	1	0.000001
30	1	0.000001
31	1	0.000001
32	1	0.000001
33	1	0.000001
34	1	0.000001
35	1	0.000001
36	1	0.000001
37	1	0.000001
1	2	14.973995
2	2	26.401995
3	2	10.254995
4	2	11.191995
5	2	18.201995
6	2	9.173994
7	2	9.800994
		100.000000

## SCHEDULE "E"

36

## SPECIFICATION OF COMMON EXPENSES

Common Expenses, without limiting the definition ascribed thereto, shall include the following:

- (a) all sums of money paid or payable by the Corporation in connection with the performance of any of its objects, duties and powers whether such objects, duties and powers are imposed by the Act or this Declaration and By-laws of the Corporation or other law or by agreement;
- (b) all sums of money properly paid by the Corporation on account of any and all public and private suppliers to the Corporation of insurance coverage, utilities and services including, without limiting the generality of the foregoing, levies or charges payable on account of:
  - (i) insurance premiums;
  - (ii) water and sewage and electricity respecting Common Elements;
  - (iii) waste disposal and garbage collection for common elements only;
  - (iv) maintenance materials, tools and supplies;
  - (v) snow removal and landscaping;
  - (vi) fuel, including gas, oil and hydro electricity unless metered separately for a Unit;
  - (vii) expenses incurred with respect to the obligations of the Corporation, if any, set out in the Disclosure Statement affecting this Corporation;
- (c) all sums of money paid or payable by the Corporation pursuant to any management contract which may be entered into between the Corporation and a manager;
- (d) all sums of money required by the Corporation for the acquisition or retention of real property for the use and enjoyment of the property or for the acquisition, repair, maintenance or replacement of personal property for the use and enjoyment in or about the Common Elements;
- (e) all sums of money paid or payable by the Corporation to any and all persons, firms, or companies engaged or retained by the Corporation, its duly authorized agents, servants and employees for the purpose of performing any or all of the objects, duties and powers of the Corporation including, without limitation, legal, engineering, accounting, auditing, expert appraising, advising, maintenance, managerial, secretarial or other professional advice and service required by the Corporation;
- (f) the cost of furnishings and equipment for use in and about the Common Elements including the repair, maintenance or replacement thereof;
- (g) the cost of borrowing money for the carrying out of the objects, duties and powers of the Corporation;
- (h) the fees and disbursements of the Insurance Trustee, if any, and of obtaining insurance appraisals;
- (i) the cost of maintaining fidelity bonds as provided by By-law;
- (j) all sums required to be paid to the reserve or contingency fund as required by the Declaration or in accordance with the agreed upon annual budget of the Corporation;

**SCHEDULE "E-2"****SPECIFICATION OF COMMON EXPENSES**

The common expenses for all of the Office Units shall include all sums of money properly paid by the Corporation on account of the operation of the elevators serving the Office Units within the Condominium, including without limitation annual maintenance contracts, licensing etc.

**SCHEDULE "F"**

Subject to the provisions of the Declaration, the By-laws and Rules of the Corporation and the right of entry in favour of the Corporation thereto and thereon, for the purposes of facilitating any requisite maintenance and/or repair work, or to give access to the utility and service areas appurtenant thereto:

- a) the Owner(s) of each of the Commercial Units on Level 1, shall have the exclusive use of a sign band, as illustrated in heavy outline on Part 2, Sheet 1 of the Description, being numbered the same number as the Unit with the prefix letter 'S'.

## SCHEDULE "G"

**CERTIFICATE OF ARCHITECT OR ENGINEER  
(SCHEDULE G TO DECLARATION FOR A  
STANDARD OR LEASE HOLD CONDOMINIUM CORPORATION)**

(under clause 8(1)(e) of the *Condominium Act, 1998*)

Rexdale Commercial Centre Ltd. - 670 and 680 Rexdale Blvd., Toronto, Ontario

I certify that:

*[Strike out whichever is not applicable:]*

Each building on the property

OR

*(in the case of an amendment to the declaration creating a phase:*

~~Each building on the land included in the phase)~~

has been constructed in accordance with the regulations made under the *Condominium Act, 1998* with respect to the following matters:

*(Check whichever boxes are applicable)*

1.  The exterior building envelope, including roofing assembly, exterior wall cladding, doors and windows, caulking and sealants, is weather resistant if required by the construction documents and has been completed in general conformity with the construction documents.
2.  Except as otherwise specified in the regulations, floor assemblies are constructed to the sub-floor.
3.  Except as otherwise specified in the regulations, walls and ceilings of the common elements, excluding interior structural walls and columns in a unit, are completed to the drywall (including taping and sanding), plaster or other final covering.
4.  All underground garages have walls and floor assemblies in place.

OR

- There are no underground garages.
5.  All elevating devices as defined in the *Elevating Devices Act* are licensed under that Act if it requires a license, except for elevating devices contained wholly in a unit and designed for use only within the unit.

OR

- There are no elevating devices as defined in the *Elevating Devices Act* except for elevating devices contained wholly in a unit and designed for use only within the unit.
6.  All installations with respect to the provision of water and sewage services are in place.
7.  All installations with respect to the provision of heat and ventilation are in place and heat and ventilation can be provided.
8.  All installations with respect to the provision of air conditioning are in place.

40

OR

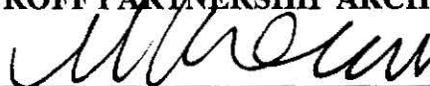
- There are no installations with respect to the provision of air conditioning.
- 9.  All installations with respect to the provision of electricity are in place.
- 10.  All indoor and outdoor swimming pools are roughed in to the extent that they are ready to receive finishes, equipment and accessories.

OR

- There are no indoor or outdoor swimming pools.
- 11.  Except as otherwise specified in the regulations, the boundaries of the units are completed to the drywall (not including taping and sanding), plaster or other final covering, and perimeter doors are in place.

DATED this 26<sup>th</sup> day of January, 2010.

**PETROFF PARTNERSHIP ARCHITECTS**



Name: Michaela Weiner  
Title: Architect

**SCHEDULE "F" – PARKING LOT POLICY**

The Tenant acknowledges and understands that the Premises and Building are part of a Condominium Corporation and are therefore subject to the Rules and Regulations of the Condominium Corporation with respect to parking, construction, and use of Building.

The Tenant acknowledges and agrees that in entering into the herein Lease, the Tenant agrees to be bound by the Condominium Documents, a copy of which was previously provided to the Tenant. The Tenant agrees to consult, familiarize itself and stay up-to-date with the Rules and Regulations of the Condominium Corporation with respect to parking.

Subject to the Condominium Documents, including the by-laws, declaration, rules and regulations of the Condominium Corporation, the Tenant and its employees, agents, customers and invitees shall have the non-exclusive right, appurtenant to the Premises, in common with all others from time to time entitled thereto, to park their passenger motor vehicles upon that portion of the Lands designated for vehicle parking and not exclusively reserved for the use of other tenants/occupants/guests of the Lands/Building. During the Term of the Lease, parking is on a first come, first served basis for tenants of the Building and their employees and visitors. The Tenant shall ensure visitor parking does not impede the day to day operation of other tenants of the Building.

The Tenant will not park or suffer or permit to be parked, any vehicles owned, leased or controlled by it or by any of its employees, agents or invitees or suffer or permit any loading or unloading of vehicles upon any portion of the Lands, except in areas designated for such purposes by the Condominium Corporation. The Condominium Corporation may, without notice and at any time and from time to time (i) designate parking, loading, and no parking areas; (ii) change or reduce designated parking, paid parking, loading and no parking areas; (iii) cause any parking or loading areas to be shared with other tenants; and (iv) use any parking or loading areas for any reasonable purpose required by the Condominium Corporation. From time to time and upon reasonable written notice to the Tenant, the Condominium Corporation may impose and vary from time to time rates or charges for the use designated parking areas, and the Landlord shall be entitled to pass on such charges to the Tenant. Whenever requested by the Landlord or Condominium Corporation, the Tenant shall furnish to the Landlord or Condominium Corporation with the current license plate numbers for all vehicles owned, leased or controlled by the Tenant and its employees, agent or invitees.

The Tenant will advise the Landlord upon or prior to the Commencement Date, and at such other times as the Landlord may require, as to the greatest number of employees and visitors reasonably expected on the Premises at any one time, so as to permit the Landlord to comply with all municipal and other parking bylaws and regulations in respect of the Building/Lands, including the Condominium Corporation's parking regulations, if any, as determined by it from time to time.

Initial	
Landlord	Tenant
	

CAN\_DMS: 11339019.11



**HENLEY SQUARE SHOPPING CENTRE INC.**

**LANDLORD**

**-and-**

**ONTARIO CANNABIS HOLDINGS CORP.**

**TENANT**

**RETAIL LEASE**

THIS LEASE is dated for reference the 18<sup>th</sup> day of March, 2020

**B E T W E E N :**

**HENLEY SQUARE SHOPPING CENTRE INC.**  
(hereinafter called the "Landlord")

THE PARTY OF THE FIRST PART

- and -

**ONTARIO CANNABIS HOLDINGS CORP.**  
(hereinafter called the "Tenant")

THE PARTY OF THE SECOND PART

WHEREAS the Landlord, as landlord, Hratch Abrahamian, as tenant, and the Tenant, as indemnifier entered into a lease of the Store dated October 1, 2019 (the "**Prior Lease**");

AND WHEREAS the commencement date of the Prior Lease was November 1, 2019 (the "**Prior Lease Commencement Date**");

AND WHEREAS in conjunction with the Prior Lease the Tenant, as indemnifier, entered into an Indemnity Agreement with the Landlord dated October 7, 2019 by which the Tenant agreed to guarantee the obligations of Hratch Abrahamian as tenant under the Prior Lease (the "**Indemnity Agreement**");

AND WHEREAS Hratch Abrahamian is now deceased, having died after the Prior Lease and Indemnity Agreement were entered into;

AND WHEREAS the Landlord terminated the Prior Lease by notice to the estate of Hratch Abrahamian, and the termination of the Prior Lease was effective on March 18, 2020 (the "**Prior Lease Termination Date**").

In consideration of the rents to be paid and the covenants contained in this leasing contract, Landlord leases the Store to Tenant and Tenant leases the Store from Landlord, upon substantially the same terms and conditions as contained in the Prior Lease, to have and to hold the Store during the Term, at the rent, subject to the conditions and limitations and in accordance with the covenants contained in this lease.

## **PART I**

### **DEFINED TERMS, APPENDICES AND SCHEDULES**

1.1 Certain words and phrases recurring throughout this lease have defined meanings as set out in Schedule 1. All appendices and schedules to this lease form part of this lease.

### **BASIC PRINCIPLES OF THE CONTRACT**

1.2 This is a lease as well as a business contract. The parties expect and intend that each will act in good faith and in a commercially reasonable manner in accordance with this lease in enjoying and performing the rights and obligations of each party as set forth in this lease. It is intended that this lease be an absolutely triple net lease for Landlord and that rent be received by Landlord free of any cost or obligation concerning the Store unless specified in this lease. Each provision of this agreement applicable to each party, although not expressed as a covenant, shall be construed to be a covenant of such party for all purposes.

## **PART 2**

### **OPENING AND USE OF STORE**

#### **POSSESSION, FIXTURING AND OPENING**

2.1 The Tenant shall have possession of the Store and shall have the right to operate its business in the Store from and after the Commencement Date.

#### **USE OF STORE**

2.2 Tenant agrees:

1. to pay Basic and Additional Rent from and after the Commencement Date.

2. that subject to section 2.2.1, the Store shall be occupied and used from and after the Commencement Date to the expiry of the Term and in compliance with the Operating Standards, solely for the use specified in Key Data item 5. No merchandise or service which is not ancillary to the use of the store as set out in this section and section 4,1, except that which is specifically authorized in this lease, to be offered for sale or use at the Store, shall be permitted to be displayed, sold or used. Notwithstanding anything to the contrary in this lease, Landlord acknowledges and agrees that, during that portion of the Term that the Alcohol and Gaming Commission of Ontario or any other governmental body 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 Store, the Tenant shall not be obligated to use, occupy, open for business or conduct its business from the Store, but will be responsible for all rent payments as defined in this lease. The Tenant agrees to use reasonable commercial efforts to diligently pursue, obtain and maintain all such licenses, permits or authorizations required by law to permit Tenant to sell recreational cannabis at retail from the Store.

3. to conduct such use in the whole of the Store and to operate only under the trade name specified in Key Data item 4.

#### **OPERATING STANDARDS**

2.3 Tenant shall comply with the Operating Standards. Landlord may, from time to time, make other rules and regulations to amend and supplement the Operating Standards, not inconsistent with the terms herein, and which relate to the operation, use, reputation, safety, care or cleanliness of the Project and the Store, the operation and maintenance of building and equipment, the use of Common Facilities and any other matters affecting the operation and use of the Project and conduct of business in the Store and which may differentiate between different types of businesses.

#### **SAFETY AND SECURITY**

2.3.1 Tenant acknowledges and agrees that it assumes sole responsibility for security at the Store for its agents, employees, invitees, licensees, contractors, guests and visitors and will provide such systems and personnel if so requested by the Landlord, based on negligence or willful misconduct on the part of Tenant, its agents, employees, invitees, licensees, contractors, guests and visitors. Landlord shall have absolutely no liability whatsoever with respect to the security of Tenants agents, employees, invitees or contractors or their respective personal property at the Store. Tenant acknowledges and agrees that Landlord does not intend to provide any security system or security personnel at the Store or Project, including, without limitation, in the Common Areas, provided, however, that nothing herein shall be deemed to prevent Tenant from providing such system or personnel in the future at the Store, the cost of which will be sole responsibility of the Tenant.

#### **ALTERATION TO STORE**

2.4 Tenant shall not make any future alteration, installation, repair, addition or improvement to the Store or make, construct, erect, alter or install any sign or Leasehold Improvements in or to the Store except with the prior written approval of Landlord, not to be unreasonably withheld or delayed, and in accordance with the procedures and provisions set out in this lease and the Construction Schedule.

**LIENS**

2.5 Tenant shall at its own expense immediately take steps to discharge or vacate all construction, mechanics or other liens or executions that may be filed during the Term against this lease, the Store or the Project with respect to any work or services performed or goods or material furnished at the request of or for or on behalf of Tenant.

**TRANSFER OF STORE WITHOUT CONSENT**

2.6 1. Notwithstanding anything to the contrary in this lease, the Tenant shall have the right to assign, sublet, transfer in whole or in part this lease, or otherwise part with possession of all or any part of the Store, 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, without the requirement to obtain the prior written consent of the Landlord (and Section 2.6.2 to 2.6.4 shall not apply), 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, other than in the case of a Change of Control, shall carry on in the Store only the use permitted by this 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 this lease.

**TRANSFER OF STORE WITH CONSENT**

2.7 1. Except as otherwise provided above, the Tenant shall not assign the Lease, sublet all or part of the Store or effect a Change in 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 Store for a purpose other than as stipulated in Section 4.1, the Landlord agrees to act reasonably in considering the Tenant's request for consent

2. In considering whether to grant or withhold its consent to any Transfer it shall be deemed reasonable for Landlord to take into account and to base its decision upon:

(a) whether the proposed transferee has agreed with Landlord in writing and on Landlord's form to assume and perform each of the covenants, obligations and agreements of Tenant in this lease, and

(b) whether such Transfer will result in a replacement tenant who is suitable to Landlord on the basis of the proposed transferee's business and personal characteristics including its financial capability, and its business history, experience, responsibility and standing and ability to operate the business required to be operated under this lease.

The determination of whether the foregoing requirements and criteria have been satisfied for any proposed transfer shall be made by Landlord in accordance with this section 2.6 within a reasonable time, but not less than 10 days from receipt of Tenant's request and particulars.

