

LEASE

between

**GIBSONS COMMUNITY BUILDING SOCIETY, the lessee and operator of the Gibsons Public Market
(the "Landlord")**

- and -

Art meets Chocolate Ltd.

(the "Tenant")

[]

(the "Indemnifier")

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SCHEDULES

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LEASE

THIS LEASE dated for reference the [18] day of [11], is made and entered into by the Landlord and the Tenant who, in consideration of the rents and covenants contained herein, agree as follows:

**ARTICLE 1
BASIC TERMS AND DEFINITIONS**

1.1 Basic Terms

- (a) (i) Landlord: **Gibsons Community Building Society**
- (ii) Address of Landlord: PO Box 191, 473 Gower Point Rd,
Gibsons, British Columbia, V0N 1V0
- (b) (i) Tenant (legal name): **Art meets Chocolate Ltd. (Blossom Spice)**
- (ii) Address of Tenant: c/o Unit [5] - 473 Gower Point Rd, Gibsons,
British Columbia, V0N 1V0
- (c) (i) Indemnifier (legal name):
- (ii) Address of Indemnifier: c/o Unit [] - _____, _____,
British Columbia, _____
- (d) Premises: *AB* Unit **5** - 473 Gower Point Rd, Gibsons, British
Columbia, V0N 1V0
- (e) Floor Area of the Premises: [233] square feet, more or less
- (f) Term: 5 years
- (g) Commencement Date: The first day of the calendar month next
following the date 45 days after delivery to the
Tenant of Occupancy Notice

(h) Minimum Rent:

<u>Year of the Term</u>	<u>Rate/Sq.Ft./ Annum</u>	<u>Per Annum + applicable taxes (GST)</u>	<u>Per Month + applicable taxes (GST)</u>
2017	\$17.25/233/ \$4019.25	\$4220.21	\$351.68

The Tenant shall pay the Landlord on the first day of each and every month of the Term, its proportionate share of the building operating expenses, which includes property taxes (if applicable), parking lot and building maintenance, utilities, insurance costs, landscaping and snow removal, and any other customary operating costs typical of a free-standing building. For purposes of paying Additional Rent for the period ending December 31, 2017, the Additional Rent is estimated at \$5.75 per rentable square foot per annum. Thereafter, Additional Rent will be adjusted to be the actual operating costs of the preceding calendar year, but not to exceed \$5.75 per square foot for the 2017 calendar year.

- (i) Permitted Business: Chocolate and Gelato Vendor
- (j) Operating Name of Business: Art Meets Chocolate
- (k) Security Deposit: \$937.83

1.2 Definitions

Capitalized terms or expressions have the following meanings:

- (a) "Additional Rent" means any money other than Minimum Rent required to be paid by the Tenant under this Lease, whether or not the same be designated as Rent or whether the same be payable to the Landlord or otherwise.
- (b) "Common Areas and Facilities" means those areas, facilities, utilities, improvements, equipment and installations which, from time to time: (i) are not designated or intended by the Landlord to be leased to tenants of the Market; (ii) are designated by the Landlord to serve or benefit the Market; (iii) are designated by the Landlord as part of the Common Areas and Facilities; or (iv) are provided or designated by the Landlord for the use or benefit of the

Tenants, their employees, customers and other invitees in common with others entitled to the use or benefit thereof, as permitted by this Lease, and which may be changed from time to time. Without limitation, Common Areas and Facilities include all roofs and roof membranes, exterior wall assemblies including weather walls, exterior and interior structural elements and bearing walls in the building and improvements comprising the Market and the foundations and footings of the Market; all parking areas; all entrances or exits; access roads; truck courts; driveways and truckways; delivery passages; manual, mechanical, electrical or automatically operated doors; package pickup stations; loading docks and related areas and equipment; pedestrian sidewalks; landscaped and planted areas; mall areas; service areas; corridors; bus kiosks (if any); roadways and stops; equipment, furniture, furnishings and fixtures; storage facilities; stairways, hoists, ramps and other transportation equipment and systems; tenant common and public washrooms; electrical, telephone, metre, valve, mechanical, mail, storage service and janitor rooms; music, fire prevention, security and communications systems; pylon and other general signs; columns; pipes; electrical, plumbing, drainage, mechanical, heating, ventilating and air conditioning and all other installations, equipment or services located in the Mall as well as the structures housing the same.

- (c) "Fixtures" or "Leasehold Improvements" means all partitions (including moveable partition fixtures), fixtures, improvements, equipment, installations, alterations and additions in or to the Premises existing at the Commencement Date and thereafter from time to time made, erected or installed in or to the Premises including, without limitation, all wall-to-wall carpeting or similar affixed floor coverings; heating, ventilating and air-conditioning equipment; hot water tanks; interior doors; light fixtures; ceilings; plumbing fixtures; communication systems; control equipment; non-structural walls; air filtering devices; drapes and other window coverings; all parts, attachments, accessories, replacements and improvements to any of the Fixtures whether or not supplied or installed by the Landlord, with the exception of trade fixtures which are moveable and not securely attached, installed or permanently affixed in the Premises, as determined at common law unless such trade fixtures have been installed by or at the expense of the Landlord.
- (d) "Floor Area" means the area expressed in square feet of any rentable area in the Mall, as certified by the Landlord, calculated by measuring from the exterior surfaces of the exterior walls and of all walls adjoining the Common Areas and Facilities, or from the centre line of party or demising walls separating two or more interior leasable premises from other areas in the Mall where no wall exists, all without deduction or exclusion for any space occupied by or used for entrances, columns, stairs, shafts or other interior construction or equipment or for any storefront or doorway areas recessed from the lease line.
- (e) "Floor Area of the Market" means the aggregate, from time to time, expressed in square feet, as certified by the Landlord, of the Floor Areas of all leasable

premises (including the Premises) set aside by the Landlord for leasing to tenants of the Mall, whether leased or not.

