

FORM OF LEASE

THIS LEASE made _____, 202__.

AMONG:

CITY OF COQUITLAM, a municipal corporation, having an office at 3000 Guildford Way, Coquitlam, British Columbia V3B 7N2

(in its capacity as landowner, and not as municipal regulator, the "**Landlord**")

AND:

[insert name of tenant and address]

(the "**Tenant**")

AND:

[insert name of indemnifier and address, if applicable]

(the "**Indemnifier**")

SUMMARY OF CERTAIN BASIC LEASE PROVISIONS

The following is a summary of certain basic Lease provisions, which are referred to in subsequent provisions of this Lease. In the event of any conflict between the contents of this summary and the remaining provisions of this Lease, the remaining provisions will govern.

(a) Name and Address of Landlord

CITY OF COQUITLAM
3000 Guildford Way, Coquitlam, B.C., V3B 7N2
Attention: Manager Real Estate
Email: jburton@coquitlam.ca

(b) Name and Address of Tenant

[insert name and address of Tenant]
Email: [insert]

(c) Name and Address of Indemnifier

[name and address of Indemnifier’s principal place of residence or office]

Email: [insert]

(d) Indemnifier Provisions

Article 20.19 and Schedule G

(e) Tenant’s Business or Trade Name

[insert Tenant’s business or trade name]

(f) Permitted Use

A café serving a variety of food items and hot and cold beverages, including coffee and espresso based beverages it being understood and agreed that the Tenant shall only be permitted to sell alcoholic beverages if it obtains and maintains a food primary liquor license from the Province of British Columbia.

(g) Rentable Area

1,744 square feet.

(h) Term

[number] years commencing on the Commencement Date (unless the Commencement Date is not the first day of a month, in which case the Term shall end [number] calendar years after the last day in the month in which the Commencement Date occurs).

(i) Commencement Date

The date that is the day following the expiry of the Fixturing Period.

(j) Term Expiry Date

The date that is [number] calendar years after the last day in the month in which the Commencement Date occurs.

(k) Annual Basic Rent

Lease Year	Annual Basic Rent	Monthly Basic Rent	\$ per annum per square foot of the Rentable Area of the Premises
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[insert]

(l) Percentage Rent:

[Insert as applicable. Either:

<the amount, if any, by which [insert percentage]% of Gross Revenue per Lease Year exceeds Annual Basic Rent>

OR

<the amount that is equal to [insert percentage]% of Gross Revenue per Lease Year over the Breakpoint (as defined in Section 4.3(b))>

(m) Security Deposit

[\$[insert amount]. Schedule F.

(n) Special Provisions

Schedule F.

In consideration of the covenants in this Lease, the Landlord, the Tenant and the Indemnifier acknowledge and agree as follows:

1. SCHEDULES

1.1 The schedules, which form a part of this Lease, consist of:

- (a) Schedule A - Definitions;
- (b) Schedule B - Description of Landlord's Work and Tenant's Work;
- (c) Schedule C - Procedure for Landlord's Work and Tenant's Work;
- (d) Schedule D - Plan;
- (e) Schedule E - Rules and Regulations;
- (f) Schedule F - Special Provisions; and
- (g) Schedule G - Indemnity Agreement.

2. CONSTRUCTION AND FIXTURING OF PREMISES

2.1 Landlord's Work and Tenant's Work

The Tenant acknowledges that it has entered into this Lease on the express understanding that the Landlord's Work in the Premises is limited to the scope of construction described as Landlord's Work in Sections 1 to 18 of Schedule B. The Landlord's Work and the Tenant's Work will be completed in accordance with the procedure set out in Schedule C.

2.2 Completion of Premises

The Tenant will, prior to opening the Premises for business, comply with the provisions of Schedule C, Section 3.

2.3 Tenant's Work

The cost of any renovations, improvements, or fixturing required by the Tenant will be payable by the Tenant. The Tenant agrees to submit to the Landlord for approval the drawings and specifications relating to any such further Tenant's Work as specified in Schedule B to this Lease, and the Tenant further agrees that all further work carried out by the Tenant in the Premises will be pursuant to this Lease, including, without limitation, the provisions of Schedule B.

2.4 Prime Contractor

Where the Tenant:

- (a) during the Term or the Fixturing Period, performs or coordinates its own work in connection with any improvements to the Premises; and/or
- (b) supplies, without limitation, labour, tools, machinery, equipment, and supervision necessary to carry out the work referred to in (a) above,

then notwithstanding that the Landlord may have agreed to pay the Tenant an allowance for such work or abate the Rent for a given period or provide other forms of inducements or reimbursements, the Tenant will, and agrees, that it will be named as the "Prime Contractor" (for purposes of the *Workers Compensation Act*, R.S.B.C. 2019, c. 1 and regulations under it as the same may be modified, amended, or replaced from time to time) for the purpose of carrying out the performance or coordination of the work referred to in (a) or (b) above. The Tenant covenants and agrees that in its capacity as the Prime Contractor it will take all steps and measures necessary to fulfil the obligations, functions, and duties of a "prime contractor" in compliance with all Applicable Laws. Where the term "Prime Contractor" is used in this Section it will mean and refer to the Tenant.

Notwithstanding anything else contained in this Lease, the Prime Contractor hereby

covenants to indemnify and save harmless the Landlord and its respective employees, servants, agents, successors, and assigns from and against all manner of actions, causes of action, suits, damages, loss, costs, claims, fines, penalties, and demands of any nature whatsoever relating to loss or damage arising from the Prime Contractor's construction of the work referred to in (a) or (b) above including, without limitation, loss or liability for any administrative fines and penalties under workers' compensation legislation in British Columbia.

At all times during the construction of the work referred to in (a) or (b) above, the Prime Contractor will at its own expense procure and carry, or cause to be procured and carried and paid for, full workers' compensation coverage in respect of all workers, employees, servants, and others engaged in or upon any work. At all times the Prime Contractor will indemnify and save harmless the Landlord, its employees, servants, agents, successors, and assigns from and against all damages, costs, claims, suits, judgments, and demands that the Landlord may incur as a result of any default by the Prime Contractor of its obligation to ensure that the full workers' compensation coverage is maintained. The Prime Contractor will further ensure that no amount of the workers' compensation coverage is left unpaid so as to create a lien on the Premises or the Property. The Tenant will be in default under this Lease if the workers' compensation coverage required under this Section is not in place on or before the date the Prime Contractor commences construction of the work referred to in (a) or (b) above, the proof and sufficiency of which will be required by the Landlord.

2.5 **Fixturing Period and Early Occupancy**

The Tenant shall have a period of up to 90 days to complete the Tenant's Work in the Premises (the "**Fixturing Period**"). When the Premises are ready for occupancy as determined by the Landlord in its sole discretion, the Landlord agrees to provide the Tenant not less than twenty (20) days prior notice confirming the date that the Fixturing Period will commence (the "**Fixturing Period Commencement Date**"). The Fixturing Period shall expire on the earliest of: (i) the date immediately prior to the date upon which any part of the Premises are opened to the public for business, or (ii) the 89th day following the Fixturing Period Commencement Date.

During the Fixturing Period, the Tenant shall not be obligated to pay Rent, but the Tenant shall be subject to all of the other terms and conditions of this Lease insofar as they are applicable including, without limitation, the obligation to pay business taxes, if applicable, utilities and garbage collection and disposal, the obligation to maintain insurance pursuant to this Lease, the provisions relating to the liability of the Tenant for its acts and omissions, and the acts and omissions of its servants, employees, agents, contractors, invitees, concessionaires and licensees and the indemnification of the Landlord.

3. DEMISE AND TERM

3.1 Demise and Term

In consideration of the Rent, covenants, and agreements reserved and contained in this Lease, which Rent, covenants, and agreements are to be paid, observed, and performed by the Tenant, the Landlord does hereby demise and lease unto the Tenant the Premises and the Tenant does hereby lease from the Landlord the Premises, TO HAVE AND TO HOLD from the Term Commencement Date for and during the Term, unless sooner terminated as hereinafter provided.

3.2 Rentable Area – Estimated

The Rentable Area of the Premises is estimated and the Parties agree the Rentable Area will not be adjusted upon determining an error exists, unless agreed to in writing by the Tenant and the Landlord.

4. RENT

4.1 Tenant to Pay Annual Basic Rent and Additional Rent

The Tenant covenants and agrees to pay to the Landlord notwithstanding the provisions to the contrary herein, or as the Landlord may in writing direct, in lawful money of Canada, without any set-off, compensation, or deduction whatsoever, on the days and at the times hereinafter specified, Rent which will include the aggregate of the sums required to be paid under Sections 4.1(a) and 4.1(b):

(a) Annual Basic Rent

The Tenant will pay the Annual Basic Rent.

(b) Additional Rent (Premises)

As Additional Rent, the Tenant will pay to the Landlord upon demand for:

- (i) those costs that directly relate to the Tenant's use of the Premises, to the extent not included in Occupancy Costs, which include the cost, charge, or expense for electricity, water, garbage collection and disposal, telecommunication services, and any other like service rendered to the Premises for the sole benefit of the Tenant and paid by the Landlord; and
- (ii) the cost of any garbage collection and disposal rendered to the Development and paid by the Landlord, if any.

(c) Taxes

Whenever in the Landlord's reasonable opinion any Taxes assessed in the Landlord's name properly relates to the Premises, the Landlord may allocate all or a portion of the Taxes to the Premises, and the Tenant agrees to pay to such amount allocated to the Tenant within 10 days after written demand by the Landlord.

(d) Payment of Taxes

The Landlord may, at its option from time to time, estimate the amount on account of Taxes which may be payable by the Tenant pursuant to this Lease and the Tenant shall pay to the Landlord concurrently with the monthly payment of Annual Basic Rent, a portion thereof so that the Landlord will have sufficient funds on hand to pay the Taxes as and when they become due, provided that no interest shall be paid by the Landlord on the foregoing.

4.2 Tenant to Pay Percentage Rent

The Tenant covenants and agrees to pay to the Landlord, in lawful money of Canada, without any set-off, compensation, or deduction whatsoever, on the days and at the times hereinafter specified, Percentage Rent, in addition to and not in substitution for or in partial payment of Annual Basic Rent.

4.3 Procedure for Payment of Rent

The Tenant will pay the Rent provided for in this Article 4 promptly and punctually as follows:

(a) Payment of Annual Basic Rent

Annual Basic Rent described in Item (k) and Section 4.1 will be paid in instalments on a monthly basis. The Tenant will pay the first monthly instalments of Annual Basic Rent on the Commencement Date. Where such Commencement Date is the first day of a month, such instalments will be in respect of such month. Where such Commencement Date is not the first day of a calendar month, Annual Basic Rent for the period from such Commencement Date to the first day of the next calendar month will be pro-rated on a per diem basis and paid on the first day of the next month, and thereafter, subsequent monthly instalments will each be in advance on the first day of each ensuing calendar month.

(b) Payment of Percentage Rent

[the amount, if any, by which x% of annual Gross Revenue exceeds Annual Basic Rent:

Percentage Rent will be paid on the 10th day after the last day of the first calendar month in which the percentage referred to in Item (l) of the Lease Summary of the Gross Revenue for the Lease Year exceeds the Annual Basic Rent, and on the 10th day after the end of each successive calendar month of the Lease Year, as well as the 10th day of the month after the end of the Term. The amount of each payment of Percentage Rent will be obtained by calculating the difference between:

(i) the product obtained by multiplying the percentage referred to in Item (l) of the Lease Summary by the Gross Revenue in the Lease Year; and

(ii) the Annual Basic Rent,

and deducting from that total payments on account of Percentage Rent made previous to that time by the Tenant for the Lease Year. If the Annual Statement (as defined in Section 4.4(b)) furnished by the Tenant under Section 4.4, at the end of a Lease Year, discloses that the total Percentage Rent paid by the Tenant for the Lease Year exceeds or is exceeded by the total Percentage Rent payable by the Tenant for the Lease Year, the Tenant will pay any deficiency at the same time as it furnishes the Annual Statement, or the Landlord will pay any excess to the Tenant as soon as reasonably possible after the Landlord's receipt of the audit opinion referred to in Section 4.4(c) (unless an audit under Section 4.7 is in progress or the Tenant is then in default under any term or condition of this Lease)].

OR:

[percentage of the amount, if any, by which annual Gross Revenue exceeds set dollar amount:

Percentage Rent will be paid on the 10th day after the last day of the first calendar month in which Gross Revenue for the Lease Year exceeds the Breakpoint (defined below), and on the 10th day after the end of each successive calendar month of the Lease Year, as well as the 10th day of the month after the end of the Term. The amount of each payment of Percentage Rent will be obtained by applying the percentage referred to in Item (l) of the Lease Summary, to the total of the stated Gross Revenue in excess of the Breakpoint for the immediately preceding month and the stated Gross Revenue in excess of the Breakpoint for all preceding months of the Lease Year, and deducting from that total the payments on account of Percentage Rent made previous to that time by the Tenant for the Lease Year. If the Annual Statement (as defined in Section 4.4(b)) furnished by the Tenant under Section 4.4, at the end of a Lease Year, discloses that the total Percentage Rent paid by the Tenant for the Lease Year exceeds or is exceeded by the total Percentage Rent payable by the Tenant for the Lease Year, the Tenant will pay any deficiency at the same time as it furnishes the Annual Statement, or the Landlord will pay any excess to the Tenant as soon as reasonably possible after the Landlord's receipt of the audit opinion referred to in Section 4.4(c)

(unless an audit under Section 4.7 is in progress or the Tenant is then in default under any term or condition of this Lease). “**Breakpoint**” means [insert breakpoint as set dollar value].

If the Lease Year is less than 365 days, the [Annual Basic Rent or Breakpoint] will be reduced by multiplying the [Annual Basic Rent or Breakpoint] by a fraction, the numerator of which is the number of days in the Lease Year and the denominator of which is 365. If the Tenant fails to carry on business in the Premises on a day on which the Tenant is required to carry on business in accordance with the terms of this Lease, the [Annual Basic Rent or Breakpoint] will be reduced by multiplying it by a fraction, the numerator of which is the number of days in the Lease Year on which the Premises are open to the public for business and the denominator of which is the number of days in the Lease Year on which the Tenant is required to carry on business in the Premises in accordance with the terms of this Lease plus any days on which the Tenant is not required to carry on business by reason of closures under any provision of this Lease or *force majeure* as described in Section 20.8 of this Lease.

(c) Post-dated Cheques or Electronic Debit

The Landlord may require the Tenant from time to time to furnish the Landlord with a series of post-dated cheques covering the next 12 instalments of Annual Basic Rent and the Tenant will, forthwith upon request, deliver such cheques to the Landlord. At the Landlord’s request the Tenant will participate in a pre-authorized payment plan whereby the Landlord will be authorized to debit the Tenant’s bank account each month and from time to time during the Lease Year in an amount equal to the Annual Basic Rent payable on a monthly basis, and, if applicable, generally any amount payable provisionally pursuant to the provisions of this Lease on an estimated basis.

4.4 Gross Revenue Reports

- (a) On or before the 10th day of each calendar month, except for the first month of the Term, the Tenant will deliver to the Landlord, at the place then fixed for the payment of Rent, a statement (the “**Monthly Statement**”) signed by the Tenant, which: (i) states that Gross Revenue as reported in the Monthly Statement is in accordance with the definition of Gross Revenue in Schedule A; (ii) contains a certification by the Tenant that the Monthly Statement is correct; (iii) is in the detail and form that the Landlord requires; and (iv) without limiting the requirements stated above, shows: (A) the amount of Gross Revenue for the preceding month (and fractional months, if any, at the commencement or end of the Term); (B) the amount of Gross Revenue for all preceding months of the Lease Year (and fractional months, if any, at the commencement or end of the Term); and (C) the monthly payments made on account of Percentage Rent for the Lease Year.
- (b) Before the 61st day after the end of each Lease Year (including the last Lease Year of

the Term), the Tenant will deliver to the Landlord at the place then fixed for the payment of Rent, a statement (the “**Annual Statement**”) signed by the Tenant, which Annual Statement will: (i) state that Gross Revenue as shown in the Annual Statement is in accordance with the definition of Gross Revenue in Schedule A; (ii) contain a certification by the Tenant that the Annual Statement is true and correct; and (iii) without limiting the requirements stated above, show, month by month, the amount of Gross Revenue during the preceding Lease Year.

- (c) Before the 181st day after each fiscal year-end of the Tenant, the Tenant will deliver to the Landlord an audit opinion by an independent public accountant of recognized standing (an “**Accountant**”) signed by the Accountant and stating that: (i) he or she has examined, in accordance with generally accepted auditing standards, the Gross Revenue of the Tenant for the fiscal year then ended; and (ii) Gross Revenue is fairly presented for the fiscal year then ended, in accordance with the definition of Gross Revenue in Schedule A and on a basis consistent with that of the preceding fiscal year.

4.5 **Tenant’s Records**

The Tenant will keep in the Premises or at its principal office in Canada, for at least three years after the end of each Lease Year, adequate books and records kept in accordance with generally accepted accounting principles that show inventories and receipts of merchandise at the Premises and daily receipts from all sales, rentals, charges, services, and other transactions, in or from the Premises made by the Tenant and any other Persons conducting business in or from the Premises as well as sales and rental tax returns, pertinent original sales and rental records, and any other sales and rental records that the Landlord reasonably requires and that would normally be examined by an accountant pursuant to accepted auditing standards in performing a detailed audit of Gross Revenue. The Tenant will also cause the records described above to be kept by all Persons doing business in or from the Premises. The Tenant, and all other Persons conducting business in or from the Premises, will record at the time of the sale or rental, in the presence of the customer, all receipts from sales, rentals, charges, services, or other transactions, whether for cash or credit, in a cash register or registers or computerized systems featuring safeguards so as to prevent the deletion of a perpetual and cumulative total and any other control features that are required by the Landlord.

4.6 **Right to Examine**

The Landlord may examine the Tenant’s books and records relating to Gross Revenue and the inventories of merchandise at the Premises and at the Tenant’s principal office in Canada, for the period covered by any statement issued by the Tenant. The Landlord and its authorized representatives may examine the Tenant’s records and procedures during regular business hours, and may have a Person in the Premises to check, verify, and

tabulate Gross Revenue or to examine accounting records and procedures including control features affecting the determination of Gross Revenue.