3. No Transfer or other disposition by Tenant of this lease or of any interest under this lease shall release Tenant from the performance of any of its covenants under this lease and Tenant shall continue to be bound by this lease. If this lease is disclaimed or terminated by any trustee in bankruptcy of any transferee of this lease, the original Tenant named in this lease, upon notice from Landlord given within 60 days of such disclaimer or termination shall enter into a lease with Landlord upon the same terms and conditions as contained herein except for the duration of the term which shall expire on the date this lease would have expired save for such disclaimer or termination.

4. In the event of an assignment of this lease, the Tenant shall pay the Landlord the sum of \$1,250.00 + HST for preparing the assignment agreement. In the event of any Transfer whatsoever (including but not limited to a Change in Control or transfer to Permitted Transferee), there shall be no increase or acceleration of Basic Rent of any kind.

**PART 3****RENT****BASIC RENT**

3.1 From and after the Commencement Date, subject to section 2.1, Tenant shall pay to Landlord an annual rent calculated at the rate specified in key data item 9. Basic Rent so calculated shall be payable by equal monthly instalments in advance on the first day of each month, and if the Commencement Date is not the first day of a month then the first instalment of the Basic Rent shall be payable on the Commencement Date for the broken portion of the month at the beginning of the Term and shall be calculated at a per diem rate of 1/365th the annual Basic Rent.

**ADDITIONAL RENT**

3.2 From and after the Commencement Date, or such earlier or later date specified in this lease, subject to section 2.1, Tenant shall pay to Landlord, or to others if any sums are required by the terms of this lease to be paid to anyone other than Landlord, further annual rent for the Store equal to the aggregate of the following amounts:

1. Tenant's Share of Tenant's Service Cost and Operating Cost (as defined in Schedule 1).
2. The cost of refuse and waste collection, removal, disposal or recycling for the Tenant.
3. Tenant's Share of Realty Tax allocated to the Common Facilities pursuant to Part 5 of this lease.
4. Realty Tax imposed upon or in respect of the Store and Realty Tax allocated to the Store under Part 5 of this lease other than the Tenant's Share of any Realty Tax for the Common Facilities if paid by Tenant under section 3.2.4.
5. All amounts payable by Tenant pursuant to the Construction Schedule.
6. [Intentionally deleted]
7. An Administrative fee equal to 15% of the total amounts payable by tenant under section 3.2. 1-6 (ABOVE).

Gas and hydro servicing the store shall be separately metered. If water consumption values in the Project substantially increase, the Landlord may request that the Tenant install a sub meter for the Store at the Tenant's expense. All charges for heat, gas, electricity or any other Utility metered separately and consumed in the Store shall be paid for by the Tenant directly to the Utility company and shall not form part of Additional Rent.

**PAYMENT OF ADDITIONAL RENT**

3.3 The amount of Additional Rent which Tenant is to pay may be estimated by Landlord for such period, not in excess of 12 months, as Landlord may determine. Tenant agrees to pay to Landlord such amount in monthly instalments by Electronic Funds Transfer in advance during such period on the dates and at the times for payment of Basic Rent provided for in this lease. Tenant agrees to deliver to Landlord at the time amounts conforming with the monthly Basic Rent payments, plus any Additional Rent payments estimated by Landlord in advance. Within four (4) months after the end of each Fiscal Period (or such longer period reasonable in circumstances), Landlord shall finally determine for such Fiscal Period the actual amounts constituting Additional Rent, and the difference between such final determination and the estimated amounts previously billed to Tenant in instalments. Landlord shall provide Tenant with the final determination of such Additional Rent, which shall be accompanied by a statement of such charges verified to be correct by Landlord. Upon request by Tenant no more than once per year, Tenant may request a meeting at Landlord's head office to review reasonable back-up documentation as may be required to verify and substantiate the said determination. If the aggregate of Tenant's instalments for such Fiscal Period was less or more than the final determination, then The Tenant shall pay to the Landlord any shortfall or Landlord shall pay or credit to Tenant any excess, as the case may be, within thirty (30) days of determination. Tenant may not claim any re-adjustment of such charges based upon any error of calculation or allocation except by notice delivered to Landlord no later than three (3) months after the date of delivery of Landlord Statement.

**TENANT TO PAY RENT**

3.4 Tenant covenants to pay rent without any deduction, abatement or set off except as specified in this lease. All rent in arrears shall bear interest at the Interest Rate from the date on which the same became due until the date of payment. In the event of the occurrence of any injury to the Project or the Store which renders the Store unusable in whole or in part, then Basic Rent and Additional Rent shall abate proportionally on account of such unusable area. Except as otherwise expressly provided in the preceding sentence or by reason of a decision by Landlord or Tenant to terminate this lease pursuant to section 7.1, damage to or destruction of all or any portion of the Store or the Project shall not terminate this lease nor entitle Tenant to surrender the Store, nor in any way affect Tenant's obligation to pay rent.

**EXCLUSIVITY**

3.5 From the acceptance date of the Offer to Lease dated August 1, 2019 upon which this lease is based and throughout the Term, including any renewals and extensions, Landlord shall not lease or permit to be leased, assigned, or subleased to any person whose principal business includes the retail sale of cannabis within any property Landlord has an interest in or control of that is within a radius of 300 meters from the Store. Landlord further shall not permit or consent to the use or operation of any other business whose principal business includes the retail sale of cannabis and/or any retail sale of cannabis within any property Landlord has an interest in or control of that is within a radius of 300 meters from the Store. The foregoing covenant is intended to run with the land for the duration of the Term of this lease, including any renewals and extensions.

**PAYMENTS**

3.6 All rent shall be paid by Tenant to the Landlord as Landlord may designate in writing from time to time, without any prior demand therefor unless otherwise expressly provided in this lease. In the event of a legal dispute between the parties resulting from a default by Tenant under this lease, the Tenant will be responsible for the Landlord's reasonable legal fees.

**PREPAID RENT AND SECURITY DEPOSIT**

3.7 The Landlord acknowledges that the Tenant has paid and the Landlord has received and holds:

- (a) the sum set out in Key Data Item 11 (the "Prepaid Rent") which sum is to be held by the Landlord without liability for interest and to be applied on account of the first full month's Basic Rent, Additional Rent and applicable sales tax first falling due and payable under this Lease; and
- (b) the sum set out in Key Data Item 14 (the "Security Deposit") which sum is to be held by the Landlord as a security deposit. If the Tenant is not then in default, the Security Deposit or

balance thereof, if any, shall be returned to the Tenant after they move out and the Landlord has inspected the unit.

#### **PART 4**

##### **USE**

4.1 The Store shall be used and occupied by the Tenant to operate a cannabis retail store, that provides cannabis and related accessories that are permitted by all applicable governmental, regulatory or other approving authorities in conformance with the laws of the Province of Ontario , or any other use consented to by the Landlord acting reasonably. The Tenant may operate on such days and such times as it may choose and Tenant shall provide prior written notice to the Landlord detailing the hours of operation.

**PART 5****TAXES****BUSINESS TAXES**

5.1 If applicable, Tenant shall pay to the taxing authority having jurisdiction on or before the date when the same or the instalments for the same shall become due and payable, all Business Taxes in respect of any and every business conducted at, in, upon, through or from the Store during the Term by Tenant or any other person.

**ALLOCATION OF REALTY TAX TO STORE**

5.2 There may be more than one Realty Tax for the Project, each such Realty Tax being separately assessed, charged or imposed upon or in respect of the Project. Subject to section 5.3 and the last paragraph of this section, 5.2, each Realty Tax for the Project shall be allocated so that:

1. if there is a separate assessment or charge (or in lieu thereof, any information available to Landlord from which a separate assessment or charge may be determined by Landlord) for the Store, such Realty Tax for the Project shall be allocated to the Store on the basis of such separate assessment or charge; and

2. if there is no separate assessment, such Realty Tax for the Project shall be apportioned by Landlord so that Tenant's Tax Share shall be allocated to the Store, after deducting therefrom the portions of such Realty Tax allocated by Landlord to Common Facilities, acting reasonably and equitably.

If the Project is assessed or charged any amount which can reasonably be determined as attributable to the Leasehold Improvements, Tenant shall pay the amount by which any Realty Tax is increased by reason of such assessment or charge. If the Store is assessed or charged in whole or in part for the support of separate schools, Tenant shall also pay the amount by which any Realty tax assessed or charged exceeds that which would have been payable to the support of public schools.

**ALLOCATION OF REALTY TAX TO COMMON FACILITIES**

5.3 Landlord may allocate to the Common Facilities a portion of any Realty Tax for the Project and such allocated portion may include, without limitation, any amount of such Realty tax related to assessments for portions of the Common Facilities identified in the assessments of Retail Premises. Prior to calculating Tenant's Share of any realty tax allocated to the Common Facilities, Landlord shall deduct, contributions to such allocated portion of such Realty Tax receivable by Landlord in respect of those parts of other rentable premises in the Project which have been excluded in the calculation of Tenant's Share.

**OTHER TAXES**

5.4 Tenant shall pay upon demand, any goods and services tax, sales, business transfer, multi-stage sales, use, consumption, value-added or other similar taxes imposed by the government of Canada, or by any provincial or local government, upon Landlord or Tenant on or in respect of this lease, the payments made by Tenant hereunder or the goods and services provided by Landlord including but not limited to the rental of the Store and provision of administrative services to Tenant or to others. Landlord shall, upon the request and at the cost of Tenant, prepare and execute such forms as may be necessary to establish the amount that Tenant has paid to Landlord under this section.

**PART 6****OPERATION OF PROJECT****SHOPPING PLAZA**

6.1 The Project shall at all times be under the exclusive control and management of the Landlord. The Landlord shall operate, maintain and administer the Project in a first class manner and as would a prudent Landlord of a similar building, having regard to size, age and location.

**LANDLORD'S ALTERATIONS**

6.2 Landlord may from time to time alter, expand, improve, diminish, maintain, operate, renovate, re-merchandise and supervise the Project including the Common Facilities, and may change the area, location and arrangement thereof and do and perform such other acts and things with respect thereto as Landlord determines to be advisable. Landlord may also from time to time alter or expand the building in which the Store is contained, alter or construct other buildings or improvements in or about the Project and build adjoining to same and make additions or subtractions. Notwithstanding the foregoing, the Landlord may not unreasonably interfere with the Tenant's business, access to or use and enjoyment of the Store, or change or alter any part of the Store. Tenant acknowledges that the depiction of the Project on Schedule 5 does not constitute a representation, covenant or warranty of any kind by Landlord and Landlord reserves the right to change the size and dimensions of the building, the number and location of building, the size, location and layout of Common Facilities including parking areas and to change the Store dimensions, identity, type and tenancy.

**USE OF COMMON FACILITIES**

6.3 During the Retail Hours, Tenant shall have a non-exclusive right to use, in compliance with the Operation Standards and in common with all other persons entitled thereto, the part of the Common Facilities appropriate, intended and designated from time to time by Landlord for such use. Landlord has no obligation to open the parking areas or permit customer access to the Project at any time other than during the Retail Hours. Tenant's right of use shall not extend to parts of the Common Facilities from time to time allocated by Landlord for other uses, whether temporary or permanent, nor to parts inappropriate for such use, such as roofs, service rooms and structures. Landlord shall also be entitled to use or permit the use of any part of the Common Facilities for displays, special features and promotional, merchandising, entertainment and other activities if such uses do not result in any material adverse interference with access to the Store. Landlord shall have the right, from time to time, at its discretion acting reasonably, to allocate and designate the parking spaces available to Tenant and its employees.

**PUBLIC POLICIES**

6.4 Landlord shall be deemed to have observed and performed the terms and conditions to be performed by Landlord under this lease, including those relating to the provision of Utilities, if in so doing it acts in accordance with a directive, policy or request of a governmental or quasi-governmental authority acting in the fields of energy, conservation, waste management and disposal, security or other area of public interest.

**PART 7****REPAIRS AND MAINTENANCE****MAJOR DAMAGE**

7.1 If 50% or more of the Gross Leasable Area of rentable premises in the Project is destroyed or damaged by any cause so as not to be capable of being used for its intended purposes and Landlord elects, by written notice to Tenant given within 120 days after the occurrence of such destruction or damage, not to repair, then within 120 days after such notice is given (notwithstanding that the Store may be unaffected) either Landlord or Tenant may terminate this lease upon not less than 30 days nor more than 60 days written notice to the other. Except as provided in this section 7.1 and subject to section 3.4, destruction or damage to the Store or the Project by any cause shall not frustrate or terminate this lease nor affect the covenants under this lease.

If less than 50% of the Gross Leaseable Area of rentable premises in the Project is destroyed or damaged, the Landlord will proceed to rebuild/repair the Project with all diligence.

During any time when the Store shall be rendered wholly or partially unusable or inaccessible by the occurrence of damage or destruction, the Rent provided for herein shall abate, either in whole or in proportion to the portion of the Store rendered unusable, as applicable.

**LANDLORD REPAIRS**

7.2 Landlord shall, in the same manner and to the same extent as would a prudent owner of the Project, keep the common facilities clean and in good repair, order and condition, all in a first class manner.

**TENANT REPAIRS**

7.3 Tenant is responsible to keep and maintain the Store in first class appearance and in good repair, order and condition and in a clean and tidy state at all times to the same extent as would a prudent owner. Landlord may supervise major repairs to the Store; however, Landlord shall be responsible for repairs/maintenance of any structural elements. Tenant shall promptly notify Landlord of any defect or deficiency in, malfunction of, or damage to, the Store or any equipment or Utilities therein of which Tenant becomes aware at any time during the Term.

**STORE HVAC**

7.4 Tenant is responsible to regulate and operate all HVAC Facilities exclusively serving the Store in order to maintain reasonable conditions of temperature and humidity within the Store and to avoid appropriation of HVAC from the Common Facilities. Landlord may enter the Store three times a year with 24 hours prior notice, during normal business hours, in order to inspect, control or regulate the operation of any HVAC Facilities. Landlord may, upon written notice to Tenant and until further written notice, elect to perform on Tenant's behalf Tenant's obligations to regulate and operate the HVAC Facilities exclusively serving the Store, and the costs incurred by Landlord in so doing shall form part of Tenant's Service Cost. The Landlord shall be responsible to repair, renovate, replace, alter or maintain any HVAC Facilities at its cost.

**COMPLIANCE WITH CODES**

7.5 Provided the Store presently complies, the Tenant is responsible at all times to comply with and to keep the Store in accordance with the requirements of all applicable laws, directions, rules, regulations or codes of every governmental authority having jurisdiction and of any insurer by which Landlord or Tenant is insured and affecting the operation, condition, maintenance, use or occupation of the Store or the making of any repair or alteration, and Tenant shall not allow or cause any act or omission to occur in or about the Store which may result in an illegal use or causes any breach of or non-compliance with such laws, directions, rules, regulations and codes.

**ENTRY BY LANDLORD**

7.6 Landlord and those authorized on its behalf shall on reasonable written notice, being no less than 48 hours, be entitled to enter the Store at such agreed upon times, both parties acting reasonably, for the purpose of making any repair required or permitted to be made by Landlord, for the purpose of making any repair which Tenant fails to make when required, for the purpose of calculating the area of the Store and obtaining information for plans and for any other purpose permitted or contemplated by this lease. Landlord, in entering the Store or doing any work in the Store, shall provide the Tenant advance written notice and minimize interference with the conduct of the business of Tenant.

**MAINTENANCE OF SERVICES**

7.7 Landlord shall have the right to use and the responsibility to install, maintain, repair and replace conduits, columns and pipes, wires, ducts and other installations in, under or through the Store and the walls, ceilings and floors of the Store for or in connection with the supply of any services, support or Utilities to the Store or to any part of the Project and the right to do such work in the Store as may be necessary in connection with the foregoing right or to preserve or protect the Store or the Project and for such purposes shall be entitled to enter or authorize any other person to enter the Store. All such work shall be carried out so as to minimize interference with the conduct of the Tenant's business and use and enjoyment of the Store.