- (f) **"Gross Revenue"** [Intentionally deleted].
- (g) **"Insurable Hazards"** means fire and other perils for which insurance is available and which a reasonably prudent Landlord would obtain in similar circumstances.
- (h) **"Lease Year"** means a twelve (12) month period, commencing with the first day of January in one calendar year and ending on the last day of December in that calendar year; providing that the first Lease Year shall commence on the Commencement Date of the Term and end on the last day of December in the calendar year of the Commencement Date of the Term and the last Lease Year shall end on the last day of the Term of this Lease and commence on the first day of January preceding that date.
- (i) **"Market"** means the lands located at Gibsons, British Columbia and legally described as:

Parcel Identifier:
473 Gower Point Road
Gibsons, British Columbia
V0N 1V0
Canada

or as the boundaries of such lands may be varied from time to time, together with all buildings, improvements, facilities, machinery, equipment, systems and facilities thereon, all as may be altered, expanded, reduced or renovated from time to time known as "Gibsons Public Market".

- (j) **"Market Taxes"** means if any taxes, rates, duties, levies and assessments whatsoever (including, without limitation, local improvement taxes and levies), levied, rated, charged, imposed or assessed by any lawful taxing authority, whether federal, provincial, municipal, school or otherwise, against the Market, including, without limitation, the Common Areas and Facilities, or any part or parts thereof from time to time, or upon the Landlord in respect thereof, or from time to time levied, rated, charged, imposed or assessed in the future in lieu thereof or in addition thereto, whether of the foregoing character or not, and whether in existence at the commencement of the Term or not, including, without limitation, those levied, rated, charged, imposed or assessed for education, schools and local improvements, and including all costs and expenses (including, without limitation, legal and other professional fees and interest and penalties on deferred payments) incurred by the Landlord in good faith in contesting, resisting or appealing any taxes, rates, duties, levies or assessments, but excluding taxes and license fees in respect of any business carried on by tenants and occupants of the Market within leasable premises, and income or profits taxes upon the income

of the Landlord to the extent such taxes are not levied in lieu of taxes, rates, duties, levies and assessments against the Market or upon the Landlord in respect thereof. Market Taxes includes any tax or excise imposed upon the Landlord which is measured by or based in whole or in part upon the capital employed by the Landlord imputed as if the amount of such tax were that amount due if the Market were the only real property of the Landlord and includes the amount of any capital or place of business tax levied by any lawful taxing authority against the Landlord.

- (k) **"Occupancy Notice"** means the written notice from the Landlord to the Tenant certifying the date that the Premises may be occupied by the Tenant for purposes of the Tenant completing its Tenant's improvements.

- (l) **"Operating Costs"** means the total of all expenses, costs, fees, rentals, disbursements and outlays of every nature and kind incurred, accrued, paid, payable or attributable, whether by or on behalf of the Landlord (without duplication) for operating, maintaining, servicing, repairing, restoring, renewing, improving, equipping, insuring, cleaning, lighting, securing, policing, supervising, managing and administering the Market or any portion thereof in each Lease Year, including, without limiting the generality of the foregoing, the following costs and expenses:
 - (i) the cost of insuring the Market from time to time in such manner and form, with such companies and such coverage and in such amounts as the Landlord, acting reasonably, or any mortgagee of the Market from time to time determines;
 - (ii) landscaping, cleaning, snow and ice removal, garbage and waste collection and disposal;
 - (iii) lighting, electricity, water, gas, public utilities, loud speakers, signage, public address and musical broadcasting systems and any telephone and answering service facilities and systems used in or serving the Market and the cost of electricity for any signs designated by the Landlord as part of the Market and the Common Areas and Facilities;
 - (iv) policing, security, supervision and traffic control;
 - (v) Market Taxes and business taxes assessed, levied and payable in respect of the Common Areas and Facilities;
 - (vi) salaries of all personnel including supervisory personnel employed in connection with the maintenance, repair, marketing, administration and to carry out the maintenance, marketing and operation of the Market and the Common Areas and Facilities, including contributions and premiums towards fringe benefits, unemployment and Workers' Compensation

- Insurance, pension plan contributions and similar premiums and contributions;
- (vii) the cost of any equipment and signs and the cost of building supplies used by the Landlord in the maintenance, repair and operation of the Market and the Common Areas and Facilities;
 - (viii) fees incurred in the preparation and auditing of written statements of Operating Costs;
 - (ix) all repairs and replacements to and maintenance and operation of the Market and the Common Areas and Facilities and the systems, facilities and equipment serving the Market and the Common Areas and Facilities, including, without limitation, heating, ventilating, air conditioning and electrical equipment and systems (except for the cost of repairing or replacing any inherent structural defects or weaknesses);
 - (x) depreciation or amortization:
 - A. of the costs, including repair and replacement, of all maintenance, operating and cleaning equipment and master utility meters from the earlier of the date that the cost was incurred or the commencement of the Term; and
 - B. of the costs incurred for repairing or replacing all other fixtures, improvements, equipment and facilities serving or comprising the Mall and the Common Areas and Facilities, unless they are charged fully in the Lease Year in which they are incurred (in either case in accordance with generally accepted accounting principles as reasonably determined by the Landlord);
 - (xi) amortization of the cost of the installation of items which are primarily for the purposes of reducing Operating Costs or which may be required by governmental authority;
 - (xii) auditing, accounting, bookkeeping, legal and other professional and consulting fees and disbursements attributable to the maintenance, operation, management, replacement, supervision and administration of the Market;
 - (xiii) an administration fee equal to four percent (4%) of all Rent payable by the Tenant.

From the total of the costs referred to in the preceding subparagraphs (i) to (xiii) there shall be deducted net recoveries derived by the Landlord from charges, if any, made for the use of portions of or facilities on the Common Areas and

Facilities, but only to the extent of the total costs of maintaining and operating such portions or facilities.