4.7 Audit

The Landlord may, at reasonable times, cause a complete audit to be made of the Tenant's business and records relating to the calculation of Gross Revenue. If the auditor reports that the Tenant's records and procedures are insufficient to permit a determination of Gross Revenue for a Lease Year, or a part of a Lease Year, or that the Tenant is not complying with this Article 4, the Landlord may deliver to the Tenant an estimate (which will be final and binding on the Tenant) of Gross Revenue for the relevant period and the Tenant will immediately pay to the Landlord the amount shown in the estimate to be owing.

If the Landlord's auditor reports that the Tenant is in default under this Article 4 or if the audit discloses that Gross Revenue for the relevant period is understated by 3% or more, the Tenant will pay to the Landlord, on demand, the cost of the audit in addition to the deficiency, together with interest on the latter calculated from the first day of such period at the Prime Rate plus 10% in force on such date.

4.8 Tenant's Failure

If the Tenant fails to deliver a statement or an audit opinion required under this Article 4 within the time required, the Landlord may, on five days' notice to the Tenant, employ an auditor to examine the Tenant's books and records to certify the amount of Gross Revenue for the period related to the statement or the audit opinion, and the Tenant will pay to the Landlord, on demand, as Additional Rent the cost of the examination together with the sums shown by the examination to be owing on account of Percentage Rent with interest on the latter calculated from the date the statement or the audit opinion was required at the Prime Rate plus 10% in force on such date.

4.9 Rent for Irregular Periods

All Rent reserved herein will be deemed to accrue from day to day, and if for any reason it will become necessary to calculate Rent for irregular periods of less than one year, an appropriate pro-rata adjustment will be made on a daily basis in order to compute Rent for that irregular period.

4.10 Place of Payment

All payments required to be made to the Landlord under this Lease will be made to the Landlord or the Landlord's agent at the address referred to in Item (a) of the Lease Summary, unless otherwise directed by the Landlord.

4.11 Net Lease

The Tenant acknowledges and agrees that it is intended that this Lease will be a completely carefree net lease for the Landlord except as otherwise provided in the specific provisions contained in this Lease (including without limitation provisions concerning the Occupancy Costs) and that the Landlord will not be responsible during the Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Premises or the Development, and the Tenant, except as otherwise provided in the specific provisions contained in this Lease (including without limitation provisions concerning the Occupancy Costs), will pay all, or a proportionate part of, as the case may be, charges, impositions, and costs of every nature and kind relating to the Premises and the Development, whether or not referred to herein and whether or not within the contemplation of the Landlord and the Tenant.

5. CONDUCT OF BUSINESS

5.1 Use and Operation of Premises

The Tenant covenants with the Landlord that:

(a) Use of Premises

The Tenant will not use or occupy the Premises or any part thereof for any purpose other than the operation of the business described in Item (f) of the Lease Summary without the prior written consent of the Landlord. The Tenant will only conduct its business under the name referred to in Item (e) of the Lease Summary and will not change the name of the business or practice to be conducted from or in the Premises without the prior written consent of the Landlord, which consent will not be unreasonably withheld.

(b) No Representations as to Use

Notwithstanding Landlord consent or agreement to an application or request to the City to use the Premises for a particular use, or for permits, including development, building, and occupancy for such use, the Landlord makes no representations or warranties, express or implied, as to the condition or suitability of the Premises, including fixtures, for the Tenant's use or intended use, and as to whether necessary approvals can be obtained for the Tenant's use or intended use, and the Tenant acknowledges and agrees that the Landlord makes no such representations or warranties. The Tenant accepts the Premises in its condition at the commencement of the Term and on an "as is/where is" basis and agrees that the use of the Premises and all appurtenances thereto are at the sole risk of the Tenant without any recourse against the Landlord.

(c) Prohibited Uses

The Tenant, at any time, unless expressly consented to in writing in advance by the Landlord (and without limiting the generality of Section 5.1(a)):

- (i) will not conduct on the Premises an auction sale, nor any “distress sale”, “bankruptcy sale”, “going out of business sale”, “bulk sale”, or any other sale designed to convey to the public that business operations are to be discontinued; and
- (ii) will not conduct any cannabis or marijuana related business, including the sales of cannabis, marijuana, or related products; and
- (iii) will only provide services and sell merchandise, if merchandise is being offered for sale, in the regular course of trade as a retail merchant for the purpose for which the Premises are leased.

(d) To Operate During the Term

The Tenant will not during the Term vacate the Premises either in whole or in part, whether actually or constructively, but will:

- (i) commence and conduct its business from the entire Premises from not later than the Commencement Date; and
- (ii) continuously, actively, and diligently carry on in the Premises the type of business for which the Premises are leased to the Tenant.

(e) Hours of Operation

The Tenant will conduct its business from the Premises 7 days per week for at least 8 consecutive hours each day provided that the Tenant may not operate its business before 6:30 am or after 10:00 pm on any given day, provided that the Tenant is not required to, but may, operate its business on statutory holidays.

(f) Signs and Advertising

Except as approved as part of the Tenant’s Work or otherwise approved by the Landlord, the Tenant will not erect or place, or permit to be erected or placed, or maintain any signs of any nature or kind whatsoever either on the exterior walls of the Premises or on the walls of the Development, if applicable, or elsewhere in the Development; nor will the Tenant erect or place, or permit to be erected or placed in the display windows any travelling or flashing lights, sign, decoration, lettering, or advertising matter of any kind, including signs placed in the interior of the Premises for exterior view, without first obtaining the Landlord’s written consent in each instance;

and provided further all approved signs will comply with the Landlord's signage policy in effect from time to time and all Applicable Laws.

(g) Nuisance

The Tenant will not carry on or engage in or perform or permit to be carried on, performed, or permitted on the Premises any business practice or act or activity which may be a nuisance or a menace or which in any way may injure the Development or any part thereof; or cause or permit annoying noises (including loudspeakers, television, stereos, radios, or other devices in a manner so as to be seen or heard outside the Premises) or vibrations, or offensive odours to issue from the Premises; or cause or permit any oil or grease or Hazardous Substances or explosive matter or substance to be discharged into the Premises or into adjoining premises or into Common Areas, drains, or sewers, and will take all reasonable measures for ensuring that any effluent discharged will not be corrosive, poisonous, or otherwise harmful or hazardous, or cause obstruction, deposit, or pollution within the Development. The Landlord may determine in its sole discretion whether the Tenant is in breach of this Section 5.1(g).

(h) Advertising Assignment of Lease

The Tenant will not print, publish, post, display, or broadcast any notice or advertisement with respect to the assignment of this Lease, the subletting or licensing of the Premises in whole or in part, or the sale of the business conducted thereon, nor permit any broker or other person to do any of the foregoing, without first obtaining the consent in writing of the Landlord.

(i) Glass

The Tenant will restore forthwith, at its expense, and with glass of the same colour and quality, any broken or damaged glass on the Premises regardless of the cause.

6. REPAIRS

6.1 Covenants

The Tenant covenants with the Landlord that:

(a) Tenant's Repairs

The Tenant will at all times during the Term at its own cost and expense:

- (i) repair, maintain, and keep the Premises in good order and repair, as a prudent owner would do; and

(ii) repair, maintain, and keep all equipment, furniture, and fixtures, including attached and unattached trade fixtures, in the Premises in good order and repair and replace the same when necessary, as a prudent owner would do, including, without limitation, any improvements now or hereafter made to the Premises, except repairs for which the Landlord is responsible under Section 6.2.

(b) Painting

The Tenant will keep well painted at all times the interior of the Premises in accordance with the reasonable requests of the Landlord from time to time in such colours as will have first been approved in writing by the Landlord, such approval not to be unreasonably withheld or delayed.

(c) Landlord's Examination of Premises

The Landlord and any employee, servant, or agent of the Landlord will be entitled, at any reasonable time during normal business hours and during any emergency, to enter upon the Premises and examine the state of maintenance, repair, and order of the Premises, all equipment and fixtures within the Premises, and any improvements now or hereafter made to the Premises, and the Landlord may give notice to the Tenant requiring that the Tenant perform such maintenance or effect such repairs or replacements as may be found necessary from such examination. The failure of the Landlord to give such notice will not relieve the Tenant from its obligation to maintain, repair, and keep the Premises and appurtenances in good order and repair as aforesaid and to make such replacements as may be necessary.

(d) Tenant's Fixtures and Improvements

The Tenant agrees that any goods, alterations, additions, improvements, and fixtures made to or installed upon or in the Premises, whether before or after the Commencement Date, other than unattached movable goods and trade fixtures, will immediately upon affixation become the property of the Landlord and remain upon and be surrendered to the Landlord with the Premises as part thereof upon the expiration or earlier termination of this Lease, unless the Landlord will by notice in writing require the Tenant to remove all or some in accordance with Section **Error! Unknown switch argument.** below. The Tenant represents and warrants that it will have legal and beneficial title to such goods, alterations, additions, improvements, and fixtures and that such title will pass to the Landlord free and clear of all leases, liens, mortgages, charges, security interests, and encumbrances. For greater certainty, the Tenant's trade fixtures will not include any heating, ventilating, or air-conditioning systems, facilities, and equipment in or serving the Premises, floor coverings affixed to the floor of the Premises either by cement or perimeter fastenings, light fixtures, storefront, doors, plumbing equipment and fixtures, and internal stairways, all of which are deemed to be leasehold improvements.

(e) Repair and Restoration at the End of Term

At the end of the Term or earlier termination of this Lease, the Tenant will remove at its own expense its trade fixtures and those other alterations, additions, improvements, and fixtures that the Landlord requires, by notice in writing, to be removed and the Tenant will restore the Premises to the state in which they were prior to commencing any of the Tenant's Work or, at the Landlord's option, restore the Premises to a base building condition. The Tenant will at its expense make good any damage or injury caused to the Premises or the Development resulting from such installation and removal, reasonable wear and tear only excepted. If the Tenant does not remove its trade fixtures or leasehold improvements on the expiry or earlier termination of this Lease, they will, at the Landlord's option, become the property of the Landlord. This provision will survive the expiration or earlier termination of this Lease.

(f) Fee for Supervision

Should the Landlord deem it necessary, after giving written notice to the Tenant, to undertake any repairs or to do anything which is required to be undertaken or done by the Tenant under this Lease, then the Tenant will pay to the Landlord as a fee for supervision or carrying out the Tenant's obligation an amount equal to 15% of the monies expended or of the cost of repairs or other work carried out by or under the supervision of the Landlord, which amount will be in addition to the cost of such work or monies expended.

(g) Landlord's Right to Enter for Repairs

The agents and representatives of the Landlord will have the right to enter the Premises at all times during business hours to examine the same, to make alterations or repairs as they will deem necessary for the safety, preservation, proper administration, or improvement of the Premises, the Development, and any premises adjoining the Premises.

(h) Repair Where the Tenant Is at Fault

If the Development, or any part of it, requires repair, replacement, or alteration:

- (i) because of the negligence, fault, omission, want of skill, act, or misconduct of the Tenant or its officers, agents, employees, contractors, invitees, or licensees;
- (ii) due to the requirements of government authorities relating to the Tenant's conduct of business; or
- (iii) as a result of the Tenant stopping up or damaging the heating apparatus, water

pipes, drainage pipes, or other equipment or facilities or parts of the Development,

the cost of the repairs, replacements or alterations plus a sum equal to 15% of the cost for the Landlord's overhead will be paid by the Tenant to the Landlord on demand as Additional Rent.

(i) **Tenant Not to Overload**

The Tenant will not install equipment that overloads the capacity of a utility, electrical, or mechanical facility in the Premises and will not:

- (i) bring into the Premises any utility, electrical or mechanical facility or service of which the Landlord does not approve; or
- (ii) bring upon the Premises anything that might damage them or overload the floors.

If damage is caused to the Premises or to the Development as a result of the installation of such equipment or contravention of the provisions of subsections (i) or (ii) of this Section 6.1(i) by the act, neglect, fault, want of skill, or misuse of or by the Tenant or its officers, agents, servants, employees, contractors, invitees, licensees, or persons for whom the Tenant is responsible in law or over whom the Tenant may reasonably be expected to exercise control, or by any person having business with the Tenant, the Tenant will repair the damage or, at the Landlord's option, pay to the Landlord on demand the cost of repairing the damage plus a sum equal to 15% of the costs of the Landlord's overhead.

6.2 Landlord's Repair Covenants

So long as the Landlord does not terminate this Lease or elect not to rebuild the Development under Section 6.3, the Landlord covenants with the Tenant as follows:

(a) **Construction**

Subject to Article 2 including Section 2.1, at its own expense and cost, to carry out and complete the Landlord's Work. The Landlord will have the right at all times to enter the Premises for the purposes of performing the Landlord's Work.

(b) **Landlord's Repairs**

To maintain and repair at its own expense the structure of the foundations, sub-floors, and outer walls (excluding exterior storefronts and the glass component thereof) of the building(s) comprising the Development.

(c) Common Areas and Common Facilities

To maintain in good order and repair the Common Areas and Common Facilities, normal wear and tear only excepted.

(d) Heating, Ventilating, and Air-conditioning

Subject to Sections 6.1(a) and 10.1, to maintain and operate the HVAC System, and to supply from the HVAC System to the Premises processed air in accordance with Section 9 of Schedule B, provided that if the Premises contains an independent heating, ventilating, and air-conditioning system as so designated by the Landlord, the responsibility and expense for maintaining, operating, and replacing that system will rest with the Tenant.

6.3 Damage or Destruction

The Landlord and the Tenant agree that:

(a) Damage or Destruction

- (i) Subject to the Landlord's right of termination contained in Section 6.3(a)(ii) and subject to this Section 6.3, if the Premises or any part thereof will at any time during the Term be destroyed or damaged as a result of a casualty fully insured against by the Landlord, the Landlord will rebuild, repair, and make the Premises fit for the purpose of the Tenant to the standard required in Schedule B. If such damage or destruction is not caused by or resulting from any act, omission, default, or negligence of the Tenant, or persons for whom the Tenant is in law responsible, and if as a result of such occurrence the Premises are rendered unfit either in whole or in part for the business of the Tenant, then the Annual Basic Rent hereby reserved, or a proportionate share thereof according to the nature and extent of the destruction or damage sustained, will be suspended and abated until the Landlord will have rebuilt, repaired, or made fit the Premises for the purpose of the Tenant to the standard required in Schedule B.
- (ii) In the event of damage to 50% or more of the area of the building forming part of the Development, or of the substantial destruction of the Development (whether or not in either event the Premises are damaged), the Landlord will, at its option to be exercised within 90 days after the occurrence of such damage or destruction, by notice in writing to the Tenant, have the right to terminate this Lease, and upon the giving of such notice the Term will forthwith cease and terminate. If, in any of the aforesaid events, the Premises are unfit either in whole or in part for the business of the Tenant, then, provided such damage or destruction is as a result of a casualty fully insured against by the Landlord and not caused by or resulting from any act, omission, default, or negligence of the

Tenant, or persons for whom the Tenant is in law responsible, including, without limitation, its servants, agents, employees, and contractors, the Annual Basic Rent hereby reserved, or a proportionate share thereof according to the extent to which the Premises cannot be used for the business of the Tenant, will be suspended and abated until the Landlord has rebuilt, repaired, or made fit the Premises for the purpose of the Tenant, to the standard required in Schedule B, provided that the Landlord has not exercised its aforesaid right of termination. If the Landlord has exercised its right of termination, the Tenant, after receipt of such notice of termination, will forthwith deliver up possession of the Premises to the Landlord and make payment of the Rent in the manner required by Sections 6.3(a)(i) and 6.3(a)(ii), depending on the circumstances of the damage and destruction as provided for therein. Any Annual Basic Rent which will have continued unabated or partially abated will be apportioned to the date of such termination, provided that such termination will not affect the obligation of any Indemnifier of the Landlord arising from obligations of the Tenant existing prior to the date of such notice of termination.

- (iii) If the damage or destruction referred to in Section 6.3(a) is caused by or resulting from any act, omission, default, or negligence of the Tenant, or persons for whom the Tenant is in law responsible and the Landlord exercises its right in Section 6.3(a)(ii) to terminate this Lease, the Tenant will pay to the Landlord on the date of termination that fraction of the Tenant Inducements, if any, which has as its numerator the number of days remaining in the Term and has as its denominator the number of days in the Term as originally provided herein.
- (iv) The terms “Development” and “Premises”, for the purposes of Sections 6.3(a)(i) and 6.3(a)(ii), will be deemed not to include the improvements installed in the Premises under the provisions of Schedule B respecting Tenant’s Work.

(b) Tenant’s Obligation to Rebuild

Subject to Section 6.3(a), in the event of damage or destruction as contemplated by this section, the Tenant will at its sole expense, at the request of the Landlord, repair and rebuild that part of the Premises so damaged or destroyed, in accordance with the provisions of Schedule B and Schedule C with all due diligence, but without the benefit of any Tenant Inducements.

(c) Landlord’s Obligation to Rebuild

Nothing in this Article 6 will obligate the Landlord to rebuild the Development or any part thereof, and if the Landlord elects to rebuild or repair the Development it may make such changes, alterations, modifications, adaptations, or extensions in, to, or of the original building or structures forming part of the Development, including the location of the Premises, as it in its unfettered discretion will see fit.

7. COMMON AREAS

7.1 Use of Common Areas

The Landlord hereby grants to the Tenant, its agents, employees, invitees, and other persons transacting business with it, in common with all others entitled thereto, a non-exclusive licence to have the use of certain of the Common Areas as designated from time to time by the Landlord; provided, however, that such use will be subject to all other provisions contained in this Lease including the Rules and Regulations in Schedule E.

7.2 Covenants

The Tenant covenants with the Landlord that:

(a) Tenant's Use of Parking Areas

The Tenant will use its best efforts to cause its employees, agents, servants and invitees to use those parking spaces which may from time to time be designated by the Landlord for use by the Tenant or to cause its employees, agents, and servants to park elsewhere than on the Property provided that nothing herein requires the Landlord to assign any parking spaces to the exclusive use of the Tenant, employees, agents, servants or its invitees and the Tenant acknowledges that it and its invitees, agents, employees and others, are required to comply with all parking regulations in effect for the Property, including pay parking regulations..

(b) Landlord's Right to Remove Vehicles

Should the Tenant, its employees, suppliers, and other persons not customers having business with the Tenant park vehicles in areas not allocated for that purpose, the Landlord will have the right to remove such vehicles, and the Tenant will indemnify and save harmless the Landlord from any and all damages arising therefrom, and the Tenant will pay the costs of such removal.