**SIGNAGE**

7.8 Throughout the Term, the Tenant shall have the right to install signage at the Store, subject to the Landlord's approval and in accordance with applicable municipal by laws.

**PART 8****INSURANCE****LANDLORD'S INSURANCE**

8.1 Specifically excluding any property or liability with respect to which Tenant and other tenants are obliged to insure pursuant to section 8.2 or similar sections of their respective leases, Landlord shall, at all times throughout the term, carry:

(a) public liability and property damage insurance with respect to Landlord's operations in the Project in such reasonable amounts and with such reasonable deductions as would be carried by a prudent owner of a

reasonably similar shopping plaza, having regard to size, age and location; and

- (b) such other form or forms of insurance as Landlord or the mortgagee reasonably considers advisable.

Notwithstanding Landlord's covenant contained in this section 8.1 and notwithstanding any contribution by Tenant to the cost of insurance premiums provided herein, Tenant agrees that: (i) Tenant is not relieved of any liability arising from or contributed to by its acts, fault, negligence or omissions, and (ii) no insurable interest is conferred on Tenant under any policies of insurance carried by Landlord, and Tenant has no right to receive any proceeds of any such insurance policies carried by Landlord.

## **TENANT'S INSURANCE**

8.2 Tenant shall take out and maintain:

1. Commercial general liability insurance against personal and bodily injury, including death, and property damage, with respect to Tenant's business and the Store and the use and occupancy thereof, on an occurrence basis to such limits as Landlord, acting reasonably, requires from time to time, but not less than \$5,000,000.00 for any one occurrence.

2. Insurance with coverage against the perils of fire and standard extended coverage endorsement perils against water damage however caused and against loss by such other insurable hazards as prudent tenants would insure fully covering the Store (including all Leasehold Improvement), all Tenant Property and any other property owned by Tenant or for which it is legally liable and which is located within the Project.

3. Business interruption insurance.

4. Such other forms of insurance, including boiler and machinery insurance, as Tenant or Landlord or any mortgagee of the Project, acting reasonably, requires from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure.

Insurance to be effected by Tenant shall be in amounts and upon terms which Landlord shall from time to time acting reasonably, determine to be sufficient. Such insurance shall provide that the insurer shall endeavour to notify Landlord immediately in writing of any threatened cancellation. Such insurance shall include Landlord as an additional insured and contain cross-liability and severability of interest provisions, as applicable. Insurance under section 8.2.2 shall be on a full replacement cost basis without deduction for depreciation and for amounts sufficient to prevent Tenant from being a co-insurer and shall be subject only to deductibles and exclusions as Landlord, acting reasonably, may approve. Tenant shall provide Landlord with certificates or other proofs to establish Tenant's insurance coverage in effect from time to time. If Tenant fails to insure, to file proof thereof, or if Landlord receives notice of any cancellation of Tenant's insurance, Landlord may, upon not less than 48 hours' written notice to Tenant, effect such insurance and Tenant shall pay to Landlord on demand the amount of any premiums paid therefor.

**MUTUAL RELEASE**

8.3 1. Subject to sections 8.3.2 and 8.3.3, each of Landlord and Tenant hereby releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, unless such claims arise as a result of the negligence or wilful misconduct of the other or those for whom it is in law responsible.

2. Such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party and proceeds which would have been received if the releasing party obtained all insurance required to be obtained by it under this lease and for this purpose deductible amounts shall be deemed to be proceeds of insurance received.

3. Notwithstanding anything to the contrary in this section, 8.3, Landlord and Tenant shall each be liable to any third person (being any person other than Landlord or Tenant) to the extent of their respective fault or negligence and each shall be entitled to full indemnity and contribution from the other to the extent of the other's fault or negligence.

4. For the purposes of this section 8.3 only, Landlord shall include the Manager.

**MUTUAL INDEMNITY**

8.4 To the extent not released under section 8.3, each party shall indemnify and save harmless the other from all liabilities, damages, losses or expenses growing out of:

1. any breach by the indemnifying party of any covenant or condition in this lease,
2. any contract, lien or mortgage on the Project of the Store and any loss, cost or expense arising from or occasioned by the act, default or negligence of the indemnifying party, its Storers, agents, servants, employees, contractors, customers, invitees or licensees, and,
3. any obligation of the indemnifying party arising or outstanding upon the expiration or earlier termination of this lease.

Such indemnity shall survive the termination of this lease, anything in this lease to the contrary notwithstanding.

**INCREASE IN INSURANCE PREMIUMS**

8.5 Tenant shall not do or refrain from doing, nor permit anything to be done in the Store or at any other place in the Project which would impair or invalidate any policy of insurance on the Store or the Project or any part thereof or which would result in the premium for any such policy being increased. If Tenant is responsible for any such impairment, invalidation or increase, it will promptly, after the receipt of notice from Landlord together with reasonable evidence specifying the condition giving rise to such situation, take such steps as are necessary to remedy the situation and shall pay the full amount of any such increase. In the event of the cancellation or a threatened cancellation of any such policy, Landlord shall have the right to immediately enter upon the Store and take reasonable steps to remedy the situation and recover the cost thereof from Tenant. Notwithstanding the foregoing, Landlord shall inform Tenant of the acts or omissions which may result in such an impairment, invalidation, or increase, and Tenant shall not be responsible for any impairment, invalidation, or increase which to the best of its knowledge was not in violation of a policy of insurance on the Store, the Project, or any part thereof.

**CANCELLATION OF INSURANCE**

8.6 If the situation causing or threatening cancellation of insurance referred to in section 8.5 cannot be remedied in time to prevent the non-renewal or cancellation of insurance then Landlord shall be entitled to terminate this lease effective upon written notice unless Tenant arranges replacement coverage which is satisfactory to Landlord, acting reasonably.

**PART 9****DEFAULTS****LANDLORD MAY PERFORM TENANT'S COVENANTS**

9.1 If Tenant is in default under this lease (other than under its covenant to pay rent), and such default continues for 10 days or such longer period as may be reasonably required in the circumstances to cure such default after notice by Landlord to Tenant specifying reasonable details of the default and requiring it to be remedied, or without notice in an emergency, Landlord may remedy such default, without prejudice to or limitation of any other right or remedy it may have with respect to such default. The cost to Landlord of doing so together with interest thereon at the Interest Rate from the date of default shall be added to the rent due on the next succeeding date on which Basic Rent is payable and such amount shall thereupon become due and payable as rent in addition to the regular payment of Basic Rent then due.

**RE-ENTRY**

9.2 It is a condition of leasing the Store to Tenant that when:

1. Tenant is in default in the payment of any rent, and such default continues for a period of 5 days after receiving written notice from Landlord,

2. Tenant is in default under this lease (other than under its covenant to pay rent) and such default continues for 10 days or such longer period as may be reasonably required in the circumstances to cure such default after receiving written notice by Landlord to Tenant specifying reasonable details of the default and requiring it to be remedied,

3. An execution issues against any property of Tenant and remains outstanding for more than 10 days, or any receiver of any property of Tenant is appointed, or Tenant or any guarantor of this lease makes an assignment for the benefit of creditors or makes any assignment or has a receiving order made against it under the Bankruptcy Act, or, becoming bankrupt or insolvent, makes application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or any action whatever, legislative or otherwise, is taken with a view to the winding up, dissolution or liquidation of Tenant or any guarantor of this lease,

4. Any insurance policy is cancelled or not renewed by an insurer by reason of the use or occupation of the Store,

5. Tenant makes any bulk sale or removes any substantial part of Tenant Property from the Store other than in the course of normal sales to customers or pursuant to a permitted Transfer or when the same are no longer required for the conduct of Tenant's business and other Tenant Property of equal or greater value and utility is contemporaneously substituted therefor,

6. Tenant or any person acting on behalf of Tenant submits any report or statement required to be furnished to Landlord under this lease which, for any reason other than inadvertent clerical error, is false or misleading, or,

7. Re-entry is permitted under any other provision of the lease or in law,

then and in any such event the then current month's rent together with the rent for the 3 months next ensuing shall immediately become due and payable, and at the option of Landlord the Term shall become forfeited and void, and Landlord may without notice or any form of legal process whatsoever forthwith re-enter the Store, anything contained in any statute or law to the contrary notwithstanding, and may expel all persons and remove all property from the Store and such property may be removed and sold or disposed of by Landlord as it deems advisable or may be Stored in a public warehouse or elsewhere at the cost and for the account of Tenant without Landlord being considered guilty of trespass or conversion or becoming liable for any loss or damage which may be occasioned thereby, provided, however, that such forfeiture shall be wholly without prejudice to the right of Landlord to recover arrears of rent and damages for any antecedent default by Tenant of its covenants under this lease. Should Landlord at any time terminate this lease by reason of any such event, then, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur as a result of such termination.

### **REMEDIES GENERALLY**

9.3 Mention in this lease of any particular right, remedy or remedies of Landlord in respect of any default by Tenant shall not preclude Landlord from, and Landlord shall have, any and all other rights and remedies in respect thereof, whether available at law or in equity or by statute expressly provided for herein. No right or remedy shall be exclusive or dependent upon any other right or remedy, but Landlord may from time to time exercise any one or more of such rights and remedies generally or in combination, all such rights and remedies being cumulative and not alternatives.

## **PART 10**

### **STANDARD PROVISIONS**

#### **COVENANTS OF LANDLORD**

10.1 Landlord covenants with Tenant for quiet enjoyment, and that Landlord shall perform and observe all covenants in this lease required to be performed and observed by it. If Landlord is in default, Tenant shall not have or exercise any right or remedy with respect thereto unless such default continues for 10 days or such longer period as may be reasonably required in the circumstances to cure such default after notice by Tenant to Landlord specifying reasonable details of the default and requiring it to be remedied.

#### **COVENANTS OF TENANT**

10.2 Tenant covenants to perform and observe all covenants in this lease required to be performed and observed by it.

**SURRENDER OF STORE**

10.3 At the end of the Term, Tenant shall surrender the Store and all Leasehold Improvements not permitted to be removed, to Landlord, all in good and substantial repair and condition, subject to normal wear and tear, in accordance with this lease. If at the expiration of the Term by elapse of time Tenant shall hold over for any reason, the tenancy of Tenant thereafter shall be from month to month at a monthly rental equal to the monthly amount of all rent payable immediately prior to the expiration of the Term and shall otherwise be subject to all covenants provided for in this lease except as to duration of the Term.

**REMOVAL OF FIXTURES**

10.4 Unless requested to do so by Landlord, Tenant shall not remove any Leasehold Improvements whether at the expiration or sooner termination of the Term. If so requested by Landlord, Tenant shall remove such Leasehold Improvements and Tenant Property as are designated by Landlord not later than the expiration or sooner termination of the Term. If not in default, Tenant may, on the expiration or sooner termination of the Term, remove from the Store all Tenant Property. Tenant shall repair any damage to the Store and the Project which may be caused by installation or removal of Tenant Property or Leasehold Improvements and shall leave the Store in a neat and tidy condition. On the expiration or thirty days prior to termination sooner of the Term, all Tenant Property, and all fixtures, furnishings or equipment affixed on any manner to the Store not so removed shall be deemed to have become the property of Landlord.

**EFFECT OF TERMINATION**

10.5 The expiry or termination of this lease whether by elapse of time or by the exercise of any right of either Landlord or Tenant pursuant to this lease shall be without prejudice to the right of Landlord to recover arrears of rent and the right of each party to recover damages for an antecedent default by the other.

**CONDITION OF PREMISES**

10.6 Without limiting the scope of Landlord's Work, the Landlord represents and warrants to the Tenant, and acknowledges that the Tenant is relying on such representation and warranty, that as of the Commencement Date, and to the best of their knowledge that the mechanical, electrical, plumbing, and HVAC equipment and facilities are in good working order, the roof is in good condition and watertight and the Project and the Store comply in all material respects with all applicable laws.

**PART 11****LANDLORD'S TITLE****TRANSFERS**

11.1 Landlord, at any time and from time to time, may sell, transfer, lease, assign or otherwise dispose of the whole or any part of its interest in the Project or in the Store and, at any time and from time to time, may enter into any mortgage of the whole or any part of its interest in the Project or in the Store. If the party acquiring such interest agrees to assume, and so long as it holds such interest, to perform the covenants of Landlord under this lease, Landlord shall thereupon be released from all of its covenants under this lease.

**MORTGAGES**

11.2 If at any time during the currency of a mortgage of the interest of Landlord in the Store or Project, notice of which has been given to Tenant, Landlord shall be in default under this lease and such default would give rise to a right in Tenant to terminate this lease, Tenant, before becoming entitled as against the holder of such mortgage to exercise any right to terminate this lease, shall give to such mortgagee notice in writing of such default. Such mortgagee shall have 60 days after the giving of such notice, or such longer period as may be reasonable in the circumstances, within which to remedy such default, and if such default is remedied within such time Tenant shall not by reason thereof terminate this lease. The rights and privileges granted to any such mortgagee by virtue of this section shall not be deemed to alter, affect or prejudice any of the rights or remedies available to Tenant as

against Landlord. Any notice to be given to such mortgagee shall be deemed to have been properly given if mailed by registered mail to its most recent address of which Tenant has notice.

### **PRIORITY OF LEASE**

11.3 This lease and all rights of Tenant under this lease are subject and subordinate to all mortgages now or hereafter made by Landlord, except that the holder of any such mortgage may subordinate and postpone such mortgage to this lease at any time by an instrument in writing to such effect registered against the title to the Project without any further consent or agreement of Tenant. Provided the Tenant receives a non-disturbance agreement executed by such mortgagee in a commercially-reasonable form, Tenant, if so requested, shall attorn to such mortgagee when such mortgagee takes possession of the Project and to any purchaser of the Project and shall recognize such mortgagee or purchaser as Landlord under this lease. Landlord shall use best efforts to obtain a non-disturbance agreement in commercially reasonable form from the holder of any mortgage in priority to this Lease in favour of Tenant.

## **PART 12**

### **GENERAL MATTERS**

#### **NOTICES**

12.1 Any notice provided for in this lease shall be addressed to Landlord or Tenant at the address specified in the Appendix 1, shall be in writing and signed by the party giving the notice and shall be effectively given by registered mail, courier or by delivery of such notice to such address, or, as an alternative in the case of notice to Tenant, by delivery of such notice to the Store. Any written notice so given shall be deemed to have been given 3 postal delivery days after the day it was so mailed by registered mail/courier or upon the day it was so delivered. Each of Landlord and Tenant may, from time to time by notice to the other, change its address for the purpose of any subsequent notice. Any notice to be given by Landlord may be signed and given by Landlord or by the Manager.

#### **ESTOPPEL CERTIFICATES**

12.2 Each party at any time and from time to time within 30 days after notice from the other shall execute and deliver to the other a statement in writing certifying that this lease is unmodified and in full force and effect (or, if modified, stating the modifications and that the same is in full force and effect as modified), the amount of the rent then being paid under this lease, the dates on which the same and the other sums provided in this lease to be paid by Tenant have been paid, the Commencement Date and duration of the Term, and stating whether or not there is any existing default of which it has notice, and the particulars and amount of insurance policies on the Store. Any statement delivered pursuant to the provisions of this section shall be conclusive of the matters therein referred to.