- (m) "Premises" means that portion of the Market shown outlined in red on Schedule "A" containing the approximate Floor Area set forth in Article 1.1(e) including all Leasehold Improvements therein.
- (n) "Proportionate Share" means a fraction which has as its numerator, the Floor Area of the Premises and as its denominator, the Floor Area of the Market.
- (o) "Rent" means all amounts payable by the Tenant, including without limitation, Minimum Rent and Additional Rent.
- (p) "Sales Tax" means the tax or taxes set forth in Article 5.8
- (q) "Schedules" means the following schedules which form a part of this Lease:
 - Schedule "A" – Site plan and floor plan showing the approximate location of the Premises
 - Schedule "B" – Tenant's Work
 - Schedule "C" – Rules and Regulations
- (r) "Term" means the period set forth in Article 3.3 and includes any extension or renewal thereof.
- (s) "Year of the Term" means each successive twelve (12) calendar month period (or part thereof) throughout the Term commencing on the Commencement Date.

ARTICLE 2

NET LEASE

2.1 Intent

This Lease shall be a completely carefree triple net lease for the Landlord, except as shall be otherwise provided. The Landlord shall only pay those costs payable by it under the Lease. Except as otherwise provided, the Tenant shall pay in the manner more particularly described in this Lease, all charges, impositions and costs of every nature and kind relating to the Premises and the Market whether or not referred to in the Lease and whether or not of a kind now existing or contemplated by the parties.

ARTICLE 3
GRANT

3.1 Premises

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord hereby demises and leases the Premises to the Tenant and the Tenant takes the Premises on lease from the Landlord, TO HAVE AND TO HOLD during the Term on the terms and conditions of this Lease. In addition, the Tenant shall be entitled, for the benefit of the Premises, to use the Common Areas and Facilities in common with others entitled thereto. The Tenant acknowledges and agrees that it takes the Premises on lease in an "as is-where is" condition as at the date of this Lease.

3.2 Certification of Floor Area

If required by the Landlord, the Floor Area of the Premises shall be certified by the Landlord and all amounts calculated and payable with reference to Floor Area shall be adjusted and payable in accordance with such certification, otherwise the Floor Area shall be as set out in Article 1.1(c).

3.3 Term

The Term of this Lease will be for the period 5 years commencing on the Commencement Date.

3.4 Acceptance of Premises

The Tenant accepts possession of the Premises "as is where is" and acknowledges that all finishes and improvements of any nature whatsoever to the Premises are to be made by the Tenant at the Tenant's sole cost, risk and expense, except as provided in Schedule "B" hereto.

Any work to be undertaken by the Tenant will be designed, performed and completed in strict compliance with all applicable municipal codes and bylaws with the Tenant being responsible to obtain all necessary permits, approvals and licenses. The Tenant shall submit copies of its building permit drawings to the Landlord for its prior written approval before commencing any construction or improvements in the Premises, such approval not to be unreasonably withheld.

ARTICLE 4
OPERATING COSTS

4.1 Tenant to Pay Proportionate Share

During each Lease Year the Tenant shall pay its Proportionate Share of Operating Costs to the Landlord.

4.2 Payment of Tenant's Proportionate Share

Operating Costs shall be estimated by the Landlord for such period as the Landlord may determine and the Tenant agrees to pay to the Landlord its Proportionate Share of such amounts, in monthly installments in advance, during such period together with other rental payments provided for in this Lease. If the Tenant shall have paid in excess of the actual amount due, the excess shall be refunded by the Landlord within a reasonable period of time or be credited on account of Rent next falling due. If the amount the Tenant has paid is less than the actual amount due, the Tenant shall pay the deficiency with the next Minimum Rent payment due.

4.3 Landlord's Allocation of Operating Costs

Whenever any item(s) of Operating Costs or portions thereof properly relates to a particular tenant or tenants within the Market, the Landlord may allocate or attribute such item or items to such tenant or tenants on an equitable basis, and the amount so allocated or attributed shall be payable forthwith upon demand.

ARTICLE 5
RENT

5.1 Minimum Rent

The Tenant agrees to pay to the Landlord at the office of the Landlord, or at such other place designated by the Landlord, in lawful money of Canada, without any prior demand therefor and without any deduction or set-off whatsoever, Minimum Rent for each Year of the Term in the amount per square foot set out in Article 1.1(h) multiplied by the Floor Area of the Premises on the main floor as set out in Article 1.1(e), payable in equal monthly installments in advance on the first day of each calendar month, commencing on the Commencement Date.

5.2 Additional Rent

The Tenant shall pay all Additional Rent when payable or on demand. If such amounts or charges are not paid at the time provided in this Lease, the Landlord may deduct same from the next installment of Minimum Rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

5.3 Business and Other Taxes

The Tenant shall pay, promptly when due, to the taxing authorities or to the Landlord if it so directs, all business, sales, machinery and equipment taxes, rates or duties as well as any permit or licence fees, attributable to the use and occupancy of the Premises and the property, business, sales or income of the Tenant in respect of the Premises. If paid directly to the taxing authorities, the Tenant shall furnish to the Landlord evidence of payment satisfactory to the Landlord.

5.4 Security Deposit

The Landlord acknowledges receipt of the amount set out in Article 1.1(k) to be held by the Landlord as a deposit without liability for the payment of interest thereon, and applied as security for the payment of first and last month's Rent, inclusive of Sales Tax, as hereinafter defined, and performance of the Tenant's obligations under this Lease. If at any time Rent or any other amount payable by the Tenant is overdue and unpaid or the Tenant fails to perform any of its obligations under this Lease, the Landlord, either before or after terminating this Lease, may apply the whole or any part of the deposit to the payment of such Rent or to compensate the Landlord for any loss or expense incurred by the Landlord and such application will be without prejudice to the Landlord's right to pursue its remedies. If the whole or any part of the deposit is applied by the Landlord, the Tenant will pay to the Landlord forthwith a sufficient amount to restore the deposit to the amount specified in Article 1.1(k) and the Tenant's failure to do so within ten (10) days after demand will constitute a breach of this Lease. If the Tenant promptly pays all Rent as it falls due and performs all of its obligations under this Lease, the Landlord will repay the deposit or any balance held by the Landlord to the Tenant within thirty (30) days after termination of this Lease. The Landlord may deliver and assign the deposit to any purchaser of the Landlord's interest in the Premises and thereupon the Landlord will be discharged from any further liabilities with respect to such deposit.