(c) Control of Common Areas and Common Facilities

The Landlord will, at all times, have the exclusive right of control over the Common Areas and the Common Facilities. Without limitation, the Landlord may in its operation of the Development:

- (i) temporarily obstruct or close off or shut down parts of the Development for inspection, maintenance, construction, or safety reasons;
- (ii) regulate, acting reasonably, all aspects of loading and unloading, delivery and shipping of fixtures, equipment, and merchandise, and all aspects of garbage collection and disposal;

- (iii) impose or permit to be imposed reasonable charges for the use of parking facilities that may at any time be part of the Common Areas; and
- (iv) make alterations of, additions to, subtractions from, or rearrangements of the Development, and construct additional stories, buildings, or facilities adjoining or near the Development.

Despite anything else in this Lease, the Landlord has no liability for diminution or alteration of the Common Areas or Common Facilities that occurs as a result of the Landlord's exercise of its rights under this Section **Error! Unknown switch argument.** or elsewhere under this Lease, and the Tenant will not be entitled to compensation or a reduction or abatement of Rent, and no such diminution or alteration of the Common Areas or Common Facilities will be deemed to be a constructive or actual eviction of the Tenant or a default by the Landlord of any obligation for quiet enjoyment contained in this Lease or provided at law.

8. ACCESS

8.1 Access

The Landlord, its servants, agents, contractors, and representatives will be entitled at all times, except when there would be an unreasonable interference or disturbance with the Tenant's use of the Premises, to enter upon the Premises for any of the following purposes:

- (a) inspecting same and carrying out the rights of the Landlord under Section 6.1(c);
- (b) inspecting the performance by the Tenant of the terms, covenants, agreements, and conditions of this Lease;
- (c) carrying out any obligations of the Tenant which the Tenant has failed to observe;
- (d) exhibiting the Premises to prospective lessees, purchasers, lenders, or their respective agents; or
- (e) any other reasonable purpose;

but no such entry will constitute an eviction or a breach of the Landlord's covenant for quiet enjoyment or entitle the Tenant to any abatement of rent provided that the Landlord will use commercially reasonable efforts to minimize interference with the Tenant's use of the Premises. The Landlord will be provided with a set of keys to the Premises for the purposes in this Section 8.1.

9. INSURANCE

9.1 Tenant to Insure

The Tenant covenants with the Landlord that it will, at the Tenant's cost and expense, take out and keep in force the insurance described below throughout the Term and any period when it is in possession of the Premises. The Tenant covenants to maintain insurance as follows:

- (a) all risks (including flood and earthquake) property insurance in an amount equal to 100% of the full replacement cost:
 - (i) insuring all property owned by the Tenant, or for which the Tenant is legally liable, or installed by or on behalf of the Tenant, and located within the Development, including, but not limited to, fittings, installations, alterations, additions, partitions, and all other leasehold improvements;
 - (ii) insuring the Tenant's inventory, furniture, and movable equipment to the extent that such insurance is commercially available; and
 - (iii) naming the Landlord and any Mortgagee as a loss payee as their respective interests may appear;
- (b) broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all leasehold improvements and of all boilers, pressure vessels, air-conditioning equipment, and miscellaneous electrical apparatus owned or operated by the Tenant or by others (except for the Landlord) on behalf of the Tenant in the Premises, or relating to, or serving the Premises;
- (c) business interruption insurance in an amount that will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against under Sections 9.1(a) and 9.1(b), and other perils commonly insured against by prudent tenants, or attributable to prevention of access to the Premises or the Development as a result of those perils;
- (d) commercial general liability insurance including personal injury liability, contractual liability, non-owned automobile liability, employers' liability, and owners' and contractors' protective insurance coverage, with respect to the Premises and the Tenant's use of the Common Areas and Common Facilities, with coverage including the activities and operations conducted by the Tenant and any other person on the Premises and by the Tenant and other person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible, in any other part of the Development. These policies will:

- (i) be written on a comprehensive basis with inclusive limits of at least \$5,000,000 per occurrence for bodily injury for any one or more persons, or property damage (but the Landlord acting reasonably, or any Mortgagee of the Development, may require higher limits from time to time);
 - (ii) contain a severability of interests section and cross-liability sections; and
 - (iii) naming the Landlord and any Mortgagee of the Development as additional insureds;
- (e) tenant's legal liability insurance for the full replacement cost of the Premises, including loss of their use;
- (f) standard owner's form automobile insurance providing third party liability insurance with \$2,000,000 inclusive limits, and accident benefits insurance, covering all licensed vehicles owned or operated by or on behalf of the Tenant; and
- (g) any other form of insurance and with whatever higher limits the Tenant, the Landlord, acting reasonably, or any Mortgagee of the Development requires from time to time, in form, in amounts, and for risks against which a prudent tenant would insure.

The policies specified under Sections 9.1(a), 9.1(b), and 9.1(c) will contain a standard mortgage clause, if there is any Mortgagee of the Development. If there is a dispute as to the amount of the full replacement cost, the Landlord will determine it.

The policies specified under Sections 9.1(a), 9.1(b), and 9.1(c) will contain a waiver of any subrogation rights which the Tenant's insurers may have against all and any of the Landlord, any Mortgagee of the Development, and those for whom the Landlord or Mortgagee, as applicable, is in law responsible, whether or not the damage is caused by their act, omission, or negligence. The Tenant hereby waives its rights of subrogation against such parties.

All policies will:

- (a) be taken out with insurers acceptable to the Landlord;
- (b) be in a form satisfactory to the Landlord;
- (c) be non-contributing with, and will apply only as primary and not in excess to any other insurance available to the Landlord and any Mortgagee of the Development;
- (d) not be invalidated with respect to the interests of the Landlord and any Mortgagee of the Development by reason of any breach or violation of warranties, representations, declarations, or conditions contained in the policies; and

- (e) contain an undertaking by the insurers to notify the Landlord or any Mortgagee of the Development in writing not less than 30 days before any material change, cancellation, or termination.

The Tenant will deliver certificates of insurance duly executed by the Tenant's insurers evidencing that the required insurance is in force, or, if required by the Landlord or any Mortgagee of the Development, the Tenant will deliver certified copies of each insurance policy as soon as possible after the placing of the insurance. No review or approval of any insurance certificate or insurance policy by the Landlord derogates from or diminishes the Landlord's rights under this Lease.

9.2 Not to Affect Landlord's Insurance

The Tenant will not do or permit anything to be done that results in the cancellation or threatened cancellation or the reduction or threatened reduction of coverage under any insurance policy on the Development or any part of it. The Tenant will not do or permit to be done, or omit to do, anything which will cause or have the effect of causing the rate of insurance upon the Development or any part thereof to be increased, and if the insurance rate will be thereby increased the Tenant will pay to the Landlord as Additional Rent the amount by which the insurance premiums will be so increased. The Tenant will not store or permit to be stored upon or in the Premises anything that is of a dangerous, inflammable, or explosive nature nor anything which would have the effect of increasing the Landlord's insurance costs or of leading to the cancellation of such insurance. If any insurance policy upon the Premises or the Development is cancelled or threatened to be cancelled by the insurer by reason of the use and occupation of the Premises or any part thereof by the Tenant or by any assignee, sub-tenant, concessionaire, or licensee of the Tenant, or by anyone permitted by the Tenant to be upon the Premises, the Landlord may, at its option upon giving the Tenant 24 hours' notice, terminate this Lease by notice in writing, and the Tenant will immediately deliver up vacant possession of the Premises to the Landlord or the Landlord may, at its option and at the expense of the Tenant, enter upon the Premises and rectify the situation causing such actual or threatened cancellation or rate increase. If the occupancy of the Premises, the conduct of business in the Premises, or anything done or omitted by the Tenant results in an increase in premiums for the insurance carried by the Landlord with respect to the Development, the Tenant will pay the increase to the Landlord immediately on demand. In determining whether the Tenant is responsible for increased premiums and the amount for which the Tenant is responsible, a schedule issued by the organization that computes the insurance rate on the Development showing the components of the rate will be conclusive evidence of the items that make up the rate.

9.3 Workers' Compensation

If the nature of the Tenant's operations is such as to place all or any of its employees under the coverage of local workers' compensation or similar insurance, the Tenant will also keep

in force at its expense, so long as this Lease remains in effect, workers' compensation or similar insurance according to Applicable Laws and will provide evidence of same to the Landlord.

9.4 Landlord to Insure

The Landlord will maintain, throughout the Term, in those reasonable amounts and with those reasonable deductions such insurance that a prudent owner of a building and premises similar to the Development would maintain.

9.5 No Insurable Interest in Landlord's Insurance

Notwithstanding any contribution by the Tenant to the Landlord's insurance premiums as provided in this Lease, no insurable interest is conferred upon the Tenant under policies carried by the Landlord.

10. EXCLUSION OF LIABILITY AND INDEMNITY

10.1 Liability

It is agreed between the Landlord and Tenant that:

(a) Interruptions

The Landlord will not be liable for any interruption of access to the Premises or of the beneficial use of the Premises or of any services or utilities when such interruption is caused by natural occurrences, riots, civil disturbances, insurrection, terrorism, war, court orders, public enemy, accidents, breakage, repairs, electrical voltage fluctuations, strikes, lockouts, other labour disputes, the making of inspections, repairs, alterations, renovations, or improvements to the Premises or the Development, the inability to obtain an adequate supply of fuel, gas, steam, water, electricity, labour, or other supplies or if required by insurers or if caused by any other condition beyond the Landlord's reasonable control, or by delays in the performance of any work for which the Landlord is responsible under this Lease, and the Tenant will not be entitled to any damages resulting from such failure, nor will failure relieve the Tenant from its obligation to pay all sums due hereunder or constitute or be construed as a constructive or other eviction of the Tenant. If any government entity promulgates or revises any statute or ordinance or building, fire, or other code, or imposes mandatory or voluntary controls or guidelines on the Landlord or the Development or any part thereof, relating to the use or conservation of energy, water, gas, steam, light, or electricity or the provision of any other utility or service provided with respect to the Premises, or if the Landlord is required or elects to make alterations to the Development in order to comply therewith, the Landlord may do so; and neither such compliance nor the making of such alterations will in any event entitle the Tenant to

any damages, relieve the Tenant of the obligation to pay any of the sums due hereunder, or constitute or be construed as a constructive or other eviction of the Tenant; and the Landlord will not be in breach of its covenant for quiet enjoyment or liable for any loss, costs or damages, whether direct or indirect, incurred by the Tenant due to any of the foregoing, but the Landlord will make reasonable efforts to restore the services, utilities or systems so stopped, interrupted or reduced. The Landlord will not be liable for damages, direct, indirect, or consequential or for damages for personal discomfort, illness, or inconvenience of the Tenant or the Tenant's servants, employees, invitees, or other persons by reason of the failure of the Common Facilities or any of them including, without limitation, the elevators and HVAC Systems or by reason of reasonable delays in the performance of the obligations of the Landlord hereunder, whether or not such equipment failure or delays are caused by the deliberate act or omission or the negligence of the Landlord, its servants, agents, or employees.

(b) Waiver of Liability

The Landlord will not be liable or responsible in any way for, and the Tenant hereby waives all claims against the Landlord with respect to or arising out of:

- (i) any death or injury of any nature whatsoever that may be suffered or sustained by the Tenant or by any employee, licensee, invitee, guest, agent, or customer of the Tenant or by any other person upon the Premises or the Common Areas, from any causes whatsoever; or for any loss or damage or injury to any property outside or within the Premises belonging to the Tenant or its employees, agents, customers, licensees, invitees, guests, or any other person, whether or not such damage, loss, injury, or death results from the negligence of the Landlord, its agents, servants, or employees, or others for whom the Landlord is, in law, responsible;
- (ii) any injury or damages of any nature whatsoever to persons or property caused by explosion, fire, theft, or breakage, by the failure of or defect in sprinkler, drainage, or plumbing systems, by failure for any cause to supply adequate drainage, by the interruption of any public utility or service, by steam, gas, water, rain, snow, or other substances leaking, issuing, or flowing into any part of the Premises, or by natural occurrence, acts of the public enemy, riot, strike, insurrection, war, court order, requisition, or order of government body or authority;
- (iii) any damage or inconvenience which may arise from repair, maintenance, or alteration of any part of the Development, or anything done or omitted to be done by any tenant, occupant, or person in the Development, or by an occupant of adjacent property, or by the public, or by construction of any private, public, or quasi-public work;

- (iv) the occurrence of any of the perils covered by, or which would be covered by, the insurance policies which the Tenant is obliged to obtain and maintain in force under the terms of this Lease;
- (v) any act or omission (including theft, malfeasance, or negligence) on the part of any agent, contractor, or person from time to time employed by the Landlord to perform any services including, without limitation, janitorial or security services, in or about the Premises or the Development;
- (vi) any loss or damage, however caused, to money, securities, negotiable instruments, papers, or other valuables of or held by the Tenant or any employee, licensee, invitee, guest, agent, or customer of the Tenant or by any other person upon the Premises; or
- (vii) theft or vandalism;

whether caused by the act, omission, or negligence of the Landlord or of any other person for whom the Landlord is, in law, responsible or otherwise.

(c) Landlord Entering Premises

Neither the Landlord nor its agents, servants, employees, or contractors will be liable for any damage suffered to the Premises or the contents thereof by reason of the Landlord, its agents, employees, or contractors entering upon the Premises to undertake any examination thereof or any work therein or in the case of any emergency, and the Landlord will not be in breach of its covenant for quiet enjoyment or liable for any loss, costs, or damages, whether direct or indirect, incurred by the Tenant due to any of the foregoing.

10.2 Indemnity

The Tenant hereby covenants to save harmless and indemnify the Landlord from and against all liability, expense, costs, damages, losses, claims, actions, causes of action, and fines incurred or suffered by the Landlord:

- (a) by reason of any breach, violation, non-observance, or non-performance by the Tenant, its servants, agents or others for whom the Tenant is, in law, responsible of any covenant, agreement, provision, or condition of this Lease to be performed or observed by the Tenant including, without limitation, the Rules and Regulations; or
- (b) by reason of any damage to or loss of any property, or injury, illness, or death to any person (including, without limitation, the Tenant):
 - (i) occurring in, on, or about the Premises, or any part thereof, arising at any time

from any cause whatsoever other than solely by reason of the gross negligence or wilful misconduct of the Landlord, its employees or agents; and

- (ii) occurring in, on, or about any part of the Development other than the Premises (including, without limitation, the Patio Area), when such damage, loss, injury, illness, or death is caused in whole or in part by the negligence or wilful misconduct of the Tenant, its agents, servants, employees, invitees, or licensees (including, without limitation, when such damage, injury, illness, or death has been caused in part by the Landlord, its employees or agents).

10.3 Survival of Covenants and Released Persons

The provisions of this Article 10 will survive the termination of this Lease with respect to any damage, injury, illness, or death or other event occurring prior to such termination.

For purposes of this Article 10, "Landlord" will mean "Released Persons" with all grammatical changes as may be required.

11. TENANT ALTERATIONS

11.1 Tenant Improvements

The Tenant may, with the prior written consent of the Landlord, such consent not to be unreasonably withheld, at any time and from time to time at the Tenant's expense make such changes, alterations, additions, and improvements in and to the Premises (collectively "**improvements**") provided such improvements will better adapt the Premises for the purpose of the Tenant's business and will equal or exceed the then-standard of the Development; and provided further that no changes, alterations, additions or improvements to the structure, any perimeter wall, the storefront, the sprinkler system, the HVAC System, plumbing, electrical or mechanical equipment, the concrete floor, columns or the roof are made without submission of architectural or engineering plans or specifications to the Landlord and the prior written consent of the Landlord and without the use of contractors or other qualified workers designated or approved by the Landlord in writing. The Tenant will pay all of the Landlord's reasonable costs with respect to such improvements. All such improvements, whether structural or otherwise, will comply with Applicable Laws.

11.2 No Charges

The Tenant will not permit, do, or cause anything to be done to the Premises during the period of construction and fixturing of the Premises or at any other time which would allow any lien, certificate of pending litigation, judgment, or certificate of any court, or any mortgage, charge, conditional sale agreement, personal property security, or encumbrance of any nature whatsoever, to be imposed or to remain upon the title to the Property, the

Premises or the Tenant's fixtures, trade fixtures, personal property, or leasehold improvements therein. In the event of the registration of any lien, charge, conditional sale agreement, personal property security, or other encumbrance against the Property in the appropriate land title office or other government office, the Tenant will, within 10 days' notice thereof, at its own expense immediately cause the same to be discharged whether by payment or giving security or in such other manner as may be permitted by law, and failing which the Landlord may, but will not be required to, make any payments required to procure the discharge of such lien, charge, or encumbrance and the Tenant will forthwith reimburse the Landlord for all expenses (including legal fees on a solicitor-client basis) in connection therewith, together with interest thereon at the Prime Rate plus 5% from the date such expenses are incurred until paid.

12. GARBAGE, UTILITIES AND TAXES

12.1 Garbage Collection and Disposal

The Tenant will, at its sole cost and expense, arrange and pay for garbage collection and disposal services for the Development and permit the Landlord, other tenants and occupants and their agents, employees and invitees to use such garbage collection services, without reimbursement to the Tenant.

12.2 Utilities, Business Tax, and Machinery

Without limiting the generality of Section 4.1(b), the Tenant will pay for its electricity, gas, other fuel, telephone, water, and other similar utilities consumed on the Premises and all business taxes, garbage taxes, licences, rates, and other charges, taxes, licences, or rates levied or assessed on or in respect of or in relation to the Tenant, the business carried on by the Tenant, and the assets of the Tenant within the Premises, or in respect of any fixtures, machinery, equipment, or apparatus installed in the Premises or elsewhere in the Development by the Tenant, including Taxes which in the Landlord's opinion are attributable to improvements made by the Tenant whether such taxes, licences, charges, or rates are charged to the Landlord or to the Tenant, and including a 15% administration fee on those charges paid for and administered by the Landlord on behalf of the Tenant. The Tenant will, upon request by the Landlord, deliver to the Landlord notices of assessments of such rates, levies, charges, and taxes and receipts for payment of the same.