#### **OTHER CERTIFICATES**

12.3 Each party agrees that the following certificates shall be conclusive and binding in respect of any question of fact or opinion with respect to the matters stipulated:

1. A certificate procured by Landlord from an architect, professional engineer, land surveyor or other qualified individual as to: Gross Leasable Areas of premises including the Store; any question of fact concerning the completion of any construction or other work, either by Landlord or Tenant; the extent to which the completion of any work or obligation has been delayed by Force Majeure; whether the Project or any part thereof including the Store is being kept in good repair; the determination or allocation of any costs forming part of Additional Rent; the cause of any destruction or damage and the extent and duration for which rentable premises in the Project are incapable of being used for their intended purposes by reason of any destruction or damage.

2. An audited certificate procured by Landlord from a licensed public accountant who may be Landlord's auditor, as to any question of fact or opinion concerning the computation, determination or allocation of

the proper amount of any payment to Landlord or Tenant under this lease.

Any certificate procured by Landlord shall be prepared using generally accepted practices and procedures appropriate to such certificate.

### **FORCE MAJEURE**

12.4 Whenever and to the extent that either party shall be unable to fulfil, or shall be delayed or restricted in the fulfilment of any obligation (other than the payment of any money) under any provision of this lease, by reason of Force Majeure, such party shall, so long and to the extent that any such impediment exists, be relieved from the fulfilment of such obligation and the other party shall not be entitled to compensation for any loss, damage, inconvenience, nuisance or discomfort thereby occasioned.

### **DELAY IN FIXTURING**

12.5 N/A

### **FINANCIAL DISCLOSURE**

12.6 If Landlord requires financial information from Tenant with respect to the Store and its operations at the request of any current, future or possible mortgagee, lender or purchaser, acting reasonably, Landlord agrees to sign and shall cause the proposed recipient to sign a non-disclosure agreement. Tenant shall review such request and shall advise the Landlord as to what financial information, if any, it agrees to provide. Upon receipt of such non-disclosure agreements, Tenant shall provide, at the Landlord's expense, the financial information which the Tenant has agreed to provide directly to such mortgagee, lender or purchaser within 10 days of a request in writing from Landlord to supply such information.

### **LEGAL RELATIONSHIP**

12.7 The provisions in this lease for the payment of rent are reservations of rent only, and neither such provisions nor any other provision of this lease is intended to create a joint venture, partnership, agency or any other similar relationship between the parties, such relationship being that of landlord and tenant only.

### **WAIVERS**

12.8 No waiver by either party of any breach or non-compliance by the other party under any provision of this lease and no waiver by either party of any term or condition of this lease shall be a waiver of any continuing or subsequent breach or failure or of any other provision, term or condition, nor shall any forbearance or failure to seek a remedy for any breach or failure be a waiver of any rights and remedies with respect to such or any subsequent breach or failure.

### **SEVERABILITY**

12.9 If any provision of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease or the application of such provision to person or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this lease shall be separately valid and enforceable to the fullest extent permitted by law.

### **INTERPRETATION**

12.10 This lease shall be construed in accordance with the laws of the Province in which the Project is situate and the parties attorn to the exclusive jurisdiction of the courts of such Province to deal with all actions in respect of this

lease. The section headings of this lease have been inserted for convenience of reference only and they shall not be referred to in the interpretation of this lease. This lease shall be read with all changes of gender and number required by the context. Time shall be of the essence of this lease and each of the provisions hereof.

### **COVENANTS**

12.11 If two or more persons are Tenant, the liability of each is joint and several. If Tenant is a partnership or other business association, the members of which are subject to personal liability, the liability of each member is joint and several.

### **SOLICITATION OF BUSINESS**

12.12 Tenant agrees that it, its employees and agents shall not solicit business in the parking lot or other common areas of the Project, nor shall Tenant distribute handbills or other advertising materials on automobiles parked in the parking area or in other common areas, nor shall Tenant display any merchandise outside the Store.

### **NUISANCE**

12.13 The Tenant will not at any time during the Term use loud speakers, phonographs, broadcasts or telecasts which may be heard or seen outside the Store, and will not use, exercise, carry on, permit or suffer to be used, exercised or carried on, in or upon the Store or any part thereof, any noxious, noisome or offensive act, trade, business, occupation or calling and no act matter or thing whatsoever will at any time during the said Term be done in or upon the Store or any part thereof, nor shall any electrical or mechanical systems operated by the Tenant in the Store be operated or fail to be operated in any manner which may be or grow to the annoyance, nuisance, damage or disturbance of the occupiers or owners of the Project or adjoining land and properties or which may cause a fire hazard.

### **WHOLE AGREEMENT**

12.14 This lease contains the whole agreement between the parties with respect to the subject matter of this lease. There is no promise, inducement, representation, warranty, collateral agreement or condition affecting the Project, the Store, the business to be conducted by Tenant, or this lease or supported by this lease other than as expressed in this lease except the equipment agreement.

### **AMENDMENTS**

12.15 This lease may not be amended or altered except by instrument in writing signed by Landlord and Tenant.

### **NO OFFER**

12.16 The submission by Landlord to Tenant of this lease shall have no binding force or effect, shall not constitute an option for leasing the Store, nor confer any rights or impose any obligation upon either party until the execution and delivery of this lease by Tenant and Landlord.

### **REGISTRATION**

12.17 Tenant shall not register this lease or any part thereof. Notwithstanding the foregoing, upon the execution of the Lease, the Tenant may, at its sole expense and option, register a Notice of Lease on title of the Project, subject to the prior approval of the Landlord's solicitor, not to be unreasonably withheld or delayed.

**OPTION TO EXTEND**

12.18 Tenant shall have two (2) options to extend the Term for additional five (5) years terms each. The option shall be to extend the Term of this lease on the same terms and conditions are contained in this lease, except Basic Rent, and any further options to extend other than those set out in this section. The Basic Rent for such extended terms shall be equal to the then-current fair market annual basic rent for similar premises in size, condition, and age in the vicinity of the Project, as agreed upon by the parties.

Failing agreement with regard to rent, same shall be fixed by arbitration in accordance with the *Ontario Arbitration Act, 1991* based on the fair market rental value of the Store at the time of such renewal. In no event shall the basic rent for the renewal Term be less than the basic rent rate at the expiry of the previous Term.

**NSF CHEQUES**

12.19 Tenant agrees to pay an administrative fee of not less than \$150.00 to the Landlord for any NSF, bounced, stop-payment or otherwise dishonoured cheque made payable to the Landlord.

**ASSIGNS**

12.20 This lease shall enure to the benefit of and be binding upon the parties hereto, shall be binding upon their respective successors and assigns and, subject to the limitation on Transfer By Tenant set forth above, shall ensure to the benefit of and be enforceable by only such successors and assigns which have agreed to assume and to perform each of the covenants of the party to which they have succeeded or from which they have received such assignment in the same manner and to the same extent as if originally named in this lease as such party.

**AUTHORIZATION**

12.21 Tenant covenants that it has all requisite power and possesses all licenses, franchises, permits, consents approvals and other rights necessary to enable it to enter into this lease and carry out its provisions.

**INDEMNITY AGREEMENT**

12.22 The Tenant and the Landlord agree and acknowledge that the termination of the Prior Lease did not have the effect of terminating the Indemnity Agreement and did not in any way diminish the Tenant's obligations under the Indemnity Agreement.

**DEMOLITION**

12.23 Under no circumstances shall the Landlord be entitled to terminate this lease early, except as set out herein, and for further clarity, the Landlord shall not be entitled to terminate this lease in the event the Landlord wishes to renovate, demolish, or redevelopment the Store or the Project.

*[signature page follows]*

IN WITNESS WHEREOF the parties hereto have executed this lease this \_\_\_\_ day of March, 2020.

**HENLEY SQUARE SHOPPING CENTRE  
INC.**

**(LANDLORD)**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation

**ONTARIO CANNABIS HOLDINGS CORP.**

**(TENANT)**

Per:  \_\_\_\_\_

Name: Jon Conquergood

Title: CEO

I have the authority to bind the corporation

**APPENDIX 1****KEY DATA**

The following is key data which is part of and may be referred to in this lease:

1. **PROJECT:** Henley Square Shopping Centre Inc.
2. **STORE NO.:** B2
3. **STORE AREA:** 1901 Square Feet
4. **TRADE NAME:** Corner Cannabis
5. **USE:** Cannabis Retail Store
6. **TERM:** Five (5) Years from the Prior Lease Commencement Date
7. **TERM EXPIRY DATE:** Five (5) years following the Prior Lease Commencement Date.
8. **RENEWAL PERIOD:** two (2) terms of five (5) years each
9. **BASIC RENT:**

Year 1 and 2	\$20.00 per square foot
Year 3 and 4	\$22.00 per square foot
Year 5	\$24.00 per square foot
10. **ADDITIONAL RENT:** \$10.19 per square foot (2019 estimated rate)
11. **PREPAID RENT:** \$5,404.34 for first month rent
12. **LANDLORD'S ADDRESS:** HENLEY SQUARE SHOPPING CENTRE INC.  
180 Shorting Road  
Scarborough, On M1S 3S7
13. **STORE ADDRESS:** 395 Ontario Street, St. Catharines, Ontario, – Unit B2
14. **SECURITY DEPOSIT:** \$6,120.38

Henley (Sq Ft) 1901

Charge		p.s.f.	p.s.f.	p.s.f.	p.s.f.	p.s.f.
		Year 1	Year 2	Year 3	Year 4	Year 5
		<b>\$20.00</b>	<b>\$20.00</b>	<b>\$22.00</b>	<b>\$22.00</b>	<b>\$24.00</b>
Per annum		\$38,020.00	\$38,020.00	\$41,822.00	\$41,822.00	\$45,624.00
Monthly net rent		\$3,168.33	\$3,168.33	\$3,485.17	\$3,485.17	\$3,802.00
CAM Estimate	\$5.13	\$812.68	\$812.68	\$812.68	\$812.68	\$812.68
Tax Estimate	\$5.06	\$801.59	\$801.59	\$801.59	\$801.59	\$801.59
Total		\$4,782.60	\$4,782.60	\$5,099.43	\$5,099.43	\$5,416.27
HST		\$621.74	\$621.74	\$662.93	\$662.93	\$704.11
Total		\$5,404.34	\$5,404.34	\$5,762.36	\$5,762.36	\$6,120.38

**SCHEDULE 1****DEFINITIONS**

In this lease certain recurring words and phrases have defined meanings as follows:

"Additional Rent" means all amounts payable by Tenant under this lease other than Basic Rent.

"Alternative HVAC Charge" means an annual charge for central HVAC services and/or Utilities equal to the amount specified in and from time to time varied in accordance with Schedule 6.

"Assignment" means any transaction whereby any rights of Tenant under this lease are transferred to anyone (whether immediately, conditionally or contingently) and includes an assignment or specific or floating charge whereby the interest of Tenant is mortgaged or pledged as security for any indebtedness or other obligation and includes an assignment by operation of law.

"Basic Rent" means the rental referred to in key data item 9 and section 3.1.

"Business Taxes" means business taxes or assessments or any other taxes, assessments, rates or levies imposed by any governmental authority having jurisdiction, in respect of the existence of or any use, enjoyment, possession or occupancy of, or business carried on in the whole or any portion of the Project by excluding Realty Tax.

"Change in Control" means, where the Tenant is a corporation or partnership, the transfer by sale, issuance from 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, effecting voting control of such corporation or partnership.

"Commencement Date" means the day following the Prior Lease Termination Date.

"Common Facilities" means all common areas and facilities from time to time furnished or designated by Landlord (as the same from time to time may be altered, diminished, reconstructed or expanded) in connection with the Project and now or hereafter developed or designated by Landlord, and including, without limiting the generality of the foregoing, the roof, ceiling and floor slabs, exterior walls and exterior and interior structural portions of the Project and all facilities and equipment for the production, generation and transmission of HVAC, Utilities, chilled water, and primary or make-up air, and mechanical, sprinkler, electrical and sewage facilities and equipment and telephone and other communications facilities, other than any of such items which are contained within any rentable premises in the Project for the exclusive use of such premises, and excluding Leasehold Improvements, and also including parking areas and parking structures, access roads, driveways, entrances and exits, sidewalks, ramps, landscaped areas, stairways, escalators, elevators, passageways, mechanical and electrical rooms, garbage facilities, delivery facilities, fire protection and detection equipment, security equipment, first aid information facilities and washrooms; provided that any of the foregoing may be located within the Project or elsewhere if designated from time to time by Landlord as forming part of the Common Facilities.

"Construction Schedule" means the provisions set forth in Schedule 3 to this lease.

"Fiscal Period" means any fiscal period adopted from time to time by Landlord for the purpose required by the context in which it is used.

"Force Majeure" means a fire, strike, lock-out or other casualty or contingency beyond the reasonable control and not the fault of the party thereby affected, where the effects of such casualty or contingency are not avoidable by the exercise of reasonable effort or foresight by such party (but does not include insolvency, lack of funds, or other financial casualty or contingency).

"Gross Leasable Space" means, in respect of any rentable premises including the Store, the exact area in square feet of all floor space on every floor or level therein measured in accordance with BOMA standards including for this purpose and measured from:

- (a) the outside surface of all exterior walls;
- (b) the outside surface of all interior walls, doors and windows separating such premises from any portion of the Common Facilities; and
- (c) the centre line (determined without regard to any finished treatment on such wall) of all interior walls separating such premises from adjacent rentable premises.

Where a portion of any rentable premises is recessed from a demising line, the area of such recess shall be included as part of the Gross Leasable Area of such premises. There shall be no deduction or exclusion from the Gross Leasable Area for anything occupying floor space.

"HVAC" means heating, ventilating or cooling or any combination thereof.

"HVAC Facilities" means facilities and equipment used for or in connection with the provision and supply of HVAC as from time to time existing.

"Interest Rate" means, with respect to each relevant Fiscal Period, a rate of interest which is two percentage points per annum more than the rate of interest per annum established by a bank named by Landlord, as a reference rate of interest to determine the interest rates such bank will charge for Canadian dollar commercial loans to its customers in Canada and which such bank quotes or publishes as its prime rate.

"Landlord" includes Landlord and its successors and assigns.

"Lease Year" in the case of the first lease year means the period beginning on the Commencement Date and terminating on the first anniversary of the last day of the month in which the Commencement Date occurs, unless the Commencement Date is the first day of a month, in which event the first lease year terminates on the expiration of the period of 12 months thereafter. Each subsequent lease year commences on the first day following the expiration of the preceding lease year and terminates on the earlier of the expiration of 12 months thereafter or on the expiration or sooner termination of this lease.

"Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, constructed, erected or installed in or to the Store by or on behalf of Tenant, with the exception of Tenant Property.

"Manager" means Landlord's authorized agent and manager for the Project as named and who may be changed from time to time.

"Mortgage" includes a mortgage, pledge, charge, hypothec, privilege, encumbrance or any other financing arrangement and, where the context requires, a ground or underlying lease, and "mortgage" includes the holder of such mortgage and the lessor under such ground or underlying lease.

"Operating Cost" includes the total direct and indirect cost and expense, without duplication, incurred or accrued and attributed by Landlord, in accordance with generally accepted accounting principles, to discharge its obligations under this lease and with respect to the ownership, administration, operation, management, maintenance, improvement, insuring, cleaning, supervision, rebuilding, replacement and repair of the Project. If Landlord decides not to charge the full amount of any one or more of the foregoing costs and expenses in the year in which it is incurred, then any such uncharged portions may be charged in any subsequent years and there shall be included, interest at the Interest Rate on the uncharged portion of such costs and expenses from time to time. Indirect and offsite costs, depreciation charges, interest at the Interest Rate on undepreciated portions of capital costs and capital tax for the Project shall be determined and allocated by Landlord to Operating Cost in accordance with the provisions of this lease. No amount shall be included in Operating Cost for financing or mortgage charges of the lands and buildings comprised in the Project, rental advertising costs and commission charges and Landlord shall deduct the proceeds paid to Landlord under any insurance maintained by it pursuant to this lease where the expense to which such proceeds relate was previously included in Operating Cost. Prior to calculating Tenant's Share of Operating Cost, Landlord shall deduct from the total Operating Cost, amounts payable to Landlord in respect of other rentable premises in the Project which have been excluded in the calculation of Tenant's Share.