5.5 Post-Dated Cheques

The Tenant shall pay Minimum Rent and Additional Rent for such period as the Landlord may request, by way of a series of post-dated cheques to be delivered to the Landlord, or by way of a preauthorized debit payment system.

5.6 Irregular Periods

All Rent shall be deemed to accrue from day to day and if for any reason it shall become necessary to calculate Rent for irregular periods of less than one (1) year, an appropriate pro-rata adjustment shall be made on a daily basis in order to compute payment for such irregular period.

5.7 Interest On Unpaid Rent

Any unpaid amounts of Rent shall bear interest, payable as Additional Rent, from the due date thereof to the date of payment at a rate per annum of three (3%) percentage points in excess of the prime commercial lending rate ("Prime Rate") per annum charged or chargeable from time to time by a Canadian chartered bank designated by the Landlord on loans made in Canadian funds to its most favoured commercial borrowers, calculated and compounded monthly, with any adjustment in such rate to be effective on the first day of the month next following such change in the Prime Rate. Nothing contained herein shall be construed so as to compel the Landlord to accept any payment of Rent in arrears should the Landlord elect to apply its remedies under the forfeiture or any other article of this Lease in the event of default hereunder by the Tenant.

5.8 Harmonized Sales Tax

If any business transfer tax, value-added tax, multi-stage sales tax, sales tax, goods and services tax, harmonized sales tax or any like tax ("Sales Tax") is imposed on or collectible by the Landlord by any governmental authority on any Rent payable by the Tenant under this Lease, the Tenant shall reimburse (and hereby indemnifies) the Landlord for the amount of Sales Tax, forthwith upon demand or at any time designated from time to time by the Landlord. The amount of Sales Tax so payable by the Tenant shall be calculated by the Landlord in accordance with the applicable legislation. The parties acknowledge that the Sales Tax shall be deemed not to be Rent but the Landlord shall have all of the same remedies for and rights of recovery of the Sales Tax as it has for recovery of Rent under this Lease.

ARTICLE 6
RECORDS AND BOOKS OF ACCOUNT

6.1 Tenant's Records
[Intentionally deleted]

6.2 Gross Revenue
[Intentionally deleted]

ARTICLE 7
AUDIT

7.1 Audit
[Intentionally deleted]

ARTICLE 8
USE OF COMMON AREAS AND FACILITIES

8.1 Control of Common Areas and Facilities by the Landlord

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

8.2 Access

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

8.3 Changes and Additions to Buildings

The Landlord hereby reserves the right at any time to change the configurations of the Common Areas and Facilities and to make alterations or additions to and to build additional storeys on the buildings in which the Premises are contained and to build adjoining the same. The Landlord also serves the right to construct other buildings or improvements in the Mall from time to time and to make alterations thereof or additions thereto and to build additional storeys on such building or buildings and to build adjoining same and to construct multi-deck or elevated or underground parking facilities.

ARTICLE 9 USE OF PREMISES

9.1 Use of Premises

- (a) The Tenant shall use the Premises solely for the purpose set forth in Article 1.1(i). The Tenant will not use or permit or suffer the Premises or any part thereof to be used for any other business or purpose. The Tenant shall only use the operating name set forth in Article 1.1(j) or such other name consented to by the Landlord, acting reasonably. The Tenant acknowledges that it does not have the exclusive right to conduct the business described in Article 1.1(i) in the Market, save to the extent (if any) expressly stipulated in this Lease.
- (b) The Tenant will not perform any acts or carry on any practices which may injure the building or buildings and improvements forming part of the Market or be a nuisance or a menace to the Landlord or to other tenants in the Market.
- (c) The Tenant will utilize the entire Premises in the active and continuous conduct and operation of its business throughout the Term, and without limiting the generality of the foregoing, the Tenant will operate the Premises in the active conduct of the Tenant's business during all days and hours of operation established by the Landlord for the Market.
- (d) There will be no coin-operated machines on the Premises without the Landlord's prior written consent.

9.2 Restrictive Covenant

During the Term of this Lease, the Tenant shall not directly or indirectly operate, manage or have any interest (whether as owner, shareholder, principal, agent, employee, independent contractor, partner, lender, consultant, encumbrancer or otherwise) in a business identical with, competitive with or similar to the business which the Tenant is permitted to operate in the Premises pursuant to this Lease if such identical, competitive or similar business is within a radius of two (2) miles from any point on the perimeter of the Mall provided that the foregoing restriction shall not apply to any such business existing at the date of this Lease, the details of which have been provided in writing by the Tenant to the Landlord prior to the Commencement Date. Without limiting the generality of the foregoing, the Tenant shall be

deemed to have breached this covenant if any member of the Tenant's immediate family or, should the Tenant be a corporation, if any officer, director, shareholder or parent, subsidiary or affiliated corporation thereof so operates, manages or has any such interest in any such identical, competitive or similar business which is so located.

ARTICLE 10
UTILITIES - PREMISES

10.1 Utility Charges

The Tenant shall be solely responsible for and shall promptly pay all charges for all water, gas, electricity, telephone and other utilities used in the Premises as separately billed by the supplier to the Tenant. In no event shall the Landlord be liable for, nor have any obligation with respect to, an interruption or failure in the supply of any such utilities or services to the Premises, whether supplied by the Landlord or others but shall take all reasonable steps to rectify any interruptions on the Common Areas and Facilities. If any such utilities used in the Premises are not separately metered and billed by the supplier directly to the Tenant, the Tenant will pay the Landlord, together with Operating Costs, its Proportionate Share of such utilities as allocated by the Landlord to the Tenant.