12.3 Sales Tax

Notwithstanding anything herein contained to the contrary, the Tenant will pay to the Landlord an amount equal to any and all goods and services taxes, harmonized sales taxes, value added taxes, business taxes, or any other taxes (collectively, the "**Sales Taxes**") imposed with respect to Rent payable by the Tenant to the Landlord under this Lease, or in respect of the rental of space under this Lease, it being the intention of the Parties that the Landlord will be fully reimbursed by the Tenant with respect to any and all Sales Taxes at

the full tax rate applicable from time to time in respect of the Rent or the rental of space. The amount of Sales Taxes so payable by the Tenant will be calculated by the Landlord in accordance with the applicable legislation and will be paid to the Landlord at such time or times as the Landlord from time to time determines. The Landlord will have all of the same remedies for recovery of Sales Taxes as it has for recovery of Rent under this Lease.

13. ASSIGNMENT AND SUBLETTING

13.1 Not to Assign

The Tenant covenants with the Landlord that it will not enter into a Transfer of this Lease in whole or in part, nor part with possession of all or any part of the Premises, without the prior written consent of the Landlord, which consent will not be unreasonably withheld. The Landlord and the Tenant agree that, notwithstanding any statutory provisions to the contrary, the Landlord will be entitled to withhold its consent to a Transfer (and the Tenant acknowledges that in so doing, the Landlord will not be acting unreasonably) if:

- (a) the Tenant is or has been in default or breach of its covenants or obligations in this Lease; or
- (b) at least 30 days prior to the proposed effective date of the Transfer, the Tenant has not delivered to the Landlord:
 - (i) a copy of the proposed Transfer (including the identity of the Transferee);
 - (ii) reasonably detailed information about the character, reputation, and business experience of the Transferee;
 - (iii) financial information and bank references of the Transferee (including the most recent financial statements of the Transferee) certified by the chief financial officer of the Transferee (if the Transferee is a corporation);
 - (iv) the names and addresses of the beneficial owners of the shares of any proposed corporate Transferee; or
- (c) any Transfer does not specifically state that the Transferee assumes and agrees to be bound by all the terms and conditions of this Lease; or
- (d) the use of the Premises as permitted by this Lease is to be changed; or
- (e) the likely effect of the Transfer on the service mix of the Development may be adverse; or
- (f) the Transferee:

- (i) does not have a history of successful business operation in the business to be conducted in the Premises; or
- (ii) does not have a good credit rating and a substantial net worth; or
- (iii) is not able to finance the Transferee's acquisition of its interest in the Premises and its operations in the Premises without a material risk of defaulting under this Lease and in a manner that will enable the Transferee to carry on business successfully in the Premises throughout the Term.

13.2 Change of Control of Tenant

If the Tenant is a private corporation, any transfer, creation, issuance, sale, assignment, bequest, inheritance, trust or other disposition or dealing with the shares or voting rights or amalgamation or other reorganization which results in a change in the control of the corporation by reason of ownership of greater than 50% of the voting shares of the corporation being held by a person or group of persons will be deemed for the purposes hereof to be a Transfer. This Section 13.2 will not apply with respect to the change of control of a corporation whose shares are listed on a recognized security exchange.

13.3 Landlord's Costs

In the event of a Transfer under this Article 13, the Tenant will forthwith pay to the Landlord, as Additional Rent, the Landlord's administrative fees and all legal fees, disbursements, and expenses in connection therewith.

13.4 No Release

Notwithstanding any Transfer, the Tenant will remain fully liable under this Lease and will not be released from performing any of the terms, covenants, and conditions of this Lease.

13.5 Operation of Law

The prohibition against a Transfer, without the consent required by this Article 13, will be construed to include a prohibition against:

- (a) any amalgamation, corporate merger, or Transfer by operation of law; and
- (b) a mortgage of this Lease by the Tenant either by way of assignment or sublease and in such event, the provisions of this Article 13 will, mutatis mutandis, apply to such mortgage.

13.6 No Waiver

The consent by the Landlord to any Transfer will not constitute a waiver of the necessity for

such consent to any subsequent Transfer.

14. LANDLORD'S RIGHTS AND REMEDIES

14.1 Default

If and whenever the Rent hereby reserved, or any part thereof, will not be paid on the day appointed for payment thereof, whether demanded or not, or in the case of breach or non-observance or non-performance of any of the covenants, agreements, provisos, conditions, or rules and regulations on the part of the Tenant to be kept, observed, or performed, or in case the Premises will be vacated or remain unoccupied for five days, or if, without the written consent of the Landlord, the Premises will be used by any person other than the Tenant, or for any purpose other than that for which the same was let, or in case the Term will be taken in execution or attachment for any cause whatever, then and in every such case it will be lawful for the Landlord at any time thereafter to enter into and upon the Premises or any part thereof in the name of the whole and the same to have again, repossess, and enjoy as of its former estate, anything in this Lease contained to the contrary notwithstanding. Whenever the Landlord is entitled to re-enter the Premises it may, at its option and without limiting its other remedies, terminate this Lease. If this Lease is so terminated, the Landlord, to the extent permitted by law, may immediately repossess the Premises, sell or dispose of such Tenant's fixtures, trade fixtures, personal property, or leasehold improvements therein as the Landlord considers appropriate, or store any of the Tenant's fixtures, trade fixtures, personal property, or leasehold improvements therein in a public warehouse or elsewhere at the cost of the Tenant, all without service of notice, without legal proceedings, and without liability for loss or damage and wholly without prejudice to the rights of the Landlord to recover arrears of Rent or damages for any default by the Tenant of its obligations or agreements under this Lease or of any term or condition of this Lease, and wholly without prejudice to the rights of the Landlord to recover from the Tenant damages for loss of Rent suffered by reason of this Lease having been prematurely terminated, including prospective damages, and the Landlord reserves a right to claim all costs (on a solicitor and client basis), losses, damages, and expenses arising from the Tenant's breach.

14.2 Right of Landlord to Relet

If and when the Landlord is entitled to re-enter the Premises, the Landlord will have the right, if it thinks fit, to enter the same as the agent of the Tenant either by force or otherwise, without being liable to any prosecution therefor and without terminating this Lease, to make such alterations and repairs as in the Landlord's opinion are necessary to facilitate a reletting of the Premises, and to relet the Premises as the agent of and at the risk of the Tenant and to receive the Rent therefor. Upon each such reletting, all Rent received by the Landlord from such reletting will be applied: first, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Landlord; second, to

the payment of any costs and expenses of such reletting, including brokerage and solicitor's fees, and of costs of any alterations and repairs; and third, to the payment of Rent due and unpaid hereunder. The residue, if any, will be held by the Landlord and applied in payment of future Rent as the same becomes due and payable hereunder. If such Rent received from such reletting during any month is less than that to be paid during that month by the Tenant hereunder, the Tenant will pay any such deficiency, which will be calculated and paid monthly in advance on or before the first day of each and every month. No such re-entry or taking possession of the Premises by the Landlord pursuant to this Section 14.2 will be construed as an election on its part to terminate this Lease, unless a written notice of such intention is given to the Tenant.

14.3 Bankruptcy, Reorganization of Debts, and Winding Up

If, during the Term:

- (a) any of the goods or chattels of the Tenant are at any time seized in execution or attachment by any creditor of the Tenant, or if a receiver or receiver-manager is appointed in respect of any property of the Tenant or the Tenant will make any assignment for the benefit of creditors or will make any bulk sale or become bankrupt or insolvent or take the benefit of any Applicable Law now or hereafter in force for bankrupt or insolvent debtors, or if the Tenant receives from any of its secured creditors a notice under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as modified, amended, or replaced from time to time, advising the Tenant that the secured creditor intends to realize upon security located at the Premises.
- (b) the Tenant takes any action or commences any proceeding, or any action or proceeding is being taken or commenced by another person or persons against the Tenant relating to the reorganization, readjustments, compromise, or settlement of the debts owed by the Tenant to its creditors, including, without limitation, the filing of a notice of intention to make a proposal or the filing of a proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as modified, amended, or replaced from time to time, the making of an order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as modified, amended, or replaced from time to time, or the commencement of any similar action or proceeding by the Tenant or such person or persons; or
- (c) the Tenant takes any action or commences any proceeding, or any action or proceeding is being taken or commenced by another person or persons against the Tenant in respect of the liquidation, dissolution, or winding up of the Tenant or other termination of the corporate existence of the Tenant, including without limitation, any action or proceeding under the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11, the *Business Corporations Act*, S.B.C. 2002, c. 57, the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, all as modified, amended, or replaced from time to time, or other

similar legislation,

then in any such case at the option of the Landlord this Lease will cease and determine and the Term will immediately become forfeited and void and the then-current month's Rent and the next ensuing three months' Rent will immediately become due and be paid and the Landlord may immediately claim the same together with any arrears then unpaid and any other amounts owing to the Landlord by the Tenant, and the Landlord may without notice or any form of legal process forthwith re-enter upon and take possession of the Premises and become the owner of and remove the Tenant's effects therefrom, any statute or law to the contrary notwithstanding, the whole without prejudice to and under reserve of all other rights, remedies, and recourses of the Landlord.

14.4 Right of Landlord to Seize

The Tenant waives and renounces the benefit of any present or future law taking away or limiting the Landlord's rights against the property of the Tenant and, notwithstanding any such law, the Landlord may seize and sell (either by public or private sale) all of the Tenant's goods and property which at any time have been located within the Premises, and apply the proceeds of such sale upon Rent outstanding and upon the costs of the seizure and sale, in the same manner as might have been done if such law had not been passed. The Tenant further agrees that if it leaves the Premises, leaving any Rent unpaid, the Landlord, in addition to any remedy otherwise provided by law, may follow, seize, and sell such goods and property of the Tenant at any place to which the Tenant or any other person may have removed them, in the same manner as if such goods and property had remained upon the Premises.

14.5 Right of Landlord to Perform Tenant's Covenants

If at any time the Tenant defaults in the observance or performance of any obligation herein contained on its part to be observed or performed and so often as the default happens, then the Landlord may, but will not be obligated so to do, without waiving or releasing the Tenant from its obligations under this Lease, itself observe and perform the covenant or covenants in respect of which the Tenant has made default or make payment of the amounts the Tenant has failed to pay, and all costs and expenses incurred by the Landlord in the observance or performance of such covenant or covenants, including, without limitation, legal costs on a solicitor-client basis, and any amounts so paid by the Landlord will bear interest at the Prime Rate plus 10% from the date such amounts are paid until repaid by the Tenant to the Landlord, and will be a charge on the Premises in favour of the Landlord in priority to the interest of the Tenant hereunder and of any person claiming through or under the Tenant, and all such costs, expenses, and amounts and interest thereon will be payable forthwith by the Tenant to the Landlord, and the Tenant covenants to pay the same forthwith on demand by the Landlord, and the same will be treated as Additional Rent due and payable to the Landlord hereunder, and the Landlord will have the

same rights and remedies and may take the same steps for recovery thereof as for the recovery of Additional Rent in arrears. If the Tenant will in good faith dispute the amount or propriety of any such claim made upon it and if in the Landlord's opinion forfeiture of or the registration of a lien against the Property will not result from non-payment, then the Landlord will not pay the same until such dispute has been resolved either by agreement of the Tenant or by the decision of a competent authority, and then only in the event that the Tenant has failed for 10 days or more to make payment of the same.

14.6 Payment of Landlord's Expenses

If at any time an action is brought or the Landlord is otherwise required to employ the services of a bailiff, an agent, or its solicitors for recovery of possession of the Premises, recovery of Rent or any part thereof, or because of a breach by act or omission of any covenant herein contained on the part of the Tenant, the Tenant will pay to the Landlord all expenses incurred by the Landlord in the enforcement of its rights and remedies hereunder (including the Landlord's administrative costs in connection therewith) together with interest thereon at the Prime Rate plus 10% from the date such expenses are incurred until paid, whether or not any formal proceedings in or before any court, arbitrator, or other tribunal will have been initiated.

14.7 Interest

The Tenant will pay to the Landlord interest at the rate equal to 10% per annum above the prevailing Prime Rate on all payments of Rent which have become overdue so long as such payments remain unpaid. Notwithstanding anything else in this Lease, such interest will not be considered Rent, but the Landlord will have all the same remedies for and rights of recovery with respect to such amounts as it has for non-payment of Rent under this Lease or at law.

14.8 Non-waiver

No condoning, excusing, or overlooking by the Landlord of any default, breach, or non-observance by the Tenant at any time or times in respect of any covenant, proviso, or condition herein contained will operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach, or non-observance, or so as to defeat or affect in any way the rights of the Landlord herein in respect of any such continuing or subsequent default or breach, and no waiver will be inferred from or implied by anything done or omitted by the Landlord save only express waiver in writing.

14.9 Remedies Cumulative

All rights and remedies of the Landlord in this Lease will be cumulative and not alternative. No remedy is exclusive or dependent upon any other remedy. Any one or more remedies may be exercised generally or in combination. The specifying or use of a remedy under this

Lease does not limit the right to use other remedies available at law generally.

15. MORTGAGES AND ASSIGNMENTS BY LANDLORD

15.1 Sale or Financing of Development

The rights of the Landlord under this Lease may be mortgaged, charged, transferred, or assigned at any time and from time to time to a purchaser or to a Mortgagee or trustee for bond holders, and in the event of a sale or default by the Landlord under any mortgage, trust deed, or trust indenture and the purchaser, Mortgagee, or trustee, as the case may be, duly entering into possession of the Development or the Premises, the Tenant agrees to attorn to and become the tenant of such purchaser, Mortgagee, or trustee, under the terms of this Lease.

15.2 Subordination

This Lease is subject and subordinate to all mortgages, trust deeds, or trust indentures which may now or at any time hereafter affect in whole or in part the Premises or the Development and whether or not any such mortgage, trust deed, or trust indenture will affect only the Premises or the Development or will be a blanket mortgage, trust deed or trust indenture affecting other lands and premises as well. This Lease will also be subject and subordinate to all renewals, modifications, consolidations, replacements, and extensions of any such mortgage, trust deed, or trust indenture. In confirmation of such subordination and agreement to attorn, the Tenant will execute promptly upon request by the Landlord any certificate, instruments of postponement or attornment, or other instruments which may from time to time be requested to give effect hereto. The Tenant hereby irrevocably appoints the Landlord as the attorney for the Tenant with full power and authority to execute and deliver such instruments for and in the name of the Tenant.

15.3 Estoppel Certificate

Within 10 days after written request therefor by the Landlord, or if upon any sale, assignment, lease, or mortgage of the Premises or the Development by the Landlord an estoppel certificate is required from the Tenant, the Tenant will deliver, in a form supplied by the Landlord, an estoppel certificate to any proposed Mortgagee, assignee, lessee, or purchaser, or to the Landlord, confirming the basic terms of this Lease and stating any modification or defaults under this Lease by either party and such other information as reasonably required by the Landlord.

15.4 Assignment by Landlord

Nothing in this Lease will restrict the Landlord's right to sell, convey, assign or otherwise deal with all or any part of the Development, subject to the rights of the Tenant under this Lease.

In the event of the sale or lease by the Landlord of the Development or a portion thereof containing the Premises, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that such purchaser, lessee under such lease, or assignee has assumed the covenants and obligations of the Landlord hereunder, the Landlord will, without further written agreement, be freed and relieved of liability upon such covenants and obligations.

16. OVERHOLDING TENANT

If the Tenant remains in possession of the Premises after the end of the Term and without the execution and delivery of a new lease, there will be no tacit renewal of this Lease or the Term hereby granted, despite any statutory provision or legal presumption to the contrary, and the Tenant will be deemed to be occupying the Premises as a tenant from month to month, at a monthly rent payable in advance on the first day of each month equal to the sum of one-sixth of the Annual Basic Rent payable during the last 12 months of the Term and otherwise upon the same terms, conditions, and provisos as are set forth in this Lease insofar as the same are applicable to a monthly tenancy.

17. ENVIRONMENT

17.1 Compliance with Environmental Laws

The Tenant will, at the Tenant's expense, comply and cause any other person acting under its authority or control to comply with all Applicable Laws (including, but not limited to, obtaining any required permits or similar authorizations) pertaining to protection, conservation, utilization, impairment, or degradation of the environment (which includes air, land, ground water, surface water, oceans, lakes, rivers, and streams) relating to the Premises or the use of the Premises by the Tenant or those acting under its authority or control. The Tenant will not use or permit to be used the Premises for the sale, storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or any other dealing with any Hazardous Substances without the prior written consent of the Landlord, which may be unreasonably withheld. Without limiting the generality of the foregoing, the Tenant will, at the Tenant's expense, comply with all Applicable Laws regulating the manufacture, use, storage, transportation, and disposal of Hazardous Substances and will make, obtain, and deliver all reports and studies required by government or regulatory authorities having jurisdiction.

17.2 Removal of Hazardous Substances

- (a) If any government authority having jurisdiction will require the clean-up of any Hazardous Substances held, released, spilled, abandoned, or placed upon the Premises or the Development or released into the environment in the course of business being carried on from the Premises by or on behalf of the Tenant or as a result of the use or occupancy of the Premises by or on behalf of the Tenant and the land thereunder the

Tenant will, at its own expense and in compliance with all Applicable Laws and all requirements of governmental authorities having jurisdiction, carry out the work required for the remediation of such Hazardous Substances and will keep the Landlord fully informed of all of its actions in respect thereof; and

- (b) The Tenant will, prior to the expiry or termination of this Lease or any renewal thereof, or upon the Tenant vacating a portion of the Premises, at the Tenant's sole expense and in accordance with Applicable Laws, promptly remove or remediate, at the Landlord's option, all Hazardous Substances and any harmful moulds or harmful airborne substances generated by the Tenant or by the Tenant's use or occupancy of the Premises or brought onto the Premises or part thereof vacated by the Tenant or those acting under its authority or control. For greater certainty, the foregoing obligation of the Tenant will include, without limitation, the responsibility to, at the Landlord's option, remove or remediate any Hazardous Substances, harmful moulds or other harmful airborne substances which have as a result of the operations of the Tenant or the occupancy of the Premises by the Tenant, or any other person acting under its authority or control, become affixed to, permeated within or accumulated on or within the Development. The Tenant will obtain and provide to the Landlord a copy of the Tenant's environmental consultant's report or reports with respect to such removal of Hazardous Substances and harmful moulds and other harmful airborne substances.