Notwithstanding anything contained in this lease, the following costs shall be excluded or deducted from the

calculation of Operating Cost:

- (a) income, franchise, corporation or other taxes personal to Landlord, and realty taxes and any business taxes relating exclusively to those parts of the Project other than the Store;
- (b) ground rent, interest on Landlord's debt, capital retirement of debt, and all other financing and debt service charges relating to the Project;
- (c) 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 Operating Cost;
- (d) the cost of acquiring, constructing, renovating, expanding or altering the Project 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 Project, paid for by such tenants and not capable of benefiting all tenants in the Project;
- (e) depreciation, amortization or capital cost allowance on the Project, the parking facilities, any structural or capital element of the Project, and landscaped areas; the cost of repairs or replacements of a capital nature, as determined in accordance with GAAP, except amortization thereof calculated on a straight line basis over the useful life of the applicable item;
- (f) costs arising from or occasioned by the act, default, fault or negligence of Landlord, its servants, employees, agents, contractors, subcontractors or those for whom Landlord is in law responsible;
- (g) costs incurred as a result of any act, omission, default or negligence of, and any amounts directly chargeable or attributable to, or owed by, other tenants in the Project or in respect of unoccupied portions of the Project;
- (h) any loss or damage to the Project or any personal injury for which Landlord is or ought to have been insured under this lease, insurance proceeds from insured damage recovered or received by Landlord, and the premiums and costs paid for Landlord's insurance under this lease;
- (i) all fines, suits, claims, demands, costs, charges and expenses for which Landlord is liable by reason of the negligent or willful act or omission of Landlord or those for whom Landlord is in law responsible;
- (j) the costs of correcting structural defects and latent defects or such other items of a capital nature in the Store and the cost of correcting inherent structural defects or initial maladjustment in operating equipment and systems in the Project;
- (k) all costs and expenses relating to any repair, closure, detoxification, decontamination or other clean up or remediation of any environmental matter in the Project not directly attributable to Tenant;
- (l) the cost of all work to the Project made necessary by non-compliance with any laws, regulations, by-laws, ordinances or orders of the applicable municipal, regional, provincial or federal governing authority in that regard;
- (m) any capital tax or large corporations tax or any other tax or excise imposed by a government body on Landlord measured by or based in whole or in part upon the capital employed by Landlord, calculated as if the amount of such tax or excise were the amount due if the Project were Landlord's only real property, and includes the amount, if any, of any capital or place of business tax imposed by a government body on Landlord with respect to the Project.

"Operating Standards" means the rules, procedures and requirements as amended and supplemented from time to time, (initially as set forth in Schedule 2 to this lease) governing the manner in which Tenant and others doing business in the Project shall operate and conduct their businesses.

"Permitted Transferee" means any corporation, partnership, or other person: (i) which is an affiliate of the Tenant or other corporate nominee; (ii) which is a successor entity formed as a result of an amalgamation or merger of the Tenant or other corporate nominee; (iii) that is publicly traded or a recognized securities exchange; or (iv) that possesses an equal or greater financial covenant as that of the 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.

"Person" means any individual, corporation, partnership, trust, other legal entity or other business association and includes a government or departmental subdivision thereof.

"Project" means the lands and premises described in Schedule 4, as the same may be from time to time altered, diminished, enlarged, reconstructed or expanded, and includes the Common Facilities and all structures, improvements, services, fixtures and facilities used in the operation thereof and now or hereafter constructed, erected and installed thereon, but excludes all improvements to rentable premises made or installed therein by or on behalf of any occupant or such premises, and further excludes all property owned by or for which any occupant or rentable premises is liable.

"Realty Tax" means any real property, municipal, school or local improvement tax, assessment or charge or any other tax assessment or charge imposed upon or in respect of any real property from time to time by any governmental authority, including any costs incurred by Landlord in determining or verifying the propriety or reasonableness of or contesting the same in good faith, but excluding any capital tax and any income or profits tax upon the income of Landlord, to the extent any such tax is not imposed in lieu of any tax, assessment or charge upon or in respect of the Project or upon Landlord in respect thereof, and further excluding Business Taxes. If any other tax, assessment or charge is imposed by any governmental or regulatory authority upon or in respect of all or any portion of the Project, the revenues therefrom or Landlord, in substitution for or in addition to any Realty Tax from time to time imposed, then any such other tax, assessment or charge shall be deemed to be a Realty Tax.

"Rent" means Basic Rent and Additional Rent.

"Retail Premises" means all rentable premises which, during any applicable time period, are either actually used and occupied or are intended by Landlord to be used and occupied for the purpose of retailing goods or services, but excludes premises or areas designated by Landlord from time to time for use as mechanical, storage, Store, administrative or other similar uses for non-retail use.

"Store" means the premises shown outlined in red on Schedule 5 municipally known as Unit B2, 395 Ontario Street, St Catharines, Ontario, which premises shall include the inside surface of the walls, structural columns and floor slabs of the premises, the exterior doors and windows and the Leasehold Improvements. The Store shall exclude (except to the extent specified above) the roof, floor and ceiling slabs, walls separating the premises from adjacent rentable premises or any portion of the Common Facilities other than exterior walls and structural columns and Common facilities located within such premises.

"Sublease" means any transaction other than an assignment whereby any right of use, occupancy or possession (whether exclusive, non-exclusive, permanent or temporary) relating to the whole or any part of the Store is conferred upon anyone (whether immediately, conditionally or contingently) and includes but is not limited to any sublease, sub-sublease, concession, franchise, licence agreement or any other arrangement (such as but not limited to a management agreement) conferring any such right of use, occupancy or possession and whether or not Tenant is a party thereto.

"Tenant" includes Tenant and its respective heirs, executors, administrators, successors and assigns, as the case may be.

"Tenant Property" means the trade fixtures, chattels, merchandise and personal effects within the Store.

"Tenant's Service Cost" means the total direct and indirect cost and expense, without duplication, incurred or accrued and attributed by Landlord, for the provision and supply by or through Landlord, of HVAC, steam, chilled water, make-up or primary air, and any Utilities used or consumed in the Store or in the conduct of Tenant's business, including the cost of maintenance, replacement, repair and operation, and the cost of depreciation on the capital cost of, and interest at the Interest Rate on the undepreciated portion of the capital cost of, all equipment, facilities and installations utilized in connection with such provision and supply and whether or not such equipment, facilities and installations are shared with other premises within or outside the Project or with the Common Facilities, or with other portions of the Project (including the cost to Landlord of determining and allocating such cost and expense). Indirect and offsite costs, depreciation charges and interest on undepreciated portion of capital costs shall be determined and allocated by Landlord to Tenant's Service Cost in accordance with

the provisions of this lease and in accordance with generally accepted accounting principles.

Notwithstanding anything contained in this lease, the following costs shall be excluded or deducted from the calculation of Tenant's Service Cost:

- (a) income, franchise, corporation or other taxes personal to Landlord, and realty taxes and any business taxes relating exclusively to those parts of the Project other than the Store;
- (b) ground rent, interest on Landlord's debt, capital retirement of debt, and all other financing and debt service charges relating to the Project;
- (c) 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 Operating Cost;
- (d) the cost of acquiring, constructing, renovating, expanding or altering the Project, any costs or expense incurred in constructing or altering the Project for, or in installing any improvements within the Project 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 Project, paid for by such tenants and not capable of benefiting all tenants in the Project;
- (e) depreciation, amortization or capital cost allowance on the Project, the parking facilities and landscaped areas; the cost of repairs or replacements of a capital nature, as determined in accordance with GAAP, except amortization thereof calculated on a straight line basis over the useful life of the applicable item;
- (f) costs arising from or occasioned by the act, default, fault or negligence of Landlord, its servants, employees, agents, contractors, subcontractors or those for whom Landlord is in law responsible;
- (g) costs incurred as a result of any act, omission, default or negligence of, and any amounts directly chargeable or attributable to, or owed by, other tenants in the Project or in respect of unoccupied portions of the Project;
- (h) any loss or damage to the Project or any personal injury for which Landlord is or ought to have been insured under this lease, insurance proceeds from insured damage recovered or received by Landlord, and the premiums and costs paid for Landlord's insurance under this lease;
- (i) all fines, suits, claims, demands, costs, charges and expenses for which Landlord is liable by reason of the negligent or willful act or omission of Landlord or those for whom Landlord is in law responsible;
- (j) the costs of correcting structural defects and latent defects in the Store and the cost of correcting inherent structural defects or initial maladjustment in operating equipment and systems in the Project;
- (k) all costs and expenses relating to any repair, closure, detoxification, decontamination or other clean up or remediation of any environmental matter in the Project not directly attributable to Tenant;
- (l) the cost of all work to the Project made necessary by non-compliance with any laws, regulations, by-laws, ordinances or orders of the applicable municipal, regional, provincial or federal governing authority in that regard;
- (m) any capital tax or large corporations tax or any other tax or excise imposed by a government body on Landlord measured by or based in whole or in part upon the capital employed by Landlord, calculated as if the amount of such tax or excise were the amount due if the Project were Landlord's only real property, and includes the amount, if any, of any capital or place of business tax imposed by a government body on Landlord with respect to the Project.

"Tenant's Share" means that proportion of any amount which the total Gross Leasable Area from time to time of the Store is of the total Gross Leasable Area from time to time of the whole of the Retail Premises.

"Tenant's Tax Share" means that proportion which the total Gross Leasable Area from time to time of the Store is of the total Gross Leasable Area from time to time of all rentable premises in the Project.

"Term" means the period specified in key data item 6, from the Commencement Date to the date specified in key data item 7.

"Transfer" means any assignment, sublease, change in control, or parting with possession, or any other transaction or occurrence (including expropriation, amalgamation, receivership or seizure by execution or other legal process) which has or might have the effect of changing the identity of Tenant or the person controlling Tenant, or, changing the identity of the person having lawful use, occupancy or possession of the whole or any part of the Store, whether such change is or might be immediate, deferred, conditional, exclusive, non-exclusive, permanent or temporary.

"Utilities" means water, gas, fuel, electricity, telephone, waste disposal and other utilities or services or any combination thereof other than HVAC.

**SCHEDULE 2****OPERATING STANDARDS**

Tenant shall comply and shall cause all persons within its control to comply with the following Operating Standards. Amendments and supplements to such standards by Landlord shall be upon reasonable prior notice to Tenant.

1. Tenant shall operate its business in a first class manner and keep the Store's appearance in first class condition.
2. Tenant shall not permit to be carried on in the Store, any mail order or catalogue business, or the sale of any form of lottery participation, nor any liquidation, going out of business, distress, fire or bankruptcy sale, nor a bulk sale other than pursuant to a permitted transfer.
3. Tenant shall not permit any activity or condition in the Store which may be or result in a nuisance or annoyance to Landlord, any customer, or other tenant.
4. The only signs and advertising matter permitted outside the Store shall be a Storefront identification sign approved by Landlord acting reasonably and professional signs and advertising matter which are usual to Tenant's business and not objectionable to Landlord.
5. Tenant shall comply with Landlord's instructions concerning storage, removal and disposal of waste and refuse.
6. Tenant shall not overload or misuse any Utilities or floor in the Store.
7. Tenant's right of use of Common Facilities under this lease is subject to compliance with the following rules:
  1. During or in connection with any of Landlord's activities under this lease and the making of alterations, improvements, reconstructions or repairs to any portion of the Project subject to the terms of the Lease, Landlord may close portions of the Common Facilities and may erect temporary scaffolds and other construction aids in the Common Facilities and on the exterior of the Store, and may interfere ( to the extent necessary and reasonable) with the use of and access over any portion of the Common Facilities.
  2. Tenant shall make and receive deliveries of supplies, fixtures, equipment, furnishings and merchandise only through the receiving facilities designated by Landlord for such purposes. Tenant shall not at any time park or allow vehicles making or receiving deliveries to or from the Store to be parked in parking areas not specifically allocated by Landlord for the purpose of parking such vehicles.
  3. If part or parts of the parking areas are allocated from time to time by Landlord for tenant and employee parking, Tenant shall park and shall use its best efforts to ensure that its employees park their vehicles in such allocated parking areas. Landlord may prohibit Tenant and its employees from parking anywhere in the Project.

### SCHEDULE 3

#### CONSTRUCTION SCHEDULE

##### PART 1 - DEFINITIONS

1.1 In this Construction Schedule terms defined in the lease are used with the meanings so defined and the following additional defined terms have the meanings indicated:

"Landlord's Work" means all items of work specified in Part 4.

"Landlord's Work at Tenant's Expense" means all the work described in this Construction Schedule or indicated on the Tenant Outline Drawing to be performed by or on behalf of the Landlord at the Tenant's expense.

"Lease" means the offer, agreement or lease to which this Construction Schedule is attached or incorporated by reference.

"Plans" means plans, specifications and drawings.

"Tenant Outline Drawing" means the plans described as such in Part 2.

"Tenant Detail Plans" means the final plans described in Part 2 as approved by the Landlord.

"Tenant's Work" means all items of work described or referred to in Part 5.

##### PART 2 - PLANS AND APPROVALS

###### 2.1 Tenant Outline Drawing

Landlord shall provide to Tenant a Tenant Outline Drawing consisting of one or more plans which show the approximate dimensions of the Store and the approximate location of its boundary walls and which may show the approximate location of mechanical equipment and Utilities serving the Store.

###### 2.3 Plans to be Submitted by Tenant

Tenant shall submit preliminary and final plans and a completion schedule for Tenant's Work. Landlord approval of final plans for all Tenant's Work is required prior to commencement of any such work. Landlord may require revisions to such plans as a condition of its approval. Such approval shall not be unreasonably withheld, conditioned, or delayed. Any Tenant's Work which is not done in accordance with the plans, specifications, information and revisions delivered to and approved by Landlord or is not otherwise in accordance with the requirements of the Lease and which has not been removed or corrected forthwith after request by Landlord, may be removed or corrected by Landlord at the expense of Tenant. Approval of plans by Landlord shall not constitute the assumption of any responsibility by Landlord for their accuracy or sufficiency, or their compliance with applicable laws, by-laws, regulations, or codes, and Tenant shall be solely responsible for all such items. Such plans once approved are herein referred to as the "Tenant Detail Plans".

###### 2.4 Plan Review Charges

Any work done by or on behalf of Landlord in revising or assisting in the completion of any Tenant plans shall be paid for by Tenant.

##### PART 3 - CONDUCT OF TENANT'S WORK

###### General Rules Regarding Tenant's Work

### 3.1 **Tenant's Contractors**

Prior to commencing any portion of Tenant's Work, Tenant shall obtain Landlord's approval of any general contractor or subcontractor whom Tenant proposes to involve in the completion of such portion of Tenant's Work, which approval shall not be unreasonably withheld, conditioned, or delayed. If required by Landlord, Tenant shall obtain or cause its contractors to obtain commercial general liability insurance against personal and bodily injury, including death, and property damage on an occurrence basis and having limits of not less than \$2,000,000.00 in respect of any one occurrence and such insurance shall be in force prior to Tenant or its contractors gaining access to the Store.

### 3.2 **Landlord's Access**

All Tenant's Work shall be subject to the inspection, supervision and approval of Landlord. Landlord and anyone authorized by it shall have access to the Store at all times for the purpose of inspecting Tenant's Work or conducting Landlord's Work.