ARTICLE 11
MAINTENANCE OF PREMISES

11.1 Maintenance by Tenant

- (a) During the Term and at its own cost and expense a Tenant shall repair, maintain, keep in good order and make replacements to the Premises and all equipment, Leasehold Improvements and mechanical systems within or necessarily incidental to the Premises, including, without limitation, the heating, ventilating and air-conditioning equipment and any improvement now or hereafter made to the Premises, as a careful owner would do, and the Tenant covenants to perform such maintenance, to effect such repairs and replacements and to decorate, at its own cost and expense as and when necessary or reasonably required so to do by the Landlord.
- (b) The Tenant shall promptly repair or replace all damaged glass, plate glass, doors and windows in the Premises unless such damage is caused by the Landlord or persons for whom the Landlord is in law responsible.
- (c) During the Term and at its cost, the Tenant shall keep the Premises and the loading area and exterior surfaces of the Premises in neat, clean and sanitary condition and shall not allow any refuse or garbage or pallets, cartons or like material resulting from deliveries, or loose or waste material to accumulate in or about the Premises. All garbage shall be kept at all times from the view of the

general public, and shall be disposed of by the Tenant on a regular basis, as determined by the Landlord but at the Tenant's sole expense.

11.2 Landlord's Approval

Before commencing any repairs, replacements, maintenance, alteration, decoration or improvements set out above or elsewhere referred to in this Lease, the Tenant shall obtain the Landlord's written approval, which shall not be unreasonably withheld. If required by the Landlord to do so, the Tenant shall submit plans and specifications therefor. Any repairs, replacements, maintenance, alterations, decorations or improvements so done by the Tenant shall be carried out in a good and workmanlike manner by workmen approved by the Landlord.

11.3 Tenant's Failure to Repair

If the Tenant refuses or neglects to repair properly as required hereunder and to the reasonable satisfaction of the Landlord, the Landlord may make such repairs without liability to the Tenant (excepting the Landlord's negligence) for any loss or damage that may accrue to the Tenant's merchandise, fixtures, or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay the Landlord's actual costs in the circumstances plus fifteen percent (15%) for making such repairs, forthwith upon presentation of an invoice therefor.

11.4 Heating, Ventilating and Air-Conditioning Equipment

Notwithstanding anything to the contrary in this Lease, at the Landlord's option, the Landlord may, at any time or from time to time, on the Tenant's behalf, maintain and make repairs and replacements to the heating, ventilating and air-conditioning equipment in the Premises and the Tenant shall pay to the Landlord as Additional Rent the cost of such maintenance, repairs and replacement.

11.5 Repair by Landlord

The Landlord shall make repairs to the structural elements of the roof, foundations, sub-floor and outer support walls of the building housing the Premises, normal wear and tear and damage by Insurable Hazards excepted, default or negligence of the Tenant, its employees, agents, invitees, or others for whom it is responsible in law, in which event such repairs shall be made by the Landlord at the Tenant's expense, payable on demand.

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

If the Market or the Common Areas and Facilities, including without limiting the generality of the foregoing, the common loading areas, the exterior of the Premises, including the front thereof and entrance thereto, the boilers, engines, pipes and other apparatus (or any of them) used for the purpose of heating, ventilating or air-conditioning the Market, or if the water pipes, drainage pipes, electric lighting or other equipment of the Market or the roof or outside walls of the Market get out of repair or become damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees, contractors, lessees, licensees or concessionaires, or through it or them in any way stopping up, injuring or rendering inoperable the heating apparatus, water pipes, drainage pipes or other equipment or part of the

Market, the expense of necessary repairs, replacements or alterations shall be borne by the Tenant, payable to the Landlord upon demand.

ARTICLE 12
INSURANCE AND INDEMNITY

12.1 Landlord's Insurance

The Landlord covenants and agrees to place and maintain with respect to the Market:

- (a) all risks of physical loss insurance in an amount equal to the full replacement cost of the buildings, Leasehold Improvements and Landlord's equipment including, without limitation, the heating, ventilation and air-conditioning equipment; boiler and machinery insurance and rental income insurance; and
- (b) comprehensive general liability insurance with limits of not less than five million dollars (\$5,000,000) for any one occurrence; and
- (c) any and all other insurance considered necessary by the Landlord acting reasonably as a prudent owner.

Notwithstanding the foregoing, the Landlord shall not be required to take out or maintain any insurance with respect to any loss, injury or damage against which the Tenant is required to insure pursuant to this Lease.

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.

12.2 Tenant's Insurance

- (a) During the whole of the Term and during such other time as the Tenant occupies the Premises, the Tenant shall take out and maintain in the names of the Tenant and the Landlord as their respective interests may appear, the following insurance coverage, at the Tenant's sole expense:
 - (i) comprehensive general liability insurance against claims for third party bodily injury, including death, and property damage or loss arising out of the use or occupation of the Premises or the Tenant's business on or about the Premises; such insurance to be in the joint names of the Tenant and the Landlord so as to indemnify and protect both the Tenant and the Landlord and to contain a "cross liability" or "severability of interest" clause so that the Landlord and the Tenant may be insured in the same manner and to the same extent as if individual policies had been issued to each, and shall be for the amount of not less than five million dollars (\$5,000,000) combined

single limit or such other amount as may be reasonably required by the Landlord from time to time which commercial general liability insurance shall include, for the Tenant's benefit only, tenant's all risk legal liability insurance in an amount equal to the replacement cost of the Premises including loss of use thereof;

- (ii) all risks of physical loss insurance upon its merchandise, stock-in-trade, furniture, trade fixtures, plate glass and all other property in the Premises owned or installed by or on behalf of the Tenant or for which the Tenant is legally liable, all in an amount equal to the full replacement cost thereof, which amount in the event of a dispute shall be determined by the decision of the Landlord;
 - (iii) broad form comprehensive boiler and machinery insurance on such boilers and pressure vessels, equipment as may be installed by, or under the exclusive control of, the Tenant in the Premises;
 - (iv) business interruption coverage which shall provide for the payment of Minimum Rent and all additional costs collectible as Rent to the Landlord for a period of eighteen (18) months.
- (b) The Tenant's policies of insurance hereinbefore referred to shall contain the following:
- (i) provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of claim under such policies and such policies shall not be affected or invalidated by any act, omission or negligence of the Tenant or any third party which is not within the control of the Landlord;
 - (ii) provisions that such policies and the coverage evidenced thereby shall be primary and noncontributing with respect to any policies carried by the Landlord;
 - (iii) provisions that such policies of insurance shall provide for deductibles of not more than three percent (3%) of the replacement cost of property insured and One Thousand Dollars (\$1,000) in all other instances;
 - (iv) all broad form comprehensive boiler and property insurance referred to above shall provide for waiver of the insurer's rights of subrogation as against the Landlord;
 - (v) provisions that such policies of insurance shall not be restricted, materially changed or cancelled without the insurer providing the Landlord with thirty (30) days written notice stating when such restriction, change or cancellation shall be effective.