17.3 Ownership of Hazardous Substances

If the Tenant creates or brings to the Development or the Premises any Hazardous Substance or if the Tenant will cause there to be any Hazardous Substance at the Development or the Premises then, notwithstanding any rule of law to the contrary or anything to the contrary contained in this Lease, such Hazardous Substance will be and remain the sole and exclusive property of the Tenant and will not become the property of the Landlord, notwithstanding the degree of affixation to the Premises or the Development of the Hazardous Substance or the goods containing the Hazardous Substance, and notwithstanding the expiry or earlier termination of this Lease.

17.4 Survival

The obligations of the Tenant under this Article 17 will survive the expiry or earlier termination of this Lease.

18. QUIET ENJOYMENT

The Landlord covenants with the Tenant that if the Tenant duly and punctually pays the Rent hereby reserved, and duly and punctually performs the covenants herein on its part contained, it will, subject to the terms of this Lease, peaceably possess and enjoy the Premises for the Term hereby granted without any interruption or disturbance from the

Landlord or any other person or persons lawfully claiming by, from, or under it.

19. NOTICE

Any notice, demand, request, consent, or objection required or contemplated to be given or made by any provision of this Lease will be given or made in writing, and either delivered personally or sent by fax or other electronic means or registered mail, postage prepaid, addressed to the Landlord at:

CITY OF COQUITLAM
3000 Guildford Way, Coquitlam, B.C, V3B 7N2
Attention: Manager Real Estate
Email: jburton@coquitlam.ca

With a copy to:

CITY OF COQUITLAM
3000 Guildford Way, Coquitlam, B.C, V3B 7N2
Attention: City Clerk

or addressed to the Tenant at the address referred to in Item (b) of the Lease Summary or addressed to the Indemnifier at the address referred to in Item (c) of the Lease Summary, or to such other address and fax number in Canada of which either Party may from time to time notify the other in writing. The time of giving or making such notice, demand, request, consent, or objection will be, if delivered, emailed or faxed, when delivered or received, as the case may be, and if mailed, then on the fourth business day after the day of the mailing thereof; provided that, if mailed, should there be between the time of mailing and the actual receipt of the notice a mail strike, slowdown, or other labour dispute which might affect delivery of such notice, then such notice will only be effective if actually delivered. If in this Lease two or more Persons are named as Tenant, such notice, demand, request, consent, or objection is sufficiently given or made if and when the same is given to any one of such Persons.

20. GENERAL CONDITIONS

20.1 Compliance with Laws

At the sole cost and expense of the Tenant, the Tenant will comply with and abide by all Applicable Laws in connection with the Premises, and all equipment, machinery, and other facilities therein, and the Tenant's use, occupation, condition, maintenance, alterations, and repairs thereof, and the Tenant's use, storage, disposal, and clean-up of Hazardous Substances, whether or not in force at the date hereof and in accordance with all directions, rules, and regulations of the health officer, fire marshal, building inspector, or other proper officers of the City or other agencies, whether municipal, federal, or provincial, having

jurisdiction, or the insurers of the Landlord. In the event that the Tenant fails to comply with the foregoing provisions, the Landlord may comply on behalf of the Tenant and collect the expense for such work from the Tenant in the same manner as arrears of Additional Rent.

20.2 Rules and Regulations

The Tenant covenants that it will observe and perform, and will cause its employees, agents, invitees, and others over whom the Tenant can reasonably be expected to exercise control, to observe and perform any and all Rules and Regulations which may from time to time be established by the Landlord for the Development. The Rules and Regulations set forth in Schedule E will be the Rules and Regulations in force until amended by the Landlord. The Landlord will communicate any amendments or changes in such Rules and Regulations to the Tenant in writing, and after communication such changed or amended Rules and Regulations will be in force until further amendment and notice thereof. The Landlord will not be responsible to the Tenant for the non-observance or violation by any other tenant of any such Rules and Regulations.

20.3 Several Tenants

Should the Tenant comprise two or more Persons, each of them will be jointly and severally bound with the other or others for the due performance of the obligations of the Tenant hereunder. If the Tenant is a partnership (the "Tenant Partnership") each person who is presently a member of the Tenant Partnership, and each person who becomes a member of the Tenant Partnership or any successor Tenant Partnership hereafter will be and will continue to be subject to the terms, covenants, and conditions of this Lease, whether or not such person ceases to be a member of such Tenant Partnership or successor Tenant Partnership. Words in one gender include all genders, and words in the singular include the plural, and vice versa.

20.4 Successors and Assigns

Subject to the provisions of this Lease respecting assignment, this Lease will enure to the benefit of and be binding upon the Landlord, its successors and assigns, and the heirs, executors, administrators, and other personal legal representatives, successors, and permitted assigns of the Tenant. No rights will enure to the benefit of any assignee of the Tenant unless the assignment of such rights has been first approved by the Landlord.

20.5 Apportionment of Rent

If this Lease is terminated prior to the end of the Term, then without prejudice to the other rights of the Landlord contained herein or at law, the Rent will be apportioned and paid in full to the date of such termination, and the Tenant will immediately deliver up vacant possession of the Premises to the Landlord; provided that, and notwithstanding such

termination, if at the date of such termination the actual amount of the Rent cannot be exactly ascertained, the Tenant will pay to the Landlord the amount of the Rent as estimated by the Landlord and forthwith upon the exact amount of such sum being ascertained, the Landlord and the Tenant will make any readjustments if required.

20.6 No Offer

The Landlord will not be deemed to have made an offer to the Tenant by furnishing to the Tenant a copy of this Lease with particulars inserted. Notwithstanding that Rent may be received by the Landlord, no contractual or other rights will exist or be created between the Landlord and Tenant until all Parties to this Lease have executed and delivered the same.

20.7 No Light, Air, or View Easement

Any diminution or shutting off of light, air, line of transmission, or view by any structure which is now or may hereafter be erected on lands adjacent to the Development or elsewhere will in no way affect this Lease or impose any liability on the Landlord. Noise, dust, vibration, or other incidents to construction of improvements on lands adjacent to the Development, whether or not by the Landlord, will in no way affect this Lease or impose any liability on the Landlord.

20.8 Force Majeure

Despite anything contained in this Lease to the contrary, if the Landlord or the Tenant is, in good faith, delayed or prevented from doing anything required by this Lease because of a strike, labour trouble, inability to obtain materials or services, power failure, restrictive government laws or regulations, riots, insurrection, sabotage, rebellion, war, act of God, terrorism, or any other similar reason that is not the fault of the Party delayed, the doing of the thing is excused for the period of the delay and the Party delayed will do what was delayed or prevented within the appropriate period after the delay. The preceding sentence does not excuse the Tenant from payment of Rent or the Landlord from payment of amounts that it is required to pay, in the amounts and at the times specified in this Lease.

20.9 Non-Derogation

Nothing contained or implied herein will derogate from, prejudice or affect the Landlord's rights, powers, duties or obligations in the exercise of its functions pursuant to the *Community Charter*, S.B.C. 2003, c. 26, and the *Local Government Act*, R.S.B.C. 2015, c. 1, or any other act of the Province of British Columbia as amended from time to time and the rights, powers, duties and obligations of the City under all public and private statutes, bylaws, orders and regulations, all of which may be, if the Landlord so elects, as fully and effectively exercised in relation to the lands which are subject to this Lease as if this Lease had not been executed and delivered.

20.10 Time of the Essence

Time will be of the essence of this Lease.

20.11 Captions

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

20.12 Governing Law

This Lease will be construed and governed by the laws of the province of British Columbia and the laws of Canada as are applicable therein, and the parties will attorn to the jurisdiction of the courts of British Columbia.

20.13 Covenants

All of the provisions of this Lease will be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph.

20.14 Survival of Covenants

All obligations of the Tenant which by their nature require all or part of their performance or fulfilment after the expiry or termination of this Lease will (whether specifically provided for in this Lease or not) survive the expiry or termination of this Lease.

20.15 Severability

Should any provision or provisions of this Lease or its conditions be illegal or not enforceable, it or they will be considered separate and severable from this Lease, and its remaining provisions and conditions will remain in force and be binding upon the Parties as though the said provision or provisions or conditions had never been included.

20.16 Entire Agreement

This Lease constitutes the entire agreement between the Parties and may not be modified except as herein explicitly provided or except by subsequent agreement in writing duly signed by the Landlord and the Tenant.

20.17 Registration of Lease

Unless required by the Landlord, the Landlord will not be obliged to deliver this Lease in registrable form, despite the *Land Title Act*, R.S.B.C. 1996, c. 250, and the *Property Law Act*,

R.S.B.C. 1996, c. 377, both as modified, amended, or replaced from time to time, and the Tenant will not register or attempt to register this Lease.

20.18 Schedules

The Parties acknowledge and agree that all Schedules attached and any further Schedule(s) agreed to by the Parties will form part of and be incorporated in this Lease.

20.19 Indemnity

Concurrently with the execution of this Lease, the Landlord and the Indemnifier will execute the Indemnity Agreement in substantially the form attached to this Lease as Schedule G.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have executed this Lease as of the date first above written.

[insert appropriate execution clauses, for example]:

[tenant]

[indemnifier]

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

CITY OF COQUITLAM

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

SCHEDULE A

DEFINITIONS

In this Lease unless there is something in the context inconsistent therewith, the Parties agree that:

- (a) “**Annual Basic Rent**” means the minimum annual rent reserved hereunder payable by the Tenant as set forth in Item (k) of the Lease Summary, which amount includes the Occupancy Costs;
- (b) “**Additional Rent**” means the all sums of money, whether or not designated as Additional Rent, to be paid by the Tenant, whether to the Landlord or otherwise, under this Lease save and except Annual Basic Rent and Percentage Rent;
- (c) “**Applicable Laws**” means statutes, regulations, orders, rules, notices, policies, guidelines, codes, certificates of authorization, permits or directives and other requirements of a government or quasi-governmental authority with jurisdiction over any matter;
- (d) “**Business Days**” means a day which is not a Saturday or Sunday nor defined as a “holiday” under the *Interpretation Act*, R.S.B.C. 1996, c. 238, as modified, amended, or replaced from time to time, as amended or replaced from time to time;
- (e) “**City**” means the City of Coquitlam;
- (f) “**Commencement Date**” means the day referred to in Item (i) of the Lease Summary and any extension thereof;
- (g) “**Common Areas**” means those areas of the Development that, from time to time, are not intended to be leased to the tenants of the Development, occupied by the Landlord, or are designated from time to time by the Landlord as common areas (whether located within or near the Development, provided that if outside the Development, the same serve or are for the benefit of the Development), which designation may be changed by the Landlord from time to time, including but not limited to the Patio Area, roof, exterior walls, exterior and interior structural elements and bearing walls, exterior and interior landscaped areas, parking areas (including roof and below-grade parking, if any), roadways, driveways, common loading areas, sidewalks (moving or otherwise), all enclosed or open centres, public hallways, stairways, ramps, public washrooms, administration offices, amenity rooms, meeting rooms, recreational facilities, and any other public facilities if and when provided, and electrical, telephone communications, meter, valve, mechanical, mail and janitor rooms, and storage areas;
- (h) “**Common Facilities**” means those facilities designated by the Landlord as common facilities, which designation may be changed by the Landlord from time to time, including

but not limited to the electrical, communications, mechanical, heating, ventilating and air-conditioning, plumbing and drainage, lighting, fire prevention, security, music and public address systems, equipment, and installations, and any enclosures constructed therefor, together with all signage including pylon signs, directional signs, sign bands, and all signs identifying the Development and leasable premises located therein;

- (i) **“Discovery Centre”** means those premises constructed or to be constructed by the Landlord on the Property shown marked as “Discovery Centre” on the plan attached hereto as Schedule D;
- (j) **“Development”** means the Property, together with the buildings, improvements, facilities from time to time located thereon or therein or contiguous thereto or for the benefit thereof and as they are altered, reduced, or expanded from time to time including, without limitation, the Common Areas and Common Facilities, serving them or located on or in them from time to time;
- (k) **“Fixturing Period”** has the meaning set forth in Section 2.5 of this Lease;
- (l) **“Fixturing Period Commencement Date”** has the meaning set forth in Section 2.5 of this Lease
- (m) **“Gross Revenue”** means the total amount of all sales of all goods, merchandise and services and all other receipts or receivables whatsoever from all business conducted in, upon, from or in connection with the Premises, whether such sales be by cash, cheque or credit, charge account, exchange or otherwise, or any combination of the foregoing including without limiting the generality of the foregoing, the following:
 - (i) sales of gift certificates;
 - (ii) rentals of Premises;
 - (iii) orders taken or received at the Premises, whether the orders are filled from the Premises or elsewhere;
 - (iv) sales of goods and services via e-commerce or other online payment method where the sales are generated via a computer terminal, smart phone or other handheld device located within the Premises or elsewhere in the Development whether the sale is completed by an employee or by a customer;
 - (v) deposits not refunded to purchasers; and
 - (vi) all other receipts and receivables from business conducted in or from the Premises;

whether the sales, or other receipts or receivables are made by cheque, cash, credit, charge account, exchange or otherwise and whether the sales are made by means of mechanical

or other vending devices in the Premises. Bank charges or uncollectible credit accounts or charges made by collection agencies will not be deducted and no allowances will be made for bad debts. Each charge, or sale made on instalment or credit will be treated as a sale for the full selling price in the month for which the charge, or sale is made, regardless of the time the Tenant receives payment (whether full or partial).

Gross Revenue does not include, or there will be deducted from Gross Revenue:

- (vii) sales of merchandise for which cash has been refunded or credit made to a charge card account, but only to the extent of the refund or credit, and in the case of sales made through catalogues or the Internet, only to the extent that such refund or credit relates to a prior inclusion of the same transaction in Gross Revenue;
 - (viii) the selling price of merchandise returned by customers for exchange, but the selling price of merchandise delivered to the customer in exchange will be included in Gross Revenue;
 - (ix) the selling price of goods and merchandise purchased with gift certificates;
 - (x) retail tax imposed by federal, provincial, municipal, or any other government authorities directly on sales and rentals and collected from customers at the point of sale by the Tenant acting as agent for the authority, but only if the amount is added separately to the selling price and does not form part of the quoted price for the article or the service and is actually paid by the Tenant to the authority; and
 - (xi) transfers of merchandise between the Tenant's stores and merchandise returned to the Tenant's suppliers, but only if the transfers or returns are for convenience and not for reducing Gross Revenue;
- (n) **"Hazardous Substances"** means any substance or material whose discharge, release, use, storage, handling or disposal is regulated, prohibited, or controlled, either generally or specifically, by any government authority or quasi-governmental authority pursuant to or under any Applicable Laws, including, but not limited to, any contaminant, pollutant, deleterious substance, or material which may impair the environment, petroleum and other hydrocarbons and their derivatives and by-products, dangerous substances or goods, asbestos, PCBs, gaseous, solid and liquid waste, special waste, toxic substance, hazardous or toxic chemicals, hazardous waste, hazardous material or hazardous substances, either in fact or as defined in or pursuant to any Applicable Laws;
- (o) **"HVAC System"** means the heating, ventilating, and air-conditioning plants and systems necessary to heat, ventilate, and air-condition the Common Areas and the premises within the Development excepting those premises from time to time as having entirely separate plants and systems and includes, without limitation, the chilled and heated water systems, freon systems or air generating facilities and any storage and distribution systems leading

therefrom, together with any cooling towers, thermostats, fans, pumps, and all other equipment and facilities connected therewith;

- (p) **“Indemnifier”** means a Person, if any, who is a party to this Lease and has executed or agreed to execute the Indemnity Agreement that is attached to this Lease as Schedule G;
- (q) **“Landlord”** means the Party set forth in Item (a) of the Lease Summary and any extension thereof and its authorized representatives. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Landlord, “Landlord” includes the past and present elected officials, directors, officers, employees, and agents of the Landlord;
- (r) **“Landlord’s Work”** means the work to be performed by the Landlord at its cost and expense more particularly set forth in Sections 1 to 18 of Schedule B;
- (s) **“Lease”** means this Lease, all Schedules, and the Rules and Regulations made from time to time by the Landlord under the provisions of this Lease;
- (t) **“Lease Summary”** means the summary contained in the first pages of this Lease;
- (u) **“Lease Year”** means the first 12-month period following the Commencement Date and each succeeding 12-month period thereafter up to the end of the Term or Extended Term, if applicable;
- (v) **“Mortgagee”** means a mortgage or hypothecary creditor (including a trustee for bondholders) of the Development or part of it and a chargee or other secured creditor that holds the Development or a part of it as security, but a Mortgagee is not a creditor, chargee or security holder of a tenant of Rentable Premises. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Mortgagee, “Mortgagee” includes the directors, officers, and employees of the Mortgagee, and the Landlord acts as agent for, or as trustee for, the benefit of the Mortgagee so that each such release, indemnity, and/or other exculpatory provision is fully enforceable by the Mortgagee;
- (w) **“Occupancy Costs”** means the costs and expenses incurred by the Landlord for operating, renting, maintaining, insuring, repairing, and replacing the Development, including, without limitation, the following:
 - (i) the cost of repairs, maintenance, and such replacements to the Development as are properly chargeable in accordance with generally accepted accounting practice to operating expenses as distinguished from capital replacements or improvements, but including the cost of capital replacements where the same are required by any municipal, federal, or provincial government or agency;
 - (ii) the expense for gardening and landscaping, line repainting, sanitary control, snow

removal, and cleaning of the Common Areas (excluding the Patio Area to the extent the Tenant is responsible for cleaning and maintenance of Patio Area in accordance with Schedule F);

- (iii) wages paid for maintenance, security, and operating personnel, including payments for workers' compensation, employment insurance, vacation pay, Canada Pension Plan, and other fringe benefits whether statutory or otherwise;
- (iv) cost of exterior window draperies and coverings, carpeting, flooring, and wallcoverings in the Common Areas, and other furnishings in the Common Areas, which, as a result of normal use, require periodic replacement;
- (v) the cost of electrical power and other utilities furnished to the Development; and
- (vi) the expenses incurred by the Landlord for operating, maintaining, monitoring, insuring, repairing, and replacing the HVAC System;

and specifically excludes the following costs and expenses:

- (vii) the cost, charge, or expense for electricity, water, garbage collection and disposal, telecommunications, and any other like service rendered to the Premises for the sole benefit of the Tenant and paid by the Landlord; and
 - (viii) the cost, charge or expense for garbage collection and disposal to the Development;
 - (ix) taxes allocated by the Landlord to the Premises in accordance with Section 4.1(c);
- (x) **"Parties"** means the parties to this Lease and their successors and assigns;
 - (y) **"Patio Area"** means those Common Areas constructed or to be constructed by the Landlord on the Property shown outlined in dashed lines and marked "Patio Space" on the plan attached hereto as Schedule D, as may be altered, reduced, or expanded from time to time;
 - (z) **"Percentage Rent"** means the rent specified in Item (l) of the Lease Summary and payable by the Tenant pursuant to Section 4.3(b);
 - (aa) **"Person"** means, if the context allows, a person, firm, partnership or corporation, group of persons, firms, partnerships or corporations, or any combination of them;
 - (bb) **"Premises"** means those premises constructed or to be constructed by the Landlord on the Property, having a Rentable Area set out in Section (g) of the Lease Summary and shown outlined in heavy black line and marked "Premises" on the plan attached hereto as Schedule D;
 - (cc) **"Prime Rate"** means the annual rate of interest announced from time to time by the

Landlord's bank as a reference rate then in effect for determining interest rates on Canadian dollar denominated commercial loans made in Canada;

- (dd) **"Property"** means the lands situate in the City of Coquitlam, and civically described as 3537 Princeton Avenue and more particularly described as: PID: 030-902-291, Lot 1 Section 18 Township 40 New Westminster District Plan EPP92199;
- (ee) **"Province"** means the Province of British Columbia;
- (ff) **"Released Persons"** means collectively and individually and includes the Landlord and the Mortgagee;
- (gg) **"Rent"** means Additional Rent, Annual Basic Rent and Percentage Rent;
- (hh) **"Rentable Area"** means the estimated area of the Premises measured from: (a) the exterior face of exterior walls, doors, and windows; (b) the exterior face of interior walls, doors, and windows separating the Premises from Common Areas and/or Common Facilities; (c) the exterior face of interior walls that are not party walls, separating the Premises from adjoining premises; and (d) the centre line of interior party walls separating the Premises from adjoining premises. Rentable Area includes interior space even if it is occupied by projections, structures or columns, structural or non-structural, and if a storefront is recessed from the lease line, the area of the recess is included within the Rentable Area of the Premises;
- (ii) **"Rentable Premises"** means those premises (including the Premises), in or on the Development that are, or are intended from time to time to be occupied by tenants;
- (jj) **"Rules and Regulations"** means the Rules and Regulations set out in Schedule E adopted, promulgated, revised or amended by the Landlord from time to time under Section 20.2;
- (kk) **"Sales Tax"** means the amounts payable to the Landlord in respect of "Sales Taxes" as defined in Section 12.3;
- (ll) **"Security Deposit"** means the amount, if any, set forth in Item (m) of the Lease Summary and any extension thereof;
- (mm) **"Taxes"** means the aggregate of capital tax and all local improvement or similar rates, duties, assessments, and charges, municipal realty taxes, water taxes, school taxes, or any other taxes, rates, duties, assessments, both general or special, levied or imposed upon or in respect of the Premises (including any parking facilities therein or the use thereof) by any Taxing Authority, and any rates, duties, assessments, charges, or taxes levied, charged, or assessed in lieu thereof, together with all costs and expenses, including legal and other professional fees and interest and penalties on deferred payments, incurred by the Landlord in good faith contesting or appealing any such taxes, levies, rates, assessments, or

charges, including business and property taxes, if any, charged on the Premises but not including taxes levied on the business operations of the Landlord;

- (nn) **“Taxing Authority”** means any duly constituted government authority, whether federal, provincial, municipal, or otherwise, legally empowered to impose taxes, rates, assessments, or charges, or other charges in lieu thereof, on, upon or in respect of the Landlord or the Development;
- (oo) **“Tenant”** means the Party set forth in Item (b) of the Lease Summary and any extension thereof and any Person mentioned as Tenant in this Lease. “Tenant” includes, where the context allows, the officers, directors, employees (while in the ordinary course of their employment), agents, invitees, and licensees of the Tenant, and those over whom the Tenant may reasonably be expected to have control;
- (pp) **“Tenant Inducements”** means any allowances, inducements, or rent-free periods;
- (qq) **“Tenant’s Work”** means the work to be performed by the Tenant at its cost and expense more particularly set forth in Sections 19 to 42 of Schedule B;
- (rr) **“Term”** means the term of this Lease as set forth in Item (h) of the Lease Summary and any extension thereof;
- (ss) **“Transfer”** means and includes an assignment of this Lease or a sublease or a licence of all or part of the Premises or any other occupation of the Premises except by the Tenant, as the case may be; and
- (tt) **“Transferee”** means and includes an assignee or a subtenant or licensee, as the case may be.

SCHEDULE B

DESCRIPTION OF LANDLORD'S WORK AND TENANT'S WORK

LANDLORD'S WORK

All changes or additions by the Tenant to standard provisions herein shall be at the Tenant's sole expense.

1. The Landlord will furnish the Tenant with one set of the construction plans to enable the Tenant to prepare a floor plan of the Premises showing intended requirements within the demising walls. Included will be: floor plans, elevations, and mechanical and electrical distributions in the Premises, and applicable product specifications (the "**Tenant Package**"). The first Tenant Package will be at the Landlord's expense. All additional Tenant Packages will be produced at the Tenant's expense. Plans and specifications in addition to those in the Tenant Package are available at the Landlord's office. Tenant packages will be provided by in form of PDF.
2. Within the Tenant Package the Landlord will also furnish a copy of the exterior sign guidelines setting out the criteria which must be observed in connection with the architectural design and appearance features of the Premises. The Tenant is responsible for the complete costs of signs and all approvals from the City of Coquitlam or other approving authority for signs and costs associated thereto.

LANDLORD WILL PROVIDE AS BASE BUILDING

3. A smooth and polished finished concrete floor topping. The concrete topping will be 2" thick. A floor grate embedded into the floor finish will be provided on the interior side of the entry doors to the Premises.
4. Demising wall separating the Premises from the common corridor and common washrooms ("**Wall 1**") and a demising wall separating the Premises from the Discovery Centre ("**Wall 2**"). Wall 1 is constructed of 2x6 wood studs, 1/2" sheathing on one side and 5/8" type 'X' gypsum wall board on either sides of the framing. Wall 2 is constructed of 2x8 wood studs and 5/8" type 'X' gypsum wall board on either sides of the framing. Both wall assemblies are taped and sanded to a height as indicated on base building plans by the Landlord. ANY EXTRA WORK INCURRED BY THE INSTALLATION OF FIRE WALLS TO COMPLY WITH THE APPROPRIATE CODES WILL BE AT THE TENANT'S EXPENSE. Refer to Tenant Package for extent of these walls and finishes. Demising walls are not designed to support wall-mounted Tenant fixtures.
5. Interior partition walls within the Premises will be provided by the Landlord as indicated in the Tenant Package. Partition walls are constructed of wood studs and 1/2" gypsum wall board on either sides of the framing. The placement of the partition walls creates a back of

house area within the Premises of approximately 150 square feet. Refer to Tenant Package. The concrete topping within this back of house area will slope to a centralized floor drain within the room, which is provided by the Landlord. The partition walls are not designed to support wall-mounted Tenant fixtures.

6. A fully operational electrical system with a capacity of fifteen watts per square foot of Premises. Service shall be 200A, 120/208 volt, 60 cycle, three phase, four wire. The light fixtures (surface mounted track lighting and 2'x2' t-bar grid lighting), emergency light / exit signage, light switches, temperature control thermostats, electrical panel, telephone/data junction box, basic service receptacles to be included in the base building scope of work. Electrical conduits within the slab are provided at two (2) locations within the Premises for the Tenant's use for additional receptacles if required. Refer to Tenant Package for more information. Additional electrical capacity (if required) will be provided by the Landlord at the Tenant's expense, including any revision to conduit or electrical room work outside of the Premises. All additional base building electrical work will be done by the base building general contractor at its usual rates for upgrading.
7. Fire alarm and security systems including smoke and carbon monoxide detectors, fire alarm pull stations, fire hydrants, sprinkler heads / water curtain protection system, fire alarm relay, motion sensors, glass breaker sensors, wireless access points and security cameras to the extent shown in the Tenant Package. Any modification, upgrade or verification of the fire alarm system in the Premises shall be performed by the Landlord approved contractor at the Tenant's expense. All new added fire alarm devices shall match with the base building fire alarm system.
8. A telephone/data junction box within the Premises which will be hardwire connected to the main telephone/data junction box within the Development's electrical/mechanical room. The Tenant will have the option of using either Telus or Shaw service providers. The Tenant is required to contact the service provider directly and all additional work required to be completed by the service provider shall be paid for by the Tenant. If fibre optics is required for the Premises at the request of the Tenant, the Landlord can provide this at the expense of the Tenant.
9. A heating, ventilating and air-conditioning (HVAC) system sized at 1 ton of cooling per approximately 200 square feet as designed by the Landlord inclusive of duct work, thermostats, controls, diffusers, air return grilles and exhaust fans. The HVAC system is connected to a direct display control system provided by the Landlord. The Tenant shall be responsible and pay for any changes to the system supplied and installed by the Landlord. Any additional capacity will be provided by the Tenant at the Tenant's expense. It is the responsibility of the Tenant's contractor to balance the system and submit an air balance report to satisfy the design criteria of the Landlord.

10. The Landlord will provide stubbed utility services, including water, to the Premises. The Premises will not be provided with washroom facilities. Rather, the Tenant will have access and use of two (2) unisex washrooms, two (2) universal washrooms and janitor closet which, together, form part of the Common Facilities.
11. The Landlord will provide grease-waste, sanitary and vent cap-off locations within or adjacent to the back of house area within the Premises. The Tenant to connect to the required cap-off locations for potential mop sink, double sink and faucet and dishwashers in the back of house area of the Premises and countertop sink within the Premises. Refer to the Tenant Package for additional information.
12. The Landlord will supply and install a sprinkler system including sprinkler heads within the Premises. The approximate location of heads will be shown on the Landlord's outlined plan of the Premises. If changes to the standard layout are required because the design of the interior of the Premises does not co-ordinate with the standard sprinkler system layout, the Landlord will make changes to such layout at the expense of the Tenant. Sprinkler heads that satisfy alternative solutions for the building (base building code compliance) are required to remain at the locations indicated on the Landlord's outlined plans. Flow control valve and shut off will be provided by the Landlord. Note: Sprinkler system must be operable prior to tenant fixturing and changes may be required.
13. The Landlord will provide the Tenant a storefront which includes paired glass entry doors and floor to ceiling curtain wall glass systems. A plenum space/ceiling cove will be installed adjacent to all locations where glass is provided within the Premises. This plenum space will house manual roller blinds. The manual roller blinds are segmented at each curtain wall mullion and will not be provided at the paired glass entry door location. A metal post with a no touch actuator (wave sensor) will be located on the exterior adjacent to the paired glass entry door for access into the Premises. No touch actuators (wave sensors) is provided adjacent to the glass entry door on the interior for exiting the Premises and adjacent to the door from the Premises to interior Common Areas.
14. The Landlord will provide the ceiling finishes as shown in the Tenant Package. A majority of the ceiling finish for the Premises will be drywall painted matte white. The ceiling finish within the back of house space will be white 2' x 2' ceiling tile with white grid. The drywall ceiling height to be 11'-0" above finished floor for the Premises except for the back of house area which will be 8'-0" above finished floor.
15. The interior wall finish for all locations of the Premises will be drywall – painted white semi-gloss finish to be provided by the Landlord. A majority of the baseboard finish for the Premises will be provided by the Landlord. The Tenant is required to provide and pay for the baseboard finishes within the back of house area of the Premises.
16. A maximum occupant load of 60 persons will be permitted in the Premises. A sign indicating maximum occupant load will be supplied and installed by the Landlord within the Premises.

The Premises are provided with access to one exit, which is through the entry doors. The back of house exit door provided by the Landlord is for the Tenant's convenience only and based on building code, does not serve as an exit door. No grease laden vapour cooking will be permitted in the Premises. A permanent sign within the back of house space will be provided by the Landlord. If the Tenant intends to propose a cooking operation that produces 'grease-laden vapours', the Tenant will be required to apply and pay for the required permits and install a compliant commercial kitchen exhaust system.

17. The exterior signage mounting structure, locations and connections to power will be provided by the Landlord. The Tenant is to reference and adhere to the Landlord provided exterior sign guidelines.
18. The Tenant may elect to use the Landlord's general contractor on site in conjunction with its subcontractors to perform the Tenant's Work or may elect to use any other contractor or sub-contractor of its choice, providing prior approval is received from the Landlord. In any case, the Tenant will enter into its own contractual agreement with the contractor(s) of its choice. The Tenant represents to the Landlord that the contractor(s) carries the necessary insurance and has taken out the necessary permits. The Tenant's contractor(s) must also assure the Landlord that its union affiliations do not conflict with those of the Landlord's general contractor. Tenant contractors are to ensure that their work conforms to the criteria of the overall base building standards.

TENANT'S WORK

19. The Tenant will retain competent designers (as may be appropriate), who shall be duly licensed in the Province of British Columbia where required, in connection with the design of Tenant's Work and the preparation of the plans required to be submitted by the Tenant hereunder. For any changes to the electrical and mechanical design distribution within the Premises, the Tenant must employ the either Landlord's designated consulting engineers or such other consulting engineers approved by the Landlord. These drawings and specifications will include the design and layout for any proposed or relocated electrical, sprinkler, plumbing, drainage, and HVAC work outside of what has been provided by the Landlord, if applicable. The Tenant will also provide the Landlord with a reflected ceiling plan showing the location of all lighting fixtures (existing, proposed or relocated) and a store layout plan showing the location of all existing, proposed or relocated receptacles, switches and all power and telephone outlets required and provide manufacturers descriptive material and catalogue numbers for all fixtures and equipment to be installed by the Tenant.
20. The Tenant will provide at its cost to the Landlord the following (PDF's or hardcopies are acceptable):
 - (a) All drawings to a landscape format size of 762 x 1066.8 mm (30" x 42") and shall be in a suitable scale, being (unless otherwise specified by the Landlord or unless a larger

scale is required to properly show detail) 1/4" = 1'-0" or 1:50 for storefront and sign detail, 3" = 1'-0" or 1:5 for specific details, if required.

- (b) A floor plan to a scale of 1/4" = 1'-0" or 1:50 showing the location of all fixtures and equipment (including selling fixture layout, cash register location, rooms and partitions) and all items which affect the method of fixturing and which affect the existing HVAC, electrical and sprinkler system.
 - (c) Interior elevations, and sections indicating bulkheads if and where applicable.
 - (d) Reflected ceiling plan showing the location of existing air diffusers, lighting and other fixtures, sound system speakers, sprinkler heads, and any other mechanical equipment. If items are to be added or relocated from what has been provided by the Landlord, the Tenant is to clearly indicate this on the drawing.
 - (e) Electrical equipment to show all existing, proposed or relocated lighting and convenience outlets (showing height above finished floor level), Tenant's existing, proposed or relocated emergency lighting systems and telephone locations (if wall mounted showing the height above finished floor), the location of existing, proposed or relocated equipment requiring electrical power with all related data (i.e. horsepower, voltage, amperage, heat output, etc.) including under floor services. The Tenant will provide an existing and proposed electrical fixture schedule specifying the type, manufacturer, wattage, quantity, etc. of all existing and proposed electrical fixtures and equipment, and existing and proposed fire alarm pull boxes if required.
 - (f) Additional specifications for any additional proposed plumbing installations, specifications of any motors and other equipment, and all other information necessary to enable the Landlord to adopt the additional mechanical, electrical or plumbing systems for the building and to verify compatibility of requirements.
21. Slab Installation – All floor slabs for the Premises have been or will be poured prior to the commencement of Tenant's Work. The Landlord shall have no responsibility to the Tenant for the cost of installation of under-floor requirements, all of which will in any event be completed on a basis satisfactory to the Landlord.
22. Any modifications to the electrical panel, circuit breakers, light fixtures, light switches, receptacles, wiring and equipment provided by the Landlord within the Premises will be the responsibility of the Tenant and must be new, C.S.A. approved or equivalent. All Tenant's Work within the Premises will adhere to the quality generally in accordance with the specifications of the overall project and will be subject to inspection by the Landlord. All branch wiring will be copper, minimum size #12 AWG, no aluminium branch wiring will be allowed. All wiring shall be installed in conduits or metal cable raceways. BX cable may be used in partition walls with no horizontal runs around the corners of the walls and in ceiling for drops (maximum 3 meters) from the junction boxes to the lighting fixture. Daisy chain

with BX wires between light fixtures will not be permitted. Conduits or metal cable raceways will be installed in un-accessible ceiling areas to pull boxes mounted in the accessible ceiling area. No BX cable is allowed in visible public areas. Data cables will be cat 6, FT#6 rated. Additional make-up air units, exhaust fans, exhaust hoods and required fire protection outside of what has been provided by the Landlord within the Premises will be installed at the Tenant's expense and will be subject to the approval of the Landlord where required. The Tenant may be required to obtain and pay for permits prior to installing this work.

TENANT'S PRELIMINARY PLANS

23. Within fourteen (14) days after receipt by the Tenant of the Tenant Package the Tenant will furnish to the Landlord four preliminary plans (consisting of drawings supplemented by specifications and other information where appropriate) as to all of the matters in respect of which plans are required in order for the Landlord to check the basic elements of the proposed Tenant's work and conformity to structural and electric limitations, the Landlord's design concept and the basic requirements of this Schedule B. Whenever communication is required between the Tenant or its agent and the Landlord in this respect, it shall be done directly between the parties concerned. If the Landlord requires revisions to the Tenant's Preliminary Plans the Landlord will notify the Tenant's designer in writing with copies to the Tenant within ten (10) days and shall include one (1) set of marked-up preliminary plans.