### 3.3 **Plan Conformity**

It is the sole responsibility of Tenant to confirm to its satisfaction prior to commencing any of Tenant's Work, that any and all dimensions shown on Tenant Outline Drawing, Tenant Detail Plans and any other plans are accurate and conform to actual measurements and dimensions. Landlord makes no representations in respect of the accuracy (and is not responsible for any inaccuracy) of any dimensions shown on any plans.

### 3.4 **Work Affecting Structure**

Tenant shall not allow or cause to be imposed upon any floor area of the Store or the Project a greater working load than the maximum allowable live load of such floor area. Tenant shall not allow or cause to be suspended from the underside of the roof or roof structure any load other than normal ceiling and lighting loads unless it shall have obtained the prior written approval of Landlord. Tenant shall not allow or cause to be drilled or cut any conduit, pipe sleeves, chases or duct equipment openings in any floors, columns, walls or roofs of the Store or the Project. Any work contemplated by Tenant Detail Plans which may affect the integrity of any base building component shall be performed by Landlord at Tenant's expense.

### 3.5 **Commencement of Tenant's Work**

No Tenant's Work shall be commenced or undertaken until all procedural and approval requirements contained in this Construction Schedule have been satisfied by Tenant.

### 3.6 **Fixturing Period and Occupation for Tenant's Work**

Intentionally deleted

### 3.7 **On Site Plans**

During the conduct of any Tenant's Work, Tenant shall keep accessible within the Store one set of Tenant Detail Plans with Landlord's consent endorsed thereon.

## **PART 4 - LANDLORD'S WORK**

### 4.1 **Existing Store**

Subject to Section 10.6 of the Lease, Tenant accepts the Store in its "as is" condition as of March 18, 2020, except Landlord shall, at its cost and to the best of its ability that base building heating and cooling system in the Store are balanced and in good working condition according to the Landlord's base building specifications for the building where the Store is located and provide vacant possession of the Store to the Tenant in "as-is where is" condition, broom swept (collectively the "Landlord's Work")

### 4.2 **Basic Building**

The structural frame of the Project includes columns, beams, joists, floors and roof.

### 4.3 **Walls**

Demising walls are constructed of metal stud and drywall, or concrete or masonry, or, if exterior building walls, materials selected by Landlord for such walls.

### 4.4 **Floors**

If Tenant's use of the Store requires any allowable live floor load to be increased, Landlord shall perform the upgrading work at Tenant's expense.

### 4.5 **Services**

Facilities and equipment for sprinklers, Utilities and HVAC are provided to the Store only to the

extent indicated on the Tenant Outline Drawing. Tenant Detail Plans show approved extension or alteration of any such items and if service capacities are available, Landlord shall carry out such extensions or alterations and all such work and materials shall be paid for by tenant upon demand. If the Tenant Detail Plans depict an HVAC system requiring less HVAC capacity than shown on the Tenant Outline Drawing, then HVAC services will be provided to the Store only to extent indicate on the Tenant Detail Plans.

Landlord shall use best efforts to ensure the Store is serviced by gas and hydro as soon as possible.

#### **PART 5 - TENANT'S WORK**

5.1 Tenant shall carry out and complete, in a prompt and good and workmanlike manner, all necessary work in connection with preparing the Store for opening, including the Storefront, ceiling, plumbing, electrical, HVAC Facilities, metering, fire-rating and any other work, improvements or finishings necessary to prepare the Store for opening including the demolition and disposal of any existing improvements and fixtures in the Store, as well as any alterations to such items and the Store proposed to be done by Tenant at any time during the Term. All such work shall only be undertaken and carried out in compliance with the Tenant Detail Plans and this Construction Schedule.

#### **PART 6 - PAYMENT SCHEDULE**

##### 6.1 **Landlord's Work and Tenant's Expense**

Any work undertaken, performed or paid for by Landlord on Tenant's behalf which was undertaken and completed at the Tenant's express written request, or must be completed due to tenants misconduct or negligence shall be at the expense of Tenant and payable to Landlord as invoiced by Landlord. The cost of such work shall include the actual cost of all labour, material, taxes and architectural, engineering and contractors' fees, and an administration fee equal to fifteen (15%) percent of the aggregate of such costs.

**SCHEDULE 4****LEGAL DESCRIPTION**

PT LT 21-22 CON 3 GRANTHAM; PT LT 38 TP PL 174 GRANTHAM PT 1, 2, 30R5666; S/T  
RO695588; ST. CATHARINES



**ASSIGNMENT OF LEASE**

**THIS AGREEMENT** is dated the 1<sup>st</sup> day of May, 2020

**BETWEEN:**

**HENLEY SQUARE SHOPPING CENTRE INC.**

(the "**Landlord**")

- and -

**ONTARIO CANNABIS HOLDINGS CORP.**

(the "**Assignor**")

- and -

**OCH ONTARIO CONSULTING CORP.**

(the "**Assignee**")

**RECITALS:**

- A. By a lease dated the 18<sup>th</sup> day of March, 2020 between the Landlord and the Assignor (the "**Lease**"), the Landlord leased to the Assignor for a term of five (5) years, with options to extend the Lease for two further terms of five (5) years each (collectively, the "**Term**") the premises designated as Unit B2, 395 Ontario Street, St. Catharines ON (the "**Premises**"), subject to and upon the terms, covenants, and conditions contained in the Lease;
- B. The Lease contains a covenant on the part of the Assignor not to assign the Lease or sublet the Premises without the Landlord's consent;
- C. The Assignor has agreed to assign the Lease to the Assignee, subject to obtaining the Landlord's consent to such assignment;
- D. The Assignor has applied to the Landlord for the Landlord's consent to assign the Lease to the Assignee, subject to and upon the terms and conditions herein set out;
- E. In connection with the within assignment, the Assignor is not being released from its obligations under the Lease; and

- F. The Landlord has agreed to grant its consent to the within assignment as of the date hereof (the "**Effective Date**"), subject to the terms and conditions herein set out.

**CONSIDERATION** - The consideration for this Agreement is the mutual covenants and agreements between the parties to this Agreement and the sum of Two Dollars (\$2.00) that has been paid by each of the parties to each of the others, the receipt and sufficiency of which is acknowledged.

1. **RECITALS** - The parties hereto hereby acknowledge, confirm, and agree that the foregoing recitals are true in substance and fact.

2. **ASSIGNMENT** - The Assignor hereby transfers, sets over, and assigns unto the Assignee as of and from the Effective Date, the Lease, and all privileges and appurtenances thereto belonging, together with the unexpired residue of the Term, and all benefits and advantages to be derived therefrom.

**TO HAVE AND TO HOLD** the same unto the Assignee, subject to the payments of the Rent as may hereafter become due and payable under the terms of the Lease and the observance and performance of the covenants and conditions of the Tenant contained in the Lease.

3. **ASSIGNOR'S COVENANTS** - The Assignor covenants and agrees with the Assignee as follows:

- (a) Despite any act of the Assignor, the Lease is a good, valid, and subsisting Lease and the Rent thereby reserved has been duly paid up to the Effective Date and the covenants and conditions therein contained have been duly observed and performed by the Assignor up to the Effective Date.
- (b) The Assignor has good right, full power, and absolute authority to assign the Lease in the manner aforesaid, according to the true intent and meaning of this Agreement, free and clear of all liens, mortgages, charges, and encumbrances of any kind whatsoever.
- (c) Subject to the payment of Rent and to the observance and performance of the terms, covenants, and conditions contained in the Lease on the part of the Tenant therein to be observed and performed, the Assignee may enter into and upon and hold and enjoy the Premises for the residue of the Term granted by the Lease for its own use and benefit without any interruption by the Assignor or by any party claiming through or under the Assignor.
- (d) The Assignor will from time to time hereafter, at the request and cost of the Assignee, promptly execute such further assurances of the Premises as the Assignee reasonably requires.

4. **ASSIGNEE'S COVENANTS**

- (a) The Assignee covenants with the Assignor as follows:
  - (i) It will at all times during the balance of the Term of the Lease pay the Rent and observe and perform the terms, covenants, and conditions contained in the Lease respectively reserved and contained on the part of the Tenant therein to be observed and performed.
  - (ii) It will indemnify and save harmless the Assignor from all actions, suits, costs, losses, charges, demands, and expenses for and in respect of any such non-payment, non-observance, or non-performance.

- (b) The Assignee hereby covenants and agrees with the Landlord as follows:
- (i) It will at all times during the balance of the Term of the Lease pay the Rent reserved by the Lease and all other payments covenanted to be paid by the tenant therein and at the times and in the manner provided for in the Lease, and will observe and perform all of the terms, covenants, and conditions contained in the Lease on the part of the Tenant therein to be observed and performed as and when the same are required to be observed and performed as provided by the Lease.
  - (ii) It will indemnify and save harmless the Landlord from all actions, suits, costs, losses, charges, demands, and expenses for and in respect of any such non-payment, non-observance, or non-performance.

The Assignee acknowledges that it has received a copy of the executed Lease and is familiar with the terms, covenants, and conditions contained therein.

5. **LANDLORD'S CONSENT** - The Landlord consents to this assignment of the Lease from the Assignor to the Assignee as of and from the Effective Date, upon and subject to the following terms and conditions:

- (a) This consent does not in any way derogate from the rights of the Landlord under the Lease nor operate to release the Assignor from its obligation to pay all of the Rent from time to time becoming due under the Lease and from the non-observance or non-performance of all of the terms, covenants, and conditions in the Lease on the part of the tenant therein to be observed and performed (and the Landlord's rights and remedies arising as a result of any such non-observance or non-performance) and notwithstanding the within assignment (or any disaffirmance or disclaimer of the within assignment), the Assignor shall remain liable during the balance of the Term of the Lease for the observance and performance of all of the terms, covenants, and conditions contained in the Lease.
- (b) The Assignor 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 or to obtain any reassignment of the Lease.
- (c) This consent does not constitute a waiver of the necessity for consent to any further Transfer (as such term is defined in the Lease), which must be completed in accordance with the terms of the Lease. If the Assignee proposes to effect a further Transfer of the Lease, the terms of the Lease with respect to a Transfer shall apply to any such further Transfer.
- (d) This consent is given upon the express understanding that the Assignor and the Assignee shall hereafter be jointly and severally responsible for and shall save the Landlord harmless and indemnify it from and against all costs including all legal costs incurred by the Landlord in connection with the preparation of this Agreement and any additional documentation related thereto and the Landlord's consent to this assignment, such costs to be fixed at \$1,250 plus HST.
- (e) By giving its consent pursuant to this Agreement, the Landlord does not hereby acknowledge or approve of any of the terms of this Agreement as between the Assignor and Assignee except for the assignment of the Lease itself and except for any amendments to the Lease agreed to by all of the parties hereunder.

- (f) This assignment of the Lease is deemed not to have been delivered to the Assignee by the Assignor until the consent of the Landlord has been evidenced by the execution and delivery of this Agreement by the Landlord to both the Assignor and the Assignee.
  - (g) For greater certainty, the obligations of the Assignor and the Assignee shall be joint and several.
  - (h) The Assignee shall not be entitled to enter into and take possession of the Premises until (i) it delivers to the Landlord certificates of insurance in such form as the Landlord may reasonably require and (ii) it delivers evidence to the Landlord that it has obtained any required permits, licenses, and approvals from all governmental authorities having jurisdiction for the carrying on by the Assignee of its permitted business in the Premises.
6. **NOTICE** - Any and all notices or demands by and from any of the parties hereto to the Assignee shall be made in accordance with the Notice provisions in respect of the Assignor under the Lease.
7. **CONFIRMATION** - The parties confirm that in all other respects, the terms, covenants, and conditions of the Lease remain unchanged and in full force and effect, except as may be modified by this Agreement.
8. **BINDING EFFECT** - This Agreement shall enure to the benefit of and be binding upon the parties hereto, the successors and assigns of the Landlord, the permitted successors and permitted assigns of the Assignor and Assignee, and the heirs, executors, administrators, permitted successors, and permitted assigns of the Original Indemnifier and the Additional Indemnifiers.
9. **COUNTERPARTS AND ELECTRONIC SIGNATURES** - This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any manually executed signature page to this Amendment delivered by a party by electronic transmission shall be deemed to be an original signature hereto.

**IN WITNESS WHEREOF** the parties hereto have duly executed this Agreement as of the date first above written.

*Signature Page Follows*

**HENLEY SQUARE SHOPPING  
CENTRE INC.**

Per: Thibodeau

Name: Tracy Thibodeau  
Title: Property Manager

I have authority to bind the Corporation

**ONTARIO CANNABIS HOLDINGS CORP.**

Per: J Conquergood

Name: Jon Conquergood  
Title: CEO

I have authority to bind the Corporation

**OCH ONTARIO CONSULTING CORP.**

Per: J Conquergood

Name: Jon Conquergood  
Title: CEO

I have authority to bind the Corporation



RETAIL SPACE LEASE

2550812 ONTARIO INC.

Landlord

- and -

ONTARIO CANNABIS HOLDINGS CORP.

Tenant

Leased Premises No. Unit 1 - 305 Port Union Road, Toronto, Ontario



APPENDICES AND SCHEDULES

- Appendix I - Key Data
- Appendix II - Amendments (if applicable)
- Schedule 1 - Definitions
- Schedule 2 - Operating Standards
- Schedule 3 - Construction Schedule
- Schedule 4 - Legal Description of Property
- Schedule 5 - Sketch of the Leased Premises



APPENDIX I

## KEY DATA

The following is key data which is part of and may be referred to in this lease

1. **PROPERTY:** 305 Port Union Road, Toronto (as more particularly described in Schedule 4 attached hereto)
2. **LEASED PREMISES:** Unit 1 – 305 Port Union Road, Toronto, Ontario M1C 2L5 (as more particularly set out in the plan attached hereto as Schedule 5)
3. **AREA:** 2,029 square feet
4. **TRADE NAME:** Ontario Cannabis Holdings Corp. – Retail operating name “Corner Cannabis”
5. **USE:** Tenant shall use the Leased Premises as recreational cannabis retail store for the sale, at retail, of recreational 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 and for no other purpose without the Landlord's prior approval, which shall not be unreasonably withheld or delayed
6. **TERM:** Five (5) years Zero (0) months
7. **FIXTURING PERIOD:** 4 months commencing on April 1, 2020. Such Fixturing Period shall be free of Basic Rent, Operating Costs, and Realty Taxes, and the Tenant shall be granted exclusive possession of the Leased Premises during this time
8. **TERM COMMENCEMENT DATE:** The earlier of the expiry of the Fixturing Period and the date on which the Tenant opens for business. If the Tenant opens for business before August 1, 2020, the Term Commencement Date shall be the date on which the Tenant opens for business and the Tenant shall pay a pro rata share of Basic Rent (at the Lease Year 1 rate) and Operating Costs for the period from the (earlier) Term Commencement Date until August 1, 2020 (each day being a 1/31 share of the monthly amount)
9. **TERM EXPIRY DATE:** Five years from August after the Term Commencement Date
10. **EXTENSION RIGHTS:** Two options of 5 years each
11. **BASIC RENT:**

Lease year 1:	\$19.50
Lease year 2:	\$21.50
Lease year 3:	\$22.50
Lease year 4:	\$23.50
Lease year 5:	\$24.50

per square foot per annum of the Gross Leasable Area of the Leased Premises
12. **DEPOSIT:** Amount equal to First and Last month's rent to be applied to the rent for the first month of the interim period with the remainder to be held by the Landlord as a security deposit.
13. **LANDLORD:** 2550812 ONTARIO INC.  
4 De Quincy Blvd., Toronto, Ontario, M3H 1Y5
14. **TENANT:** Ontario Cannabis Holdings Corp.,  
#201, 620 12<sup>th</sup> Avenue SW, Calgary, Alberta T2R 0H5  
jodie@ocholdings.ca
15. **DATE OF THIS LEASE:** April 29, 2020

## PREMISES LEASING CONTRACT

This leasing contract is made as of the date set out in key data item 15 between the person named in key data item 13 as Landlord and the person named in key data item 14 as Tenant.