- (c) The Tenant shall maintain such other insurance in such amounts and in such sums as the Landlord or any mortgagee of the Mall may reasonably determine from time to time. Evidence satisfactory to the Landlord of all such policies of insurance shall be provided to the Landlord upon request.

12.3 Limitation of Liability

The Tenant agrees that:

- (a) The Landlord shall not be liable for any bodily injury to or death of, or loss or damage to any property belonging to the Tenant or its employees, invitees or licensees or any other person in or about the Premises or the Market and in no event shall the Landlord be liable for any consequential injury, economic or financial loss or damage relating thereto, or, without limitation:
 - (i) for any injury of any nature whatsoever to any persons or property caused by the failure by reason of a breakdown or other cause, either directly or indirectly, to supply adequate drainage, snow or ice removal or by reason of the interruption of any public utility or other service, or in the event of gas, steam, water, rain, snow, ice or other substances leaking into, issuing or flowing from the water, steam, sprinkler or drainage pipes or plumbing of the Market or the Premises or from any other place or quarter into any part of the Premises, or from any loss or damage caused by or attributable to the condition or arrangement of any electric or other wiring or for any damage caused by anything done or omitted to be done by any other tenant of the Market;
 - (ii) for 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 security services, maintenance, supervision, cleaning or any other work or service in or about the Premises or the Market;
 - (iii) for loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant, including any consequential loss or damage resulting therefrom; or
 - (iv) for loss or damage to any automobiles or their contents or for the unauthorized use by other tenants or strangers of any parking space allotted to the Tenant or for parking in or upon the Common Areas and Facilities;

and the Tenant covenants to indemnify and does hereby indemnify the Landlord against and from all loss, costs, claims and demands in respect of any such injury, death or loss to it or its employees, invitees or licensees or any other person in or on the Market for the purpose of attending at the Premises or the Market in

respect of any such damage to property belonging to or entrusted to the care of any of the aforementioned;

- (b) The Landlord shall have no responsibility or liability for the failure to supply, if required to do so under the terms of this Lease, interior and climate control and utilities, when prevented from doing so by strikes, the necessity of repairs, any order or regulation of anybody having jurisdiction, the failure of the supply of any utility required for the operation thereof or any other cause beyond the Landlord's reasonable control, and the Landlord shall in no event be held responsible or liable for indirect or consequential loss, damages or other damages for personal discomfort or illness or injury or death resulting therefrom;
- (c) The Landlord shall be under no obligation to repair, maintain or insure any of the Tenant's trade fixtures or improvements installed by the Tenant or on its behalf or any other property of the Tenant in or upon the Premises;
- (d) The Landlord shall be under no obligation to remedy any default of the Tenant and shall not incur any liability to the Tenant for any act or omission in the course of its curing or attempting to cure any such default or in the event of its entering upon the Premises to undertake any examination thereof or any work therein or in the case of any emergency.

12.4 Increase in Insurance Premiums

The Tenant shall not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by the insurance policies in force from time to time covering the Market. In the event the Tenant's occupancy of, conduct of business in, or sale of any merchandise from, or on the Premises, or in the event any activity carried on or permitted to be carried on by the Tenant whether or not the Landlord has consented to same, causes any increase in premiums for the insurance carried from time to time by the Landlord for the Market, the Tenant shall pay any such increase in premiums as Additional Rent within ten (10) days after bills for such additional premiums shall be rendered by the Landlord. In determining whether increased premiums are a result of the Tenant's use or occupancy of the Premises, or the sale of any article therein or therefrom, a schedule issued by the organization making the insurance rate on the Market showing the various components of such rates shall be conclusive evidence of the several items and charges which make up such rates.

12.5 Cancellation of Insurance

If any insurance policy upon the Premises, or any part thereof, shall be cancelled or shall be threatened by the insurer to be cancelled, or the coverage thereunder reduced in any way by the insurer by reason of the use and occupation of the Premises or any part thereof by the Tenant or by any assignee or sub-tenant of the Tenant, or by anyone permitted by the Tenant to be upon the Premises, and if the Tenant fails to remedy the condition giving rise to cancellation or reduction of coverage within forty-eight (48) hours after notice thereof by the Landlord, the Landlord may remedy the condition giving rise to such cancellation, threatened cancellation or

reduction, and the Tenant shall forthwith pay the cost thereof to the Landlord, which cost may be collected by the Landlord as Rent.

12.6 Indemnification of Landlord

The Tenant agrees to and does hereby indemnify, defend and save harmless the Landlord in respect of any claims for bodily injury or death, property damage or any other loss or damage, arising howsoever, out of the use or occupation of the Premises or from the conduct of any work by or any act or omission of the Tenant or any assignee, subtenants, agent, employee, contractor, invitee or licensee of the Tenant or anyone else for whom the Tenant may be responsible and in respect of all costs, expenses and liabilities incurred by the Landlord in connection with or arising out of all such claims, including the expenses of any action or proceeding pertaining thereto and in respect of any loss, cost, expense or damage suffered or incurred by the Landlord arising from any breach or non-performance by the Tenant of any of its covenants or obligations under this Lease. The Tenant's obligations to observe or perform the foregoing covenants shall survive the expiration or other termination of this Lease. The Tenant expressly releases the Landlord from any claims, damages, judgments, losses or awards caused by or arising from perils insured against or required to be insured against by the Tenant under this Lease.