TENANT'S DETAIL PLANS

24. Within fourteen (14) days after the approval of the Tenant's Preliminary Plans, the Tenant will furnish to the Landlord three (3) sets of detail plans, as to all matters in respect of which plans are required as outlined in Tenant's Work and to be based upon the Tenant's preliminary plans, for approval by the Landlord.
25. If the Landlord requires revisions to the Tenant's Detail Plans, the Landlord will notify the Tenant accordingly and proceed with revisions to avoid delay. The Landlord may make the required revisions at the Tenant's expense.
26. It is intended that the Tenant's designer make no more than two submissions of drawings for Tenant's Work and the drawings are to be of sufficient detail and quality for this purpose, inclusive of preliminary comments by the Landlord. If the Tenant's designer's drawings fail to meet this standard, and if inadequate drawings cause unreasonable additional work by the Landlord or if the processing of drawings by the Tenant's designer is delayed and will likely impede the opening date of the Tenant, the Landlord will notify the Tenant, and proceed to have the drawings corrected and/or completed, the cost of which will be to the sole account of the Tenant. The fees of the Landlord for such corrections will be on a per diem basis in accordance with the schedule established from time to time by Architectural Institute of British Columbia (AIBC) for recommended minimum professional charges for prime consultants. The Tenant's detail plans as finally approved are herein referred to as the

"Tenant's Detail Plans". After the Landlord has affixed its final approval, the Landlord will forward one copy of the approved plans to the Tenant or its agent.

27. All disbursements and printing beyond the initial set of construction drawings will be at the Tenant's expense.
28. The Landlord's approval of the Tenant's drawings denotes acceptance of the information contained in the Tenant's drawings and specifications and approval of the visual design that the drawings appear to represent. The approval does not mean confirmation of dimensions shown on the drawings nor does it limit the responsibilities of the Tenant to those shown on the drawings and specifications. The Tenant will be responsible for all requirements of this Schedule B and sign criteria, all codes, regulations and laws of governing authorities having jurisdiction, whether or not this is completely shown on the Tenant's drawings, notwithstanding the Landlord's approval. The Landlord shall not be responsible for the function and performance of the Tenant's design, installations and construction.

FIRE AND SAFETY APPROVAL

29. Any and all revisions or work beyond the Landlord's base building, including but not limited to the following: fire separations, exit signage and battery packs, window and door replacements required for fire department approvals, will be the sole expense of the Tenant.

PERMITS AND APPROVALS

30. It will be the responsibility of the Tenant to seek and obtain all permits necessary for the conduct of the Tenant's Work and all occupancy permits. The Tenant will submit all Tenant's Detail Plans requiring approval to the appropriate municipal and/or other government authorities after their approval by the Landlord. If any further revisions to the Tenant's Detail Plans are necessary in order to obtain the required approvals and permits, the revisions shall be made promptly by the Tenant but will not deviate from the Landlord's criteria and other requirements of this Schedule B and will be re-submitted to the Landlord for approval prior to their re-submission to the municipal and other governmental authorities. In any event all permit fees and other expenses associated with the obtaining of any necessary approvals and permits for the Tenant's Work will be borne by the Tenant and, where incurred by the Landlord, will be reimbursed to the Landlord upon demand.
31. The Landlord will not allow the Tenant's contractor to jackhammer floors, tie into main electrical or mechanical services, cut holes in the roof or do any other structural work and, therefore, some of the work shown on the Tenant's plans may be required to be completed by the Landlord's contractor even though the Tenant has arranged to use its own contractors for the majority of the work. Any work done by the Landlord's contractor will be back charged to the Tenant. The Tenant will have the right to approve in writing the costs prior to the commencement of the work.

32. The Tenant will not enter, nor will it permit its contractors to enter the roof of the building. The Landlord must approve all required openings through the roof prior to installation.
33. Only electrically operated equipment will be allowed in the Premises. There is no gas connection for the Premises. Any use of propane, diesel or other fuels will not be permitted to be proposed for the Premises.
34. The Tenant's contractor must provide balanced electrical load in all three phases of the distribution system to within 5%.
35. If new light fixtures are proposed for the Premises, the light fixtures and control system will be new, LED type, and energy efficient in accordance with ASHRAE, NECB and/or any other applicable requirements. All lighting fixtures will be recess mounted, save and except track or adjustable display lighting. No suspending loads will be attached to the underside of the roof structure or ceiling without the Landlord's written approval.

UTILITIES METERING

36. The Landlord will supply and install a private meter within the Common Areas (main electrical room). If required and requested by the Tenant, the Tenant can read the meter using by the method provided by the Landlord. This private meter would meter all items connected to the electrical panel within the Premises. This does not include the HVAC loads.

EXHAUST AND ODOURS

37. Objectionable odours shall be exhausted in such a manner as precludes their escaping into enclosed common areas or other rentable areas, or short-circuiting into any fresh-air vents.

EXPULSION OF FOREIGN SUBSTANCES

38. Direct expulsion of grease, hair and foreign substances into the Development's plumbing and drainage system will not be allowed. A grease interceptor for the Premises has been provided by the Landlord. The grease interceptor is located within the landscaping area between the Premises and the parking lot. This grease interceptor has a capacity of 100 GPM. Two (2) grease waste cap-off locations will be provided by the Landlord within the back of house area. If additional grease traps, grease interceptors and any other equipment necessary to enable grease and pollutant free effluent is proposed for the plumbing and drainage system of the Premises, these items must conform the regulatory codes and standards set by the Landlord and authorities having jurisdiction and shall be paid for by the Tenant.

GARBAGE REMOVAL

39. At the completion of the Tenant's Work, the Tenant will cause its contractors to forthwith remove all rubbish and all tools, equipment and surplus materials from and about the Premises and will leave the Premises clean to the satisfaction of the Landlord. This final clean-up will include, but may not be limited to the cleaning of light fixtures, millwork units, storefronts and public space affected by the work.

DAMAGE

40. Any damage caused by the Tenant or its contractors or sub-contractors to any work of the prime contractor or any property of the Landlord or other tenants will have been repaired to the satisfaction of the Landlord at the Tenant's expense.

SECURITY

41. During the Fixturing Period, the Tenant will be fully responsible for its own security and the security of its contractors' supplies and equipment. No security for the Premises will be installed unless the prior written approval thereof has been obtained from the Landlord. The Tenant's contractors shall at all times cooperate with the Landlord and the Landlord's contractors to comply with security arrangements and meet security requirements set for the total project.

CONSTRUCTION RESTRICTIONS

42. The Tenant's contractors will be subject to and comply with all rules, regulations and directions which may be imposed by the Landlord's contractors or the Landlord with respect to construction related matters. The Tenant's Work shall be confined to the Premises and the Tenant's contractors shall not impede the progress of the Landlord's contractors. If in the sole opinion of the Landlord's architect or Landlord's engineers this progress is impeded, then all corrective measures ordered and costs arising out therefrom shall be for the Tenant's account.

SCHEDULE C

PROCEDURE FOR LANDLORD'S WORK AND TENANT'S WORK

1. LANDLORD'S WORK AND TENANT'S WORK

The Tenant will, within the Fixturing Period, complete or cause to be completed the Tenant's Work. The Tenant's Work includes the procurement and installation or either of these, at its own expense, of those items set forth in Section 19 to 42 of Schedule B which are to be installed and procured by the Tenant in accordance with the procedures set out in this Schedule C and all such other work as the Tenant may desire to perform in the Premises and to which the Landlord may agree, provided no such work will be commenced by the Tenant until architectural or engineering plans and specifications relating to the Tenant's Work have been supplied to the Landlord and approved by it in writing.

2. TENANT'S WORK

All work or equipment, other than those items specifically enumerated as Landlord's Work, will be performed and supplied by the Tenant at its own cost and expense, and the Tenant will, in accordance with the procedures set out in Schedule B and subject to obtaining the consent of the Landlord as provided for herein, fully equip the Premises with all modern and first class trade equipment, lighting fixtures, furniture, operating equipment, furnishings, fixtures, floor coverings, heating, ventilating, and air-conditioning equipment and any other equipment necessary for the proper operation of the Tenant's business and such installation will be completed without damage to the structure of the Premises or to the heating, ventilating, air-conditioning, sprinkler, plumbing, electrical, and other mechanical systems of the Development..

3. COMPLETION OF TENANT'S WORK

The Tenant will upon completion of the Tenant's Work and prior to opening the Premises for business, furnish the Landlord with the following:

- (a) a statutory declaration sworn by the Tenant, or a responsible officer of the Tenant, setting forth that the Tenant's Work has been completed to its satisfaction and in strict accordance with Schedule B and the approved plans and specifications, which statutory declaration may be relied upon by the Landlord, it being understood that any deliberate or negligent misstatement or false statement by or on behalf of the Tenant will constitute a breach of covenant in this Lease;
- (b) a statutory declaration sworn by the contractor or contractors or a responsible officer or officers of the contractor or contractors performing the Tenant's Work, setting forth that the Tenant's Work has been fully completed in accordance with Schedule B and Schedule C, listing all sub-contractors, workers, and suppliers supplying work and materials or any of these for the Tenant's Work, and stating

that all sub-contractors, workers, and suppliers supplying work and materials or any of these for the Tenant's Work have been paid in full; and

- (c) a waiver of lien with respect to work done and material supplied to the Premises, executed by the contractor or contractors, and if requested by the Landlord, waivers of lien executed by the sub-contractors, workers, and suppliers supplying work and materials or any of these for the Tenant's Work.

3. ACCEPTANCE OF PREMISES

The opening by the Tenant of its business in the Development will constitute an acknowledgement by the Tenant that the Premises are in the condition called for by this Lease, that the Landlord has performed all of the Landlord's Work with respect thereto, and that the Tenant reserves or asserts no rights for claims, offsets, or back charges except for any latent defects discovered within 90 days of the opening by the Tenant of its business in the Development.

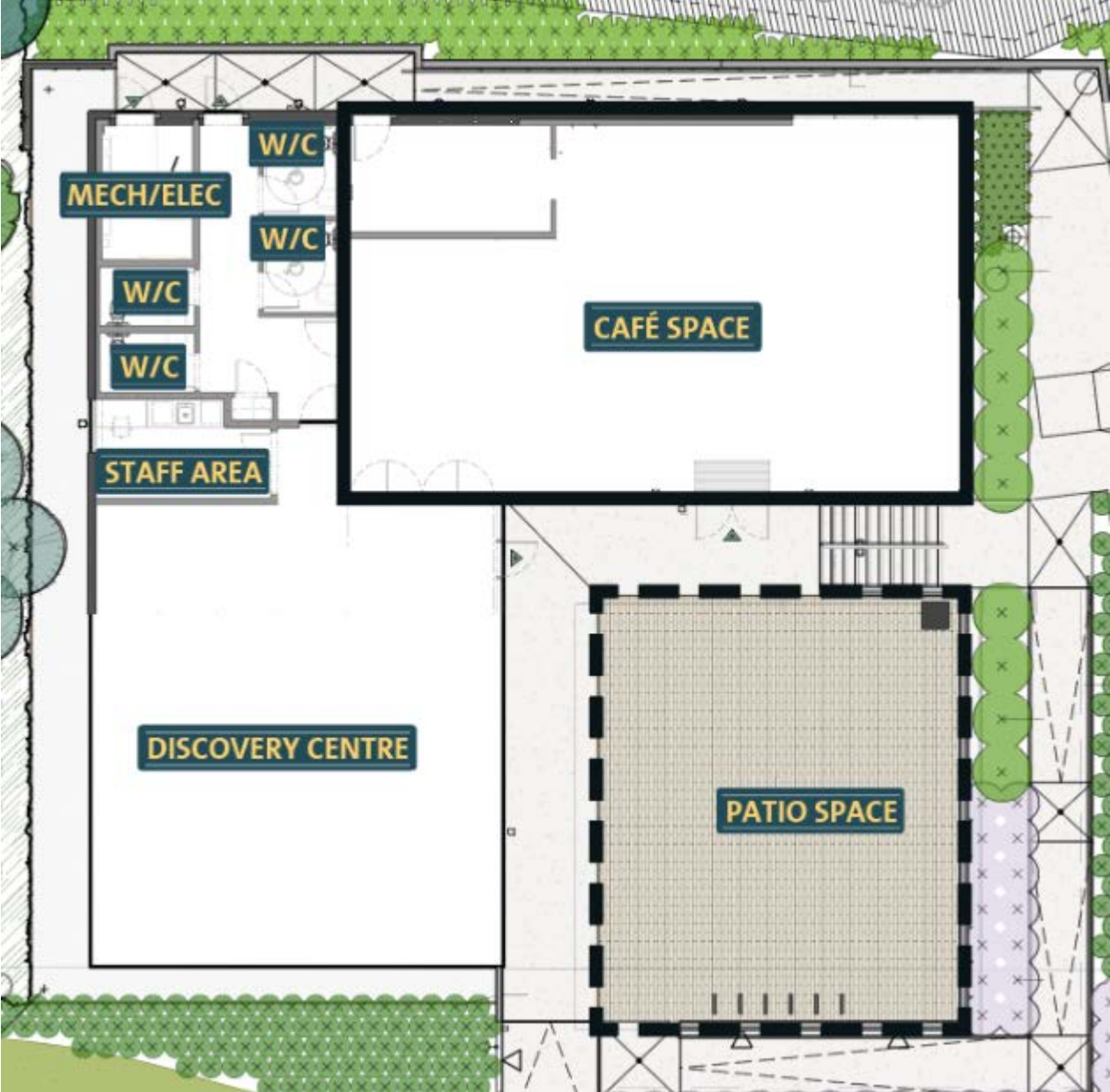
4. LIENS

The Tenant will pay before delinquency for all materials supplied and work done in respect of the Tenant's Work so as to ensure that no lien or claim of lien is registered against any portion of the Property or against the Landlord's or Tenant's interest in the Property. If a lien or claim of lien is registered or filed, the Tenant will discharge it at its expense within five Business Days after written notice from the Landlord (or sooner if such lien or claim is delaying a financing or sale of all or any part of the Property), failing which the Landlord may at its option discharge the lien or claim of lien by paying the amount claimed to be due into court and the amount so paid and all expenses of the Landlord including legal fees (on a solicitor and client basis) will be paid by the Tenant to the Landlord.

SCHEDULE D

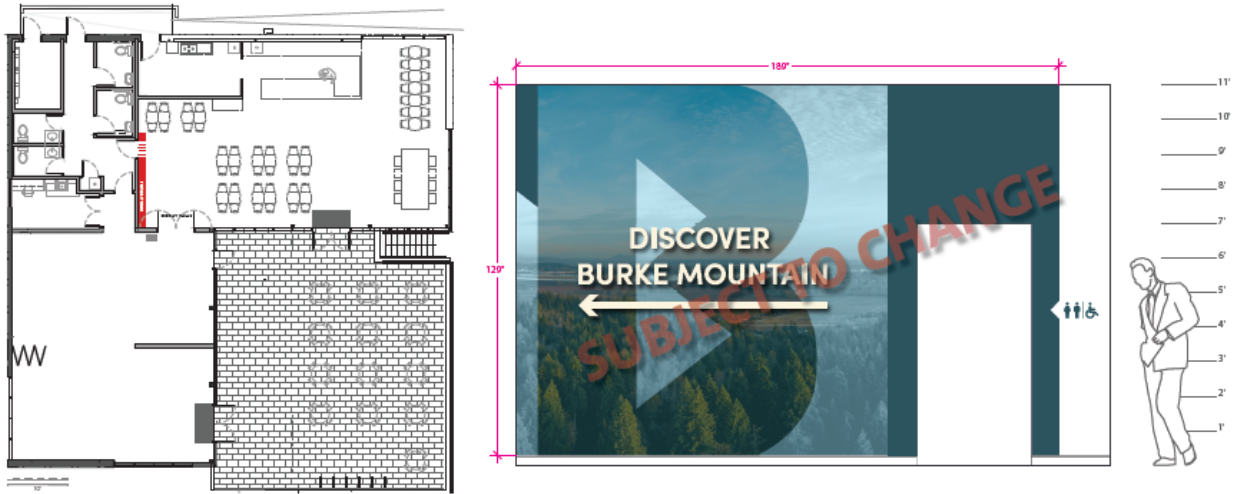
PLANS

Plan:

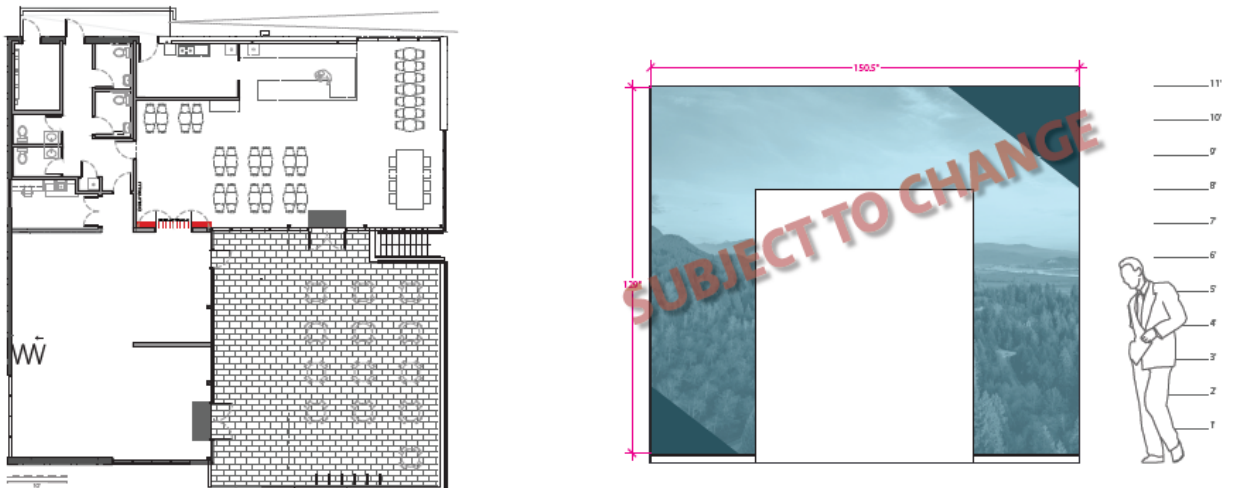


Walls for Display Purposes:

BURK MNT. DISCOVERY CENTRE | DISPLAY WALL 1



BURK MNT. DISCOVERY CENTRE | DISPLAY WALL 2 & 3



SCHEDULE E

RULES AND REGULATIONS

- 1) The Tenant will not perform any acts or carry on any practice which may injure the Common Areas or Common Facilities or be a nuisance to any other tenants or occupants of premises situated in the Development.
- 2) The Tenant will not burn any trash or garbage in or about the Premises or anywhere within the confines of the Development.
- 3) The entrances, lobbies, staircases, and other facilities of the Development are for use only for access to the Premises and other parts of the Development, and the Tenant will not obstruct or misuse such facilities or permit them to be obstructed or misused by its agents, employees, invitees, or others under its control.
- 4) No safes or other heavy equipment will be moved by or for the Tenant unless the consent of the Landlord is first obtained and unless all due care is taken. Such equipment will be moved upon the appropriate steel-bearing plates, skids, or platforms and subject to the Landlord's direction, and at such times and by such persons as the Landlord will have approved. No fixtures, freight, or bulky matter of any description will be moved in or out of the Premises except during such hours as the Landlord has approved. Hand-trucks and similar appliances will be equipped with rubber tires and other safeguards approved by the Landlord and will be used only by prior arrangement with the Landlord.
- 5) The Tenant will permit and facilitate the entry of the Landlord, or those designated by it, into the Premises for the purpose of inspection, repair, and other proper purposes, and will not permit access to main header ducts, janitor and electrical closets, and other necessary means of access to mechanical, electrical, and other facilities to be obstructed by the placement of fixtures or otherwise. The Tenant will not place any additional locks or other security devices upon any doors of the Premises without the prior written approval of the Landlord. The Landlord's approval will be subject to any conditions imposed by the Landlord for the maintenance of necessary access.
- 6) The Tenant will receive, ship, and take delivery of, and allow and require suppliers and others to deliver and take delivery of, supplies, fixtures, equipment, furnishings, and merchandise only through the appropriate service and delivery facilities provided in the Development and subject to such further and other regulations as the Landlord may from time to time impose.
- 7) At the sole cost and expense of the Tenant, the Premises will be kept by the Tenant in a clean, tidy, and sanitary condition and free from rodents, vermin, and the like, and no debris, garbage, trash, or refuse will be placed or left, or be permitted to be placed or left in, on, or upon any part of the Development, but will be deposited by the Tenant in areas and at times and in a manner designated by the Landlord from time to time. Should any of the

items herein mentioned be of a perishable nature, the same will be kept in a properly refrigerated area provided at the cost of the Tenant. Should there be costs for removal of said items additional to the removal service provided by the Landlord or by the City or should the City charge for such service then the Tenant will pay for such costs. If such costs are billed to and paid by the Landlord, the Tenant will pay such costs to the Landlord on demand together with an administration fee equal to 15% of the total of such costs incurred by the Landlord.