In consideration of the rents to be paid and the covenants contained in this leasing contract, Landlord leases the Leased Premises to Tenant and Tenant leases and accepts the Leased Premises from Landlord, to have and to hold the Leased Premises during the Term, at the rent, subject to the conditions and limitations and in accordance with the covenants contained in this leasing contract.

### PART 1

#### **DEFINED TERMS, APPENDICES AND SCHEDULES**

1.1 Each reference in this lease to any portion of the key data in Appendix 1 shall incorporate the specific information described in Appendix 1. Certain words and phrases recurring throughout this lease have defined meanings as set out in Schedule 1. All appendices and schedules to this lease form part of this lease.

#### **BASIC PRINCIPLES OF THE CONTRACT**

1.2 This is a net lease. It is intended that this lease be an absolutely net and carefree lease for Landlord and that rent be received by Landlord free of any cost or obligation concerning the Leased Premises unless specified in this lease. Each provision of this agreement applicable to each party although not expressed as a covenant, shall be construed to be a covenant of such party for all purposes.

1.3 This lease is intended to supercede and to not be in addition to the Offer to Lease between the parties and accepted April 3, 2019. Upon execution of this lease the Tenant agrees that the conditions in the offer are waived and that the Tenant has no right to terminate its tenancy in the Leased Premises.

### PART 2

#### **OPENING AND USE OF THE LEASED PREMISES**

##### **FIXTURING AND OPENING**

2.1 The Landlord agrees to ensure, before the Fixturing Period, that base building heating and cooling systems in the Leased Premises are balanced and in good working condition according to the Landlord's base building specifications for the Property. Prior to commencing any Tenant's Work, Tenant shall have provided the Landlord with an insurance certificate from its contractor's insurers confirming builder's risk and commercial general liability coverage in an amount not less than five million (\$5,000,000) dollars per occurrence.

##### **USE OF LEASED PREMISES**

2.2 Tenant agrees

1. that the Leased Premises shall be continuously occupied and used from and after the Commencement Date to the expiry of the Term and in compliance with the Operating Standards, solely for the use specified in key data item 5. Notwithstanding anything else in this Lease, the Tenant shall not use any part of the Leased Premises as a "cannabis lounge". The Tenant's may operate on such days and at such times as it may choose and Tenant shall provide prior written notice to the Landlord detailing the hours of operation.

2. to conduct such use in the whole of the Leased Premises and to operate only under the trade name specified in key data item 4.

##### **OPERATING STANDARDS**

2.3 Tenant shall comply with the Operating Standards. Landlord may from time to time make other rules and regulations to amend and supplement the Operating Standards and which relate to the operation, use, reputation, safety, care or cleanliness of the Property and the Leased Premises, the operation and maintenance of buildings and equipment, the use of Common Facilities, and any other matters affecting the operation and use of the Property and conduct of business in the Leased Premises and which may differentiate between different types of businesses.

##### **ALTERATIONS TO LEASED PREMISES**

2.4 Tenant shall not make any alteration, installation, repair, addition or improvement to the Leased Premises or make, construct, erect, alter or install any sign or Leasehold Improvements in or to the Leased Premises, except with the prior written approval of Landlord. The Tenant shall have the right to install signage at the Leased Premises subject to the Landlord's approval and municipal approval.

##### **LIENS**

2.5 Tenant shall at its own expense immediately discharge or vacate all construction, mechanics' or other liens or executions that may be filed during the Term against this lease, the Leased Premises or the Property with respect to any work or services performed or goods or material furnished at the request or for or on behalf of Tenant.

**TRANSFER OF LEASED PREMISES**

2.6 .1 Tenant covenants that no Transfer affecting Tenant, this lease, the Leased Premises or the business of Tenant at the Leased Premises shall be permitted or effective unless and until Landlord's written consent to the Transfer is delivered to Tenant. Tenant shall deliver to Landlord its written request for consent to such Transfer together with copies of the proposed Transfer documents and shall provide Landlord with full particulars of the proposed Transfer and the business and financial responsibility and standing of the proposed transferee and Tenant shall cause the transferee to deliver to Landlord a copy of the transferee's detailed business plan for operation of the Leased Premises during the remainder of the Term, which plan must be satisfactory to Landlord. If Tenant requests Landlord's consent to any Transfer, Landlord may, within 45 days after receipt of such request and receipt of all required documents and information, either

- (a) withhold its consent to a proposed Transfer on any reasonable basis or on the basis provided in this clause (a) and, in this connection, the parties acknowledge that Landlord agreed to enter into this lease with the original Tenant named in key data item 14 after the exercise of Landlord's own judgment and expertise in determining that such original Tenant was a suitable tenant for the Leased Premises. Accordingly, if a Transfer is proposed, Landlord will similarly be entitled to exercise its own judgment and expertise in determining whether the proposed transferee is suitable to Landlord and for the Leased Premises, or
- (b) elect to terminate this lease if the request is with respect to a change of control of Tenant or a Transfer of all of the Leased Premises, or if the request is to Transfer a portion of the Leased Premises only, to terminate this lease with respect to such portion. If Landlord elects to terminate this lease and so advises Tenant in writing, Tenant shall then notify Landlord in writing within 15 days thereafter (excluding Saturday, Sunday or Statutory holiday) of Tenant's intention either to refrain from such Transfer or to accept the termination of the lease (in whole, or in part). Failure of Tenant to deliver notice to Landlord within such 15 day period advising of Tenant's intention to refrain from such Transfer, shall be deemed to be an acceptance by Tenant of Landlord's termination of this lease (in whole, or in part, as the case may be). Any termination of this lease pursuant to this Section 2.6.1 shall be effective on the later of the date originally proposed by Tenant as being the effective date of Transfer or the termination date specified in the termination notice which shall be the last day of a month not less than 60 days following the date Landlord's termination notice is given.
- (c) grant its consent with such conditions, if any, as Landlord elects to impose in its sole discretion, which conditions shall be effective upon completion of such Transfer and may include but are not limited to
  - (i) further limitations upon the use and occupancy of or business to be carried on in the Leased Premises;
  - (ii) the requirement that any party to the Transfer enter into a new lease with Landlord on Landlord's then standard lease form for the Property and that Tenant enter into such new lease as indemnifier;
  - (iii) the requirement that any party to the Transfer other than Tenant covenant directly with Landlord in writing and on a joint and several basis to perform and observe such of the covenants, obligations and agreements of Tenant under this lease as Landlord requires;
  - (iv) waiver by Tenant of any then remaining rights to rent free periods or other inducements of any kind provided under the lease; and
  - (v) acceleration of any outstanding tenant loan to be due and payable in full on demand of Landlord.

2.6 .1A 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 Leased 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, without the requirement to obtain 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 that possesses an equal or greater financial covenant as that of Tenant on the Commencement Date, the transferor shall automatically be released from its obligations under this lease.

"Permitted Transferee" means any corporation, partnership or other person (i) which is an affiliate of Ontario Cannabis Holdings Corp. or other corporate nominee; (ii) which is a successor entity formed as a result of an amalgamation or merger of Ontario Cannabis Holdings Corp. or other corporate nominee; (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 from 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.

- 2.6 2 If Landlord agrees to grant its consent to any Transfer under Section 2.6.1
- (a) Tenant shall not permit or cause such Transfer to be completed except
- (i) upon terms consistent with the terms of Tenant's request and information under Section 2.6.1 (except to the extent modified by any conditions imposed by Landlord under Section 2.6.1); and
- (ii) upon conditions imposed by the Landlord, if any, under Section 2.6.1; and
- (iii) upon terms not otherwise inconsistent with the terms of this lease;
- (b) the Tenant shall cause to be executed and delivered by any party to the Transfer (including Tenant) such documentation as may be required by Landlord in connection with such Transfer;
- (c) if Tenant shall receive or be entitled to receive from any transferee either directly or indirectly, any consideration for the Transfer or the use of the whole or any portion of the Leased Premises, either in the form of money or monies worth, goods, or services, Tenant shall forthwith pay an amount equivalent in value to such consideration to Landlord and such amount shall be deemed to be Additional Rent due.
- (d) in the event of any subletting or other Transfer by Tenant under which Tenant receives a rent or other payment of any kind related to any sublease or other right to use the Leased Premises or conduct the business of Tenant therein, in the form of money or monies worth, goods or services from the subtenant or any other person, which is more than the rent payable hereunder to Landlord, Tenant shall pay such excess to Landlord in addition to all rent, including Additional Rent, and other charges payable under this lease, and such excess amounts shall be deemed to be further Additional Rent due, but this provision shall not require Tenant to pay to Landlord the normal and usual franchise fees and royalties payable by any approved and permitted franchisee or sub-lessee operating the business in the Leased Premises so long as the amounts of such payments are the same as those payable by all of Tenant's franchisees, and
- (e) if such Transfer shall not be completed within 60 days after Landlord's consent is given, such consent shall expire and become null and void and Tenant shall not then allow or cause such Transfer to be completed without again complying with all the requirements of this Section 2.6.

and such consent shall not be effective unless and until Tenant shall have complied with Sections 2.6.2(a), (b), (c) and (d)

2.6 3 No Transfer or other disposition by Tenant of this lease or of any interest under this lease shall release Tenant from the performance of any of its covenants under this lease and Tenant shall continue to be bound by and liable under this lease. Tenant's liability under the lease will continue notwithstanding the bankruptcy, insolvency, dissolution, restructuring or liquidation of any transferee of this lease or the termination of this lease for default or the termination, disclaimer, surrender or repudiation of this lease or the abandonment of the Leased Premises pursuant to any statute, rule of law or court order. Furthermore, if this lease is terminated for default or abandonment or is terminated, disclaimed, surrendered or repudiated pursuant to any statute, rule of law, or court order then, in addition to and without limiting Tenant's liability under this lease, Tenant, upon notice from Landlord given within 90 days after any such termination, disclaimer, surrender or repudiation, shall enter into a new lease with Landlord for a term commencing on the effective date of such termination, disclaimer, surrender or repudiation and expiring on the date this lease would have expired but for such termination, disclaimer, surrender or repudiation and otherwise upon the same terms and conditions as are contained in this lease with respect to the period after such termination, disclaimer, surrender or repudiation.

2.6 4 Prior to Landlord considering any requested consent, Tenant shall pay to Landlord a non-refundable fee of \$500.00 for the review and consideration of any requested consent and prior to Landlord delivering any requested consent Tenant shall pay any further costs incurred by Landlord in processing each request by Tenant for consent to Transfer including all internal and external legal costs incurred.

2.6 5 Tenant will not print, publish, post, display or broadcast any notice or advertisement or otherwise advertise that all or part of the Leased Premises is available for lease or sublease or is otherwise available for the purpose of effecting a Transfer, and it will not permit any broker or other person to do any of the foregoing, unless the complete text and format of any such notice or advertisement is first approved in writing by Landlord. Without restricting or limiting Landlord's rights to refuse any text or format on the other grounds, no text or format proposed by Tenant may contain a reference to the rental rate for the Leased Premises and in no event shall Tenant display any sign that is visible from outside the Leased Premises.

**EXCLUSION**

2.7 During the Fixturing Period and Term of the Lease and any extensions thereof, the Landlord shall not lease or consent to the use or operation of any other business, within a property the Landlord has an interest in or control of that is within a radius of 300 meters from the Premises, whose principal business includes the retail sale of cannabis.

**CONDUCT OF BUSINESS**

2.8 Notwithstanding anything else in this lease, the Land, the Landlord acknowledges and agrees that, during that portion of the Term before the initial opening of the Leased Premises for business by the Tenant that the municipality, 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 Premises, the Tenant shall not be obligated to use, occupy, open for business or conduct its business from the Premises. The Tenant 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 recreational cannabis at retail from the Leased Premises. If, after the Tenant has legally opened for business, the Tenant is prevented by law from continuing its business operations for at least ninety (90) days because of any matter which is reasonably in the control of the Tenant, then the Landlord may at its sole option elect to terminate this Lease upon sixty (60) days' notice to the Tenant, during which notice period the Landlord may advertise the Leased Premises for rent and have reasonable access to the Leased Premises to show them to prospective tenants. If, after the Tenant has legally opened for business, the Tenant is prevented by law from continuing its business operations because of the enactment of any legislation, regulation, or municipal by-law prohibiting the retail sale of cannabis, the Landlord shall have no unilateral right to terminate this lease.

**PART 3****RENT****BASIC RENT**

3.1 From and after the Commencement Date, Tenant shall pay to Landlord an annual rent calculated at the rate specified in key data item 11. Basic Rent so calculated shall be payable by equal monthly instalments in advance on the first day of each month, and if the Commencement Date is not the first day of a month, then the first instalment of Basic Rent shall be payable on the Commencement Date for the broken portion of the month at the beginning of the Term and shall be calculated at a per diem rate of 1/365th of the annual Basic Rent.

**ADDITIONAL RENT**

3.2 From and after the Commencement Date, or such earlier date specified in this lease, Tenant shall pay to Landlord, or to others if any sums are required by the terms of this lease to be paid to anyone other than Landlord, further annual rent for the Leased Premises equal to the aggregate of the following amounts:

1. Tenant's Service Cost
2. The cost, as determined by Landlord, of refuse and waste collection, removal, disposal or recycling for the Leased Premises
3. An administrative fee equal to 15% of the total amounts payable by Tenant under Sections 3.2.1 and 3.2.2.
4. Tenant's Share of Operating Cost
5. Tenant's Share of each Realty Tax allocated to the Common Facilities pursuant to Part 5 of this lease
6. Each Realty Tax imposed upon or in respect of the Leased Premises and each Realty Tax allocated to the Leased Premises under Part 5 of this lease other than the Tenant's Share of any Realty Tax for the Common Facilities if paid by Tenant under Section 3.2.5
7. All charges for heat, water, gas, electricity, sewage or any other Utilities used or consumed in the Leased Premises which are not supplied to Tenant by or through Landlord. If so required by any Utility company or, by Landlord or Tenant with the Utility company's agreement, separate meters shall be installed in or for the Leased Premises at Tenant's expense.

In the calculation of the foregoing the Landlord shall not duplicate any charges including duplication of amounts charged for Tenant's Service Cost and Tenant's Share of Operating Cost.

**PAYMENT OF ADDITIONAL RENT**

3.3 The amount of Additional Rent which Tenant is to pay may be estimated by Landlord for such period, not in excess of 12 months, as Landlord may determine. Tenant agrees to pay to Landlord such amount in monthly instalments in advance during such period on the dates and at the times for payment of Basic Rent provided for in this lease.

**STATEMENTS**

3.4 As soon as practicable after the end of each Fiscal Period, Landlord shall give to Tenant a statement of the actual amount of Operating Cost for such Fiscal Period, and Landlord's statement of Tenant's Share thereof and from time to time Landlord shall provide statements of the actual amounts payable by Tenant for the relevant Fiscal Period for other items of Additional Rent, in each case showing in reasonable detail the information relevant and necessary to the calculation of the amounts shown to be payable by Tenant. If any such amounts are greater or less than the estimated amounts paid by Tenant on account, appropriate adjustments will be made between Landlord and Tenant within 30 days after any such statement is given. Landlord's statement shall be based upon the Landlord's definition of Operating Cost.