ARTICLE 13 ASSIGNMENT AND SUBLETTING

13.1 Assignment and Subletting

- (a) The Tenant shall not assign this Lease or sublet or otherwise part with possession of the whole or any part of the Premises unless: (1) it shall have received or procured a *bona fide* written offer to take an assignment or sublease which is not inconsistent with, and the acceptance of which would not breach any provision of this Lease if this Article 13 is complied with and which the Tenant has determined to accept subject to this Article 13 being complied with, and (2) it shall have first requested and obtained the consent in writing of the Landlord thereto. Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord all information available to the Tenant and requested by the Landlord as to the responsibility, reputation, financial standing and business experience of the proposed assignee or sub-tenant. Within fifteen (15) days after receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within fifteen (15) days after receipt of such request for consent) the Landlord shall have the right upon written notice to the Tenant, if the request is to assign this Lease or sublet the whole of the Premises, to cancel and terminate this Lease, or if the request is to sublet a part of the Premises only, to cancel and terminate this Lease with respect to such part, in each case as of a termination date to be stipulated in the notice of termination which shall be not less than sixty (60) days and not more than ninety (90) days following the giving of such notice, and in such event the Tenant shall surrender

the whole or part (as the case may be) of the Premises in accordance with such notice and Rent shall be apportioned and paid to the date of surrender and, if only a part of the Premises is surrendered, Rent payable shall thereafter abate proportionately. If the Landlord does not exercise a foregoing right of cancellation, the Landlord's consent to the proposed assignment or sublease shall not be unreasonably withheld so long as the proposed assignment or sublease complies with this Article 13.

- (b) Notwithstanding any such assignment, sublease or parting with possession the Tenant shall not be released from performing any of the terms, covenants and conditions of this Lease during the Term.
- (c) If this Lease is assigned or if the Premises or any part thereof are sublet or occupied by anybody other than the Tenant, the Landlord may collect Rent directly from the assignee, sub-tenant or occupant, and apply the net amount collected, or the necessary portion thereof, to the Rent herein reserved.
- (d) The Tenant shall deliver to the Landlord a certified statement of the Tenant's Gross Revenue to the date of any assignment or sublease approved by the Landlord.
- (e) No assignment or sublease shall be made or proposed other than to responsible persons, firms, partnerships or bodies corporate who are experienced in and agree to carry on the type of business permitted to be conducted by the Tenant, and who undertake to perform and observe the obligations of the Tenant hereunder by entering into the Landlord's form of agreement directly with the Landlord; provided that no change in the use of, or the business carried on from, the Premises shall be made from that permitted by this Lease.
- (f) The prohibition against assigning or subletting without the consent required by this Article 13 shall be construed to include a prohibition against any assignment or sublease by operation of law.
- (g) The consent by the Landlord to any assignment or sublease shall not constitute a waiver of the necessity for such consent to any subsequent assignment or sublease.
- (h) The Tenant shall not suffer or permit any part of the Premises to be used or occupied by any licensee, franchisee or concessionaire other than in accordance with this Article 13.

13.2 Control of Corporation

If the Tenant is a corporation, other than a corporation of which the shares are listed on any recognized stock exchange, effective control of the corporation shall not be changed directly or indirectly by a sale, encumbrance or other disposition of shares, whether by operation of law or otherwise howsoever, without first obtaining the written consent of the

Landlord, failing which the Landlord may terminate this Lease upon giving the Tenant sixty (60) days written notice of its intention to do so, unless within the stipulated period the Tenant obtains the written consent of the Landlord to the change in control of the Corporation.

13.3 No Bulk Sale

No bulk sale of the goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld, so long as the Tenant and the purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations hereunder will continue to be performed in a manner satisfactory to the Landlord, after completion of the said bulk sale.

ARTICLE 14
WASTE, GOVERNMENTAL REGULATION

14.1 Waste or Nuisance

The Tenant shall not commit or suffer to be committed any waste upon the Premises or any nuisance or other thing which may disturb the quiet enjoyment of any other tenant in the Mall.

14.2 Governmental Regulations

At the Tenant's sole cost and expense, the Tenant shall comply with all of the requirements of all municipal, provincial, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to the Premises, and shall faithfully observe in the use of the Premises all municipal by-laws and provincial and federal statutes and regulations now in force or which may hereafter be in force.

14.3 Observance of Law

The Tenant covenants to comply with all provisions of law including, without limiting the generality of the foregoing, federal and provincial legislative enactments, building by-laws and other governmental or municipal regulations which relate to the partitioning, operation of equipment and use of the Premises, or to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises, and to comply with all police, fire and sanitary regulations imposed by any governmental, provincial or municipal authorities or made by fire insurance underwriters and to observe and obey governmental and municipal regulations and other requirements governing the conduct of any business conducted in the Premises.

ARTICLE 15
LANDLORD'S COVENANTS

15.1 Landlord's Covenants

Upon payment by the Tenant of the Rent herein provided, and upon observance and performance of all covenants, terms and conditions on the Tenant's part to be observed and performed, the Landlord hereby covenants with the Tenant, subject to the provisions of this Lease:

- (a) for quiet enjoyment for the Term without hindrance or interruption by the Landlord, or any other person or persons lawfully claiming by, through or under the Landlord;
- (b) to maintain and to insure the Common Areas and Facilities and the Mall as a prudent landlord would do in similar circumstances.

ARTICLE 16
FIXTURES AND ALTERATIONS

16.1 Installation by Tenant

Every Fixture in the Premises becomes the property of the Landlord immediately upon affixation to or installation upon the Premises, without compensation to the Tenant. The Tenant shall not make or cause to be made any alterations, additions, decorations or improvements to the interior or exterior of the Premises without first obtaining the Landlord's written approval and consent. The Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought and the work shall be carried out in a good and workmanlike manner. At its cost, the Tenant shall immediately replace any trade fixtures or Fixtures which are removed from the Premises during the Term.