- 8) The Tenant will not permit the Premises to be used for cooking (except with the Landlord's prior written consent) or for sleeping.
- 9) In order to maintain satisfactory and uniform pest control throughout the Development, the Tenant will engage for the Premises at its sole cost and expense such pest extermination contractor from time to time as the Landlord directs.
- 10) Should the Tenant wish to install drapes or blinds in the exterior windows of the Premises, the Tenant will first have them approved by the Landlord as to colour and design.
- 11) The Tenant will keep all windows of the Premises closed at all times both day and night unless the air-conditioning or ventilating systems are not operating.
- 12) The Tenant will comply with all registered charges on title to the Property.
- 13) The Tenant will not change any locks to the Premises and all such locks and keys including electronic key cards or systems for such locks will be installed, cut, and made by the Landlord, and any locks installed by the Tenant contrary to this Section may be removed and otherwise changed by the Landlord at the cost of the Tenant and such action on the part of the Landlord will not be deemed to be re-entry on the part of the Landlord.

The foregoing Rules and Regulations, as from time to time amended, are not necessarily of uniform application, but may be waived in whole or in part in respect of other tenants or occupants of the Development without affecting their enforceability with respect to the Tenant and the Premises, and may be waived in whole or in part with respect to the Tenant without waiving them as to future application to the Tenant, and the imposition of such Rules and Regulations will not create or imply any obligation of the Landlord to enforce them or create any liability of the Landlord for their non-enforcement.

SCHEDULE F

SPECIAL PROVISIONS

The Landlord and Tenant further acknowledge and agree as follows:

1. Non-Exclusive License to Use Patio and Patio Furniture

The Landlord hereby grants to the Tenant, its agents, employees, invitees, and other persons transacting business with it, in common with all others entitled thereto, including visitors of the Discovery Centre, a non-exclusive licence to have the use of the Patio Area and all furnishings supplied by the Landlord and designated by it for use within the Patio Area (the “**Furnishings**”); provided, however, that:

- a. such use will be subject to all other provisions contained in this Lease including the Rules and Regulations in Schedule E;
- b. notwithstanding any other provision of this Lease, the Tenant will maintain, clean and make all necessary repairs to the Patio Area, at its sole cost and expense; and
- c. the Tenant will use the Furnishings and secure the Furnishings outside of the Tenant’s business hours by placing the Furnishings inside the Premises or as otherwise directed by the Landlord from time to time.

2. Access to Discovery Centre

During its normal business hours, the Tenant will maintain interior access from the Premises to the Discovery Centre, and egress from the Discovery Centre to the Premises, to the satisfaction of the Landlord.

3. Use of Discovery Centre Access Walls for Display Purposes

The Tenant will give the Landlord exclusive use, free of charge, of the walls delineated in red in Schedule D for the purposes of promoting the business of the Discovery Centre in the Landlord’s sole discretion.

4. Security Deposit (if applicable)

The Tenant has deposited, or forthwith following execution and delivery of this Lease by the Landlord will deposit, with the Landlord the Security Deposit. The Security Deposit will be held by the Landlord as security for the faithful performance by the Tenant of all of the provisions of this Lease to be performed or observed by the Tenant. If the Tenant fails to pay Rent or otherwise defaults with respect to any provision of this Lease, the Landlord may use, apply or retain all or any portion of the Security Deposit for the payment of any Rent in default, or for the payment of any other expense which the Landlord may incur by reason of the Tenant’s default, or to compensate the Landlord for any loss or damage which the Landlord may suffer thereby. If the Landlord so uses

or applies all or any portion of the Security Deposit, the Tenant will within 10 days after demand therefor deposit cash with the Landlord in an amount sufficient to restore the Security Deposit to the full amount thereof. The Landlord will not be required to keep the Security Deposit separate from its general accounts. If the Tenant performs all of the Tenant's obligations hereunder, the Security Deposit, or so much thereof as has not theretofore been applied by the Landlord, will be returned, without payment of interest or other increment for its use, to the Tenant at the expiration of the Term, and after the Tenant has vacated the Premises in accordance with the provisions of this Lease. No trust relationship is created herein between the Landlord and the Tenant with respect to the Security Deposit.

5. Option to Extend Term (if applicable)

Provided that the Tenant shall not be in default of any of the covenants or conditions of the Lease and the Tenant is the original Tenant (i.e. the Lease has not been assigned and no portion of the Premises have been sublet), the Landlord shall grant to the Tenant an option to extend the Term of the Lease for a period of [insert] years (the "**Extended Term**"), exercisable by the Tenant giving written notice to the Landlord not less than 180 days and not more than 270 days prior to the expiration of the Term, on the same terms and conditions as this Lease, save and except for Annual Basic Rent, rent free periods, rental concessions, any inducements, allowances or other similar items and that there will be no further right of extension. The Annual Basic Rent payable during the Extended Term shall be the greater of the Annual Basic Rent payable during the final year of the Term or the fair market basic rent for the Premises as at the commencement of the Extended Term. The parties shall make bona fide efforts to agree as to the fair market basic rent and may refer to the basic rent payable for similar accommodation. If, however, the parties have not agreed to the amount of Annual Basic Rent by the 120th day prior to the commencement of the Extended Term, then, at the Landlord's option, the option to extend shall be null and void and the Tenant shall surrender the Premises at the end of the Term. As a condition of the Tenant exercising its renewal right, the Landlord may require the Tenant to renovate the Premises in accordance with plans and specifications to be prepared by the Tenant in accordance with the Landlord's then current design criteria and construction procedures.

6. Tenant Improvement Allowance (if applicable)

Notwithstanding Section 2.3 of this Lease and Section 2 of Schedule C of this Lease, the Tenant shall be entitled to a one-time tenant improvement allowance (the "**Tenant Improvement Allowance**") in the amount of \$[insert] based on \$[insert] per square foot of the Rentable Area of the Premises for the costs relating to the initial design and construction of Tenant's Work prior to the Commencement Date. The Tenant Improvement Allowance shall be paid by the Landlord to the Tenant within 30 days of satisfaction of all of the following:

- a. the Tenant has completed the Tenant's Work;
- b. the Tenant has commenced operation of its business from the Premises;

- c. the Tenant has provided the Landlord with a statutory declaration stating that all contractors in connection with the Tenant's Work have been paid and attaching copies of paid invoices;
- d. the Tenant has provided the Landlord with a current land title office search showing no liens registered on title to the Property; and
- e. the Tenant has provided the Landlord with evidence that all necessary lien periods have expired.

SCHEDULE G

FORM OF INDEMNITY AGREEMENT

THIS AGREEMENT dated [insert month, day, year] is between City of Coquitlam, as landlord and not municipal regulator (the “**Landlord**”), and [name] (“**Indemnifier**”).

BACKGROUND

- A. The Landlord and [insert name] (“**Tenant**”) have entered into a Lease (“**Lease**”) dated [insert month, day, year] attached to this Agreement as Schedule A, to lease the premises (“**Premises**”) as described in the Lease; and
- B. as an inducement to the Landlord to enter into the Lease, the Indemnifier agreed to enter into this Agreement.

AGREEMENTS

In consideration of the Landlord granting the Lease to the Tenant, and for other good and valuable consideration, the receipt and sufficiency of which the Indemnifier acknowledges, the Indemnifier unconditionally agrees with the Landlord as follows:

1. COVENANT AND INDEMNITY

The Indemnifier will upon demand given by the Landlord to the Indemnifier:

- (a) pay any rent and other amounts payable by the Tenant under the Lease;
- (b) perform all the obligations of the Tenant under the Lease; and
- (c) indemnify and save harmless the Landlord from any loss, cost, or damage, including consequential loss and costs on a solicitor and own client basis, suffered by the Landlord arising out of any failure by the Tenant to pay any rent or other amounts payable, or to perform any of the obligations of the Tenant under the Lease or arising out of the failure by the Tenant to complete performance of its obligations under the Lease as a result of the disclaimer of the Lease or other extinguishments of the Lease obligations prior to the termination date of the Lease.

2. INDEMNITY ABSOLUTE

The indemnity is absolute and unconditional, and without limiting the generality of the foregoing, the liability of the Indemnifier will not be considered to have been released, waived or in any way affected by any of the following:

- (a) any extension of time, indulgence or modification, which the Landlord may extend to the Tenant or make with the Tenant from time to time in connection with the performance of any of the obligations of the Tenant under the Lease;
- (b) any waiver by, or neglect or failure of, the Landlord to enforce any term of the Lease;
- (c) any assignment of the Lease, or any subletting of the Premises, in whole or in part, or other transfer by the Tenant, or by any trustee, receiver or liquidator of the Tenant or of the Indemnifier;
- (d) any act or omission by the Landlord with respect to matters contained in the Lease;
- (e) any consent that the Landlord may give to any assignment of the Lease or any subletting of the Premises or other transfer;
- (f) any amendment to the Lease, whether consented to or known by the Indemnifier;
- (g) any winding-up, amalgamation, bankruptcy, or receivership of the Tenant, the death of the Tenant (if an individual), any execution proceedings taken against the Tenant, or any release or discharge of the Tenant in any receivership, bankruptcy, winding-up, or other creditor's proceeding;
- (h) the filing by the Tenant of a proposal or a notice of intention to file a proposal or the repudiation, rescission or disclaimer of the Lease by the Tenant or any other person pursuant to the *Bankruptcy and Insolvency Act*, as amended or substituted from time to time;
- (i) any surrender of the Lease by the Tenant, or by any trustee, receiver or liquidator of the Tenant, whether or not consented to by the Landlord;
- (j) any creditor or debtor proceeding applicable to the Tenant, including any assignment by the Tenant for the benefit of its creditors and any application by the Tenant to obtain protection from its creditors;
- (k) any repossession and subletting of the Premises, except that any proceeds received by the Landlord, after deducting all costs and expenses of repossessing and subletting, will be credited from time to time by the Landlord to the account of the Tenant, and the Indemnifier will pay to the Landlord, on demand, the difference between the amount of the payments received and the amount payable by the Tenant under the Lease if the amount received is less than the amount payable by the Tenant under the Lease; or
- (l) the expiration or sooner termination of the term of the Lease or any renewal or extension of the term, however arising, including without limitation by operation of law or resulting from the exercise of a trustee in bankruptcy's statutory right to disclaim any interest in the

Lease and surrender possession of the Premises with or without the consent of the Landlord.

3. STAND STILL

Unless and until all of the Tenant's obligations under the Lease are fully performed, the Indemnifier covenants and agrees with the Landlord as follows:

- (a) the Indemnifier waives any and all rights that the Indemnifier may have against the Tenant by reason of any one or more payments or acts in compliance with the obligations of the Indemnifier under this Agreement; and
- (b) the Indemnifier subordinates any liability or indebtedness of the Tenant held by the Indemnifier to the obligations of the Tenant to the Landlord under the Lease.

4. WAIVER OF NOTICE

The Indemnifier waives notice of the acceptance of this Agreement by the Landlord and any notice of amendment of the Lease or of non-performance, non-payment, or non-observance on the part of the Tenant of any provision of the Lease from time to time.

5. SURVIVAL OF INDEMNITY

This Agreement will continue to apply with respect to periods prior to, after, and during the term of the Lease, as extended, modified or renewed.

6. NATURE AND EFFECT

The Indemnifier represents and agrees that it understands the nature and effect of this Agreement and, if the Indemnifier is a corporation, the Indemnifier represents and agrees that the giving of financial assistance by it to the Tenant is in the best interests of the Indemnifier and is not contrary to any law governing the Indemnifier nor to any agreement by which the Indemnifier is bound. The Indemnifier also represents and agrees that it has received a copy of the Lease and that the Indemnifier has read and understands the Lease.

7. WAIVER OF RIGHTS ON DEFAULT

If there is any default by the Tenant under the Lease, the Indemnifier waives any right to require the Landlord to:

- (a) proceed against the Tenant or pursue any right or remedy of the Landlord under the Lease;
- (b) proceed against or realize upon any security granted by the Tenant in favour of the Landlord; or

(c) pursue any other remedy available to the Landlord;

and the Landlord will have the right to enforce its rights under this Agreement despite the acceptance by the Landlord of additional security from the Tenant and despite the release or discharge of the Tenant or any guarantor or any other indemnifier by the Landlord, or by others, or by operation of any law.

8. RECOVERY NO BAR TO FURTHER RECOVERY

No action or proceeding brought or instituted under this Agreement and no recovery under that action or proceeding will be a bar or defense to any further action or proceeding that may be brought under this Agreement by reason of any further default under this Agreement or in the performance by the Tenant of any term of the Lease.

9. INDEMNIFIER AS TENANT

Without limiting the generality of the foregoing, the Indemnifier will be bound by the terms of the Lease in the same manner as if the Indemnifier were the tenant named in the Lease and as if the Indemnifier had executed the Lease and had a primary obligation under the Lease. The Indemnifier acknowledges to the Landlord that it is not a surety and that it will have no rights as a surety, whether at law, in equity, or otherwise, which are contrary to the provisions of this Agreement or the Lease. The Indemnifier acknowledges that the Landlord is relying upon the agreements and acknowledgements of the Indemnifier set forth in this Section 9.

10. NEW LEASE

If the Lease is terminated, disclaimed, or surrendered (other than if voluntarily surrendered by the Tenant with the Landlord's consent), then, at the option of the Landlord, the Indemnifier will lease the Premises from the Landlord on the terms and conditions of the Lease, except as to any extension or renewal, for a term equal in duration to the residue of the term remaining unexpired at the date of the termination, disclaimer, or surrender. It will not be necessary for a further lease document to be executed by the Indemnifier (but the Landlord may require a new lease document to be executed), and the execution of this Agreement by the Indemnifier will be treated as execution by the Indemnifier as tenant of a lease of the Premises on the conditions of the Lease. The Indemnifier will accept that lease and pay rent and observe and perform the terms and conditions of that lease. The Indemnifier will do all acts and execute all such documents as the Landlord may reasonably require to give effect to the intent of this Section 10.

11. MODIFICATION OF INDEMNITY

No modification of this Agreement will be effective unless it is in writing and signed by the Indemnifier and the Landlord.

12. TERMS APPLICABLE TO MODIFICATION

Any term contained in this Agreement will also apply, with any necessary changes in detail, to any extension, modification, or renewal of the Lease; and any reference in this Agreement to “Lease” will include the Lease as it may be extended, modified, or renewed.

13. TIME OF ESSENCE

Time is of the essence.

14. SUCCESSORS

This Agreement will bind the Indemnifier, and the heirs, executors, administrators, successors, and assigns of the Indemnifier, and will benefit the Landlord, its successors, and assigns and the holder of any mortgage to which the Lease may be subject and subordinate from time to time.

15. GOVERNING LAW

This Agreement will be governed by and construed in accordance with British Columbia law and the applicable Canadian laws, and will be treated in all respects as a British Columbia contract.

16. COMMUNICATIONS

Any communication to be given under this Agreement will be in writing and delivered by hand, registered mail, or fax transmission to the address of each party set out below:

- (a) To the Indemnifier:

[insert address and email]

- (b) To the Landlord:

CITY OF COQUITLAM
3000 Guildford Way, Coquitlam, B.C, V3B 7N2
Attention: Manager Real Estate
Email: jburton@coquitlam.ca

With a copy to:

CITY OF COQUITLAM
3000 Guildford Way, Coquitlam, B.C, V3B 7N2
Attention: City Clerk

or to such other address or fax number as either party may designate in the manner set out above. Any communication will be deemed to have been given and received on the day of hand delivery or

email transmission, or on the third business day after registered mailing. In the event of a disruption or an impending or threatened disruption in the postal service, every communication will be delivered by hand or sent by fax transmission.

17. GENDER

Words in one gender include all genders, and words in the singular include the plural, and vice versa.

18. SEVERABILITY

If any term of this Agreement is partially or wholly invalid or unenforceable, the remainder of this Agreement will not be affected, and each remaining term will be separately valid and enforceable.

19. HEADINGS

Any heading used in this Agreement is for convenient reference only and will not affect how this Agreement is interpreted.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

20. SCHEDULES

The Schedules to this Agreement forms part of this Agreement.

TO EVIDENCE THIS AGREEMENT the Indemnifier and Landlord have executed this Agreement on the date appearing below.

CITY OF COQUITLAM

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

[Insert appropriate execution provisions for Indemnifier]

Schedule A to Indemnity Agreement —Lease

(see pages immediately following)

[attach executed Lease]