**TENANT TO PAY RENT**

3.5 Tenant covenants to pay rent without any deduction, abatement or set off except as specified in this Section. All rent in arrears shall bear interest at the Interest Rate from the date on which the same became due until the date of payment. If Tenant shall fail to pay to Landlord any rent when due hereunder or if any cheque tendered by Tenant for payment of rent is returned due to insufficient funds, Tenant, in addition to the interest charge payable under the preceding sentence, shall pay to Landlord upon demand as further rent due, a late payment charge to cover the extra administrative and collection expenses of Landlord in the amount of \$150.00 for each and every day or partial day that any such rent is not fully paid. Such charge is a liquidated sum which the parties specifically agree represents the minimum amount of damages which the Landlord shall be deemed to have suffered on account of Landlord's extra administrative and collection expenses resulting from the Tenant's failure to pay rent when due and is without prejudice to the Landlord's right to claim and prove greater damages or to avail itself of any other rights or remedies under this lease as a result of such breach. In the event of the occurrence of any injury to the Property or the Leased Premises which renders the Leased Premises unusable in whole or in part, then Basic Rent and Additional Rent shall abate, but only for the period and to the extent that proceeds of rental insurance for the Leased Premises are actually received by Landlord. Except as otherwise expressly provided in the preceding sentence or by reason of a decision by Landlord or Tenant to terminate this lease pursuant to Section 6.1, damage to or destruction of all or any portion of the Leased Premises or the Property shall not terminate this lease nor entitle Tenant to surrender the Leased Premises, nor in any way affect Tenant's obligation to pay rent.

3.6 Tenant shall provide a series of 12 post-dated cheques to the Landlord in respect of its obligation to pay Basic Rent and/or additional rent at the beginning of the Interim Period and the Commencement Date and at each anniversary of the Commencement Date. At the Tenant's option it may enter into an agreement with and provide such information as required for electronic funds transfer to the Landlord of any payments of rent.

**EXACT AREA OF LEASED PREMISES**

3.7 The Gross Leasable Area of the Leased Premises shall be determined by Landlord as of the Commencement Date and from time to time as the area of the Leased Premises is changed, and if the Gross Leasable Area so determined varies from the area set out in key data item 3, Basic Rent shall be adjusted accordingly, and Additional Rent, where applicable, shall be adjusted accordingly, each as of the Commencement Date or the date of a change in area as appropriate, and such area shall, upon delivery of the certificate setting out such area, be the Gross Leasable Area of the Leased Premises.

**ALLOCATIONS**

3.8 Where any amount, cost or expense is to be determined, allocated, apportioned or attributed under any provision of this lease, Landlord shall do so and shall act reasonably in determining and applying criteria which are relevant to doing so and Landlord may retain engineering, accounting, legal and other professional consultants to assist and advise in doing so. If the Property contains a combination of office, retail, residential or other commercial use components then Landlord may, if it thinks it is appropriate to do so, allocate Operating Costs between the various components depending upon Landlord's determination of the amounts attributable to each component.

**PAYMENT**

3.9 All rent shall be paid by Tenant to the Landlord or to such other person or at such other place in Canada as Landlord may designate in writing from time to time, without any prior demand therefore unless otherwise expressly provided in this lease.

**LIMITATION**

3.10 In addition to and without limiting the effect of Section 11.3, neither Landlord or Tenant may claim a re-adjustment or re-calculation in respect of any statement of, or demand for payment of any item of Additional Rent for any reason whatsoever except by notice delivered to the other party within twenty-four months after the date of delivery of the statement or demand.

**EXTENSION**

3.11 Provided that the Tenant is not in default of any of the provisions of this Premises Leasing Contract, upon delivery of a written request by the Tenant to the Landlord, such request to be delivered not later than nine (9) months and not earlier than twelve (12) months prior to the Term Expiry Date in key data item 9 (and the date on which the first extension term shall terminate, as applicable) grant the Tenant a right to extend the Term of this

Premises Leasing Contract for two further terms of five years each, without any further right of extension. The said extension(s) shall be upon the same terms and conditions of this Premises Leasing Contract, save and except any further extensions and save and except the amount of the Basic Rent which shall be mutually agreed upon by the Landlord and the Tenant, each acting reasonably and which shall be based on fair market rent for premises similar to the Leased Premises at the time of Term Expiry Date of this Premises Leasing Contract for the first extension period, and, if there is an extension for a second renewal term of five years, the Basic Rent for the second extension term shall be the fair market rent for premises similar to the Leased Premises at the term expiry date of the first extension period. Provided that if the Basic Rent as set out above cannot be mutually agreed upon then the Landlord and Tenant shall submit the issue of the determination of basic rent in an extension term before a single arbitrator as set out in this lease. The costs of the arbitration shall be borne equally between the Landlord and the Tenant.

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#### **TAXES AND UTILITIES**

##### ***BUSINESS TAX***

4.1 Tenant shall pay to the taxing authority having jurisdiction on or before the date when the same or the instalments for the same shall become due and payable, each Business Tax levied, assessed or charged to Tenant or in respect of the Leased Premises.

##### ***ALLOCATION OF REALTY TAXES TO LEASED PREMISES***

4.2 There may be more than one Realty Tax for the Property, each such Realty Tax being separately assessed, charged or imposed upon or in respect of the Property. Subject to Section 4.1 and the last paragraph of this Section 4.2, each Realty Tax for the Property shall be allocated to the Leased Premises under either Section 4.2.1 or Section 4.2.2 as Landlord, from time to time, determines, such that

4.2.1 if there is a separate assessment or charge (or in lieu thereof, any information available to Landlord from which a separate assessment or charge may be determined by Landlord) for the Leased Premises, such Realty Tax for the Property may be allocated to the Leased Premises by Landlord on the basis of such separate assessment or charge, or

4.2.2 Tenant's Share of such Realty Tax for the Property may be allocated to the Leased Premises by Landlord. For the purpose of this Section 4.2.2, if any rentable premises in the Property are vacant, any lower tax rate or other reduction in such Realty Tax due to such vacancy shall be deemed not to exist and such Realty Tax for the Property shall be adjusted to be the amount that would be applicable if the Property was fully occupied and the benefit of any lower tax rate or other reduction in such Realty Tax due to vacancies shall accrue solely to Landlord.

If the Property is assessed or charged any amount which can reasonably be determined as attributable to the Leasehold Improvements, Tenant shall pay the amount by which any Realty Tax is increased by reason of such assessment or charge. If the Leased Premises is assessed or charged in whole or in part for the support of separate schools, Tenant shall also pay the amount by which any Realty Tax assessed or charged exceeds that which would have been payable for the support of public schools.

##### ***ALLOCATION OF REALTY TAXES TO COMMON FACILITIES***

4.3 Landlord may allocate to the Common Facilities a portion of any Realty Tax for the Property. Prior to calculating Tenant's Share of any Realty Tax allocated to the Common Facilities, Landlord shall add an administrative fee equal to 15% of such allocated portion.

##### ***OTHER TAXES***

4.4 Tenant shall pay upon demand, any harmonized sales, goods and services, sales, business transfer, multi-stage sales, use, consumption, value-added or other similar taxes imposed by the government of Canada, or by any provincial or local government, upon Landlord or Tenant on or in respect of this lease, the payments made by Tenant hereunder or the goods and services provided by Landlord, including but not limited to the rental of the Leased Premises and provision of administrative services to Tenant or to others.

##### ***UTILITIES***

4.5 All Utility Costs incurred with respect to the Leased Premises shall be paid by Tenant, whether such Utilities are provided by or through Landlord and charged to Tenant under Section 3.2.1 or are supplied directly to Tenant by the Utility provider and charged to Tenant under Section 3.2.7 or otherwise.

Tenant shall not be permitted to make separate arrangements and shall not enter into any such arrangements, nor enter into any competitive supply contract or similar arrangement for the supply of any Utility for the Leased Premises directly from any Utility supplier, retailer or distributor unless such arrangements receive Landlord's prior written approval.

Landlord shall be entitled from time to time to require that any particular Utility be provided for the Property and to Tenant and other Landlord designated Utility consumers in the Property, only by such supplier, distributor or retailer who has been designated and approved by Landlord. Landlord shall be entitled to make such arrangements for the supply of any Utility to the Property as Landlord considers to be in the best interest from time

to time of the Property and the Utility consumers therein including Landlord. Landlord may from time to time negotiate modifications and revisions to its supply agreements with Utility providers and may enter into new arrangements for the supply of any particular Utility and Landlord may from time to time authorize Tenant and other Utility consumers in the Property to make direct arrangements with Utility suppliers for the provision and supply of any particular Utility to the Leased Premises. The presence or absence of any separate metering devices to record consumption of any Utility in relation to the Leased Premises shall not affect the foregoing agreement of the parties.

The Tenant agrees that notwithstanding anything else in this paragraph 4.5 it shall transfer any separately-metered utilities accounts serving the Leased Premises into its name as soon as practicable.

4.4

**OPERATION OF PROPERTY**

**PROPERTY**

4A.1 Landlord shall operate the Property during the Term to an appropriate standard having regard to the size, age, type and location of the Property. The Property shall at all times be under the exclusive control and management of Landlord.

**LANDLORD'S ALTERATIONS**

4A.2 Landlord may from time to time alter, expand, improve, diminish, maintain, operate, renovate, re-merchandise and supervise the Property including the Common Facilities, and may change the area, location and arrangement thereof and do and perform such other acts and things with respect thereto as Landlord determines to be advisable. Landlord may also from time to time alter or expand the buildings in which the Leased Premises is contained, alter or construct other buildings or improvements in or about the Leased Premises and the Property and build adjoining the same and make additions or subtractions. Tenant acknowledges that any depiction of the Property provided to the Tenant does not constitute a representation, covenant or warranty of any kind by Landlord and Landlord reserves the right to change the size and dimensions of the buildings, the number and locations of buildings, the size, location and layout of Common Facilities including parking areas. In exercising its rights pursuant to this Section, the Landlord shall use reasonable efforts to minimize any disruption or interference with the Tenant's use and business operations.

**USE OF COMMON FACILITIES**

4A.3 The Tenant shall have a non-exclusive right to use, in compliance with the Operating Standards and in common with all other persons entitled thereto, the part of the Common Facilities appropriate, intended and designated from time to time by Landlord for such use.

4A.4 The Tenant confirms that it shall at all times maintain adequate controls over its employees, invitees, and customers such that no crowding, or disturbance occurs in the Common Facilities, including any part of the Property, including loitering on the Property or use of cannabis by its customers anywhere on the Property. The Tenant confirms its understanding that any such crowding, lineups, or disturbance is a potential health and safety hazard, may diminish the value of the Property and may cause disputes among other tenants of the Landlord and between those other tenants and the Landlord. The Landlord may at any time require the Tenant to post additional signage to deter any such disturbance, at the Tenant's sole cost. If the Landlord, in its sole discretion, deems it appropriate to hire security personnel to patrol the Common Facilities to ensure that no such crowding or disturbance occurs or persists, then the cost of such personnel shall be immediately due and payable in the same manner as additional rent and shall be subject to an additional 15% administration fee. The Tenant shall at all times have operational security cameras monitoring activity inside and outside the Leased Premises and shall maintain all security footage for not less than 30 days. The Tenant shall contract for the installation, maintenance, and 24-hour monitoring of a security alarm system to protect the entrances to the Leased Premises.

**PUBLIC POLICIES**

4A.5 Landlord shall be deemed to have observed and performed the terms and conditions to be performed by Landlord under this lease, including those relating to the provision of Utilities, if in so doing it acts in accordance with a directive, policy or request of a governmental or quasi-governmental authority acting in the fields of energy, conservation, waste management and disposal, security or other area of public interest.

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**REPAIRS AND MAINTENANCE**

**MAJOR DAMAGE**

5.1 If 50% or more of the Gross Leasable Area of rentable premises in the Property is destroyed or damaged by any cause so as not to be capable of being used for its intended purposes and Landlord elects, by written notice to Tenant given within 120 days after the occurrence of such destruction or damage, not to repair, then within 60 days after such notice is given (notwithstanding that the Leased Premises may be unaffected) either Landlord or Tenant may terminate this lease upon not less than 30 days nor more than 60 days written notice to the other. Except as provided in this Section 5.1 and subject to Section 3.5, destruction or damage to the Leased Premises or the Property by any cause shall not frustrate or terminate this lease nor affect the covenants under this lease.

5.2 If either 50% or more of the Gross Leasable Area of rentable premises in the Property is destroyed or damaged, as in Section 5.1, but neither the Landlord nor the Tenant elects to terminate this Lease, or less than 50% of the of rentable Premises in the Property is destroyed or damaged by any cause, then to the extent that the said damage is covered by insurance which Landlord maintains or is required to maintain under this lease, the Landlord shall effect such repairs of those parts of the Property for which it is responsible under this lease to the extent that such parts of the Property are reasonably required for the Tenant to operate its business in the Lease Premises.

#### **LANDLORD REPAIRS**

5.3 Landlord shall, in the same manner and to the same extent as would a prudent owner of the Property, keep the Common Facilities clean and in good repair, order and condition. The obligations of Landlord in this Section and Section 5.1 are subject to an exception for any damage or injury which is not covered by insurance which Landlord maintains or is required to maintain under this lease, or the cost of repair or restoration of which exceeds the proceeds of such insurance actually received by Landlord and for this purpose deductible amounts shall be deemed received.

#### **TENANT REPAIRS**

5.4 Tenant is responsible to keep and maintain the Leased Premises and Tenant Property in first class appearance and in good repair, order and condition and in a clean and tidy state at all times to the same extent as would a prudent owner. Landlord may supervise repairs and maintenance to the Leased Premises. Tenant shall promptly notify Landlord of any defect or deficiency in, malfunction of, or damage to, the Leased Premises or any equipment or Utilities therein of which Tenant becomes aware at any time during the Term. Without limiting the generality of the foregoing, once the Tenant has taken occupancy of the Leased Premises, the Tenant shall be specifically required to maintain, repair and replace:

- a) walls;
- b) ceilings;
- c) portable fire extinguishers;
- d) plate glass or other glass that may become broken or damaged;
- e) plate glass and glass windows;
- f) toilets, washroom basins;
- g) flooring;
- h) washrooms;
- i) signs.

Any work to be undertaken by the Tenant for purposes of compliance with the foregoing, shall be using materials and contractors that are approved in writing by the Landlord.

The Tenant shall perform or contract for the performance of regular (on at least a semi-annual basis) professional maintenance to the HVAC system(s) serving the Premises.

Tenant understands and agrees that it is solely responsible for the cleaning and maintenance of the Leased Premises, including but not limited to grease traps, ducting, and canopy, on a regular basis to ensure that each part of the Leased Premises meets all health and sanitation requirements, and to ensure that each part of the Leased Premises is clean and presentable during the hours of operation. Landlord reserves the right from time to time to enter the Leased Premises following 24 hours' written notice (which shall include notice by email) to determine if the required cleaning and maintenance program is being fully carried out by Tenant. If Landlord determines that Tenant is not cleaning and maintaining each part of the Leased Premises to a standard consistent with a first class retail business premises, Landlord shall have the right to have such work carried out immediately and all charges incurred by Landlord in doing so will be paid by Tenant as additional rent on demand.

#### **COMPLIANCE WITH CODES**

5.5 Tenant is responsible at all times to comply with and to keep the Leased Premises, the Leasehold Improvements and all Tenant Property in compliance and in accordance with the requirements of all applicable laws, directions, rules, regulations or codes of Landlord and every Authority having jurisdiction and of any insurer by which Landlord or Tenant is insured and affecting the construction, operation, condition, maintenance, use or occupation of the Leased Premises or the making of any repair or alteration, including, without limitation, strict compliance with each Environmental Law. Tenant shall not allow or cause any act or omission to occur in or about the Leased Premises or the Property which may result in an illegal use or causes any breach of or non-compliance with such laws, directions, rules, regulations and codes. If, due to Tenant's acts, omissions or use of the Leased Premises, repairs, remediation, alterations or improvements to the Leased Premises or the Property are necessary to comply with any of the foregoing or with the requirements of insurance carriers, Tenant will pay the entire cost thereof.