16.2 Tenant's Trade Fixtures

- (a) All Fixtures and trade fixtures in the Premises shall be new, or if not new, in first class condition and of good appearance. So long as the Tenant is not in default hereunder, at the expiration of the Term, the Tenant shall then have the right to remove its trade fixtures from the Premises, but shall make good any damage caused to the Premises resulting from the installation or removal thereof, provided that all Leasehold Improvements shall remain upon and be surrendered to the Landlord with the Premises, except to the extent the Landlord requires removal thereof pursuant to this Lease.
- (b) If the Tenant fails to remove its trade fixtures and restore the Premises as aforesaid, all such trade fixtures shall become the property of the Landlord except to the extent that the Landlord continues to require removal thereof pursuant to this Lease.

- (c) Should the Tenant abandon the Premises or should this Lease be terminated before the proper expiration of the Term due to a default on the part of the Tenant, then in such event, as of the moment of default by the Tenant, all trade fixtures and furnishings of the Tenant (whether or not attached in any manner to the Premises) shall, except to the extent the Landlord requires the removal thereof pursuant to this Lease, become and be deemed to be the property of the Landlord without indemnity to the Tenant and as additional liquidated damages in respect of such default but without prejudice to any other right or remedy of the Landlord.
- (d) Notwithstanding that any trade fixtures, furnishings, alterations, additions or Fixtures are or may become the property of the Landlord, the Tenant shall forthwith remove all or part of the same and shall make good any damage caused to the Premises resulting from the installation or removal thereof, all at the Tenant's expense, should the Landlord so require by notice to the Tenant.
- (e) If, after receipt of a notice from the Landlord, the Tenant fails to promptly remove any trade fixtures, furnishings, alterations, additions and Fixtures in accordance with such notice, then the Landlord may enter the Premises and remove all or part of such trade fixtures, furnishings, alterations, additions and Fixtures without any liability and at the Tenant's expense.

16.3 Not to Overload Floors or Services

The Tenant shall not overload the floor of the Premises nor install any utility, electrical or mechanical facility or service of which the Landlord does not approve or which might overload the capacity of any utility, electrical or mechanical facility in the Premises or the Mall.

16.4 Security Interest

As collateral security for the due payment by the Tenant of Rent and the punctual performance of its obligations under this Lease, the Tenant hereby charges by way of a fixed and specific charge in favour of the Landlord, by the Tenant, all of the interest and title of the Tenant in and to all of the personal property of the Tenant on or in the Premises, owned or held at the Commencement Date or after-acquired. When requested to do so, the Tenant shall execute and deliver to the Landlord a security agreement in form and content satisfactory to the Landlord. If the Tenant is in default under this Lease, in addition to its other rights and remedies, the Landlord shall have all the rights and remedies of a secured party under the relevant legislation. Except on the terms consented to in writing by the Landlord, the Tenant shall own all trade fixtures, equipment and merchandise in or on the Premises and shall not create or grant any mortgage, conditional sale agreement, security under section 427 of the *Bank Act* or under the *Personal Property Security Act* or other encumbrances (collectively "Charge") in respect of its trade fixtures, equipment, goods, merchandise or any Fixture in the Premises or permit any notice pursuant to section 49 of the *Personal Property Security Act* to be filed against title to the Mall or grant any further Charge to a third party or in priority to the rights of the Landlord. If any such event occurs, at its cost, the Tenant shall procure the discharge of any such notice or Charge within seven (7) days after the Tenant becomes aware thereof, by payment or in such

other manner as may be required or permitted by law, failing which the Landlord may procure the discharge thereof at the Tenant's cost, collectable as Rent, notwithstanding that the Tenant may subsequently establish that any such notice or Charge, so discharged, was without merit, excessive or subject to any abatement, set-off or defense.

16.5 Discharge Liens

The Tenant shall use its best efforts to ensure that no claim of lien shall be filed in respect of any work which may be carried out by it or on its behalf in the Premises or the Market, and if a claim of lien shall be filed in respect of any such work the Tenant shall take all necessary steps to have the claim of lien cancelled and discharged from title to the Market within 15 days of the date the Tenant has knowledge of such filing, and the Tenant shall indemnify and save harmless the Landlord from any and all loss, cost, expense, damage, and liability in respect of such claim of lien. The Landlord, in addition to any right or remedy, shall have the right, but shall not be obliged, to discharge any claim of lien from title to the Market by paying the amount claimed to be due or by procuring a discharge of such liens by deposit in the appropriate court, and in any such event the Landlord shall be entitled, if it so acts, to expedite the prosecution of any action for the enforcement of such claim of lien by the lien claimant and to pay the amount of the judgment, if any, in favour of the lien claimant with interest and costs. In any such event the Tenant shall forthwith pay to and reimburse the Landlord for all money expended by the Landlord and all costs and expenses incurred by the Landlord.

ARTICLE 17 DAMAGE AND DESTRUCTION

17.1 Total or Partial Destruction

- (a) If the Premises are wholly or partially damaged or destroyed by Insurable Hazard, the Landlord shall repair or replace the Premises with reasonable diligence, subject to Article 17.1(d) and the consent of the Landlord's mortgagee.
- (b) The Landlord shall not be obligated to expend for such repair or replacement an amount in excess of the insurance proceeds recovered or recoverable as a result of such damage. The Tenant hereby assigns all of its proceeds of insurance on its property in the Premises other than its merchandise, to be paid to the Landlord on account of the cost of repair or replacement. In no event shall the Landlord be required to repair or replace any Fixtures in the Premises or the Tenant's stock in trade, trade fixtures, furnishings or items which are the responsibility of the Tenant pursuant to this Lease.
- (c) If the casualty, repairing or rebuilding shall render the Premises untenable, in whole or in part, a proportionate abatement of the Rent shall be allowed from the date when the damage occurred until the date the Landlord substantially completes such work, said proportion to be computed on the basis of the relation which the Floor Area of the space rendered untenable bears to the Floor Area of the Premises.

- (d) If any damage or destruction to the Premises or to the Market cannot, in the Landlord's opinion, be repaired and restored with reasonable diligence within one hundred and eighty (180) days of the date of happening of such damage or destruction, the Landlord may terminate this Lease and the tenancy hereby created by giving to the Tenant sixty (60) days written notice thereof and in the event of such termination, the Lease shall terminate and the Rent shall be adjusted as of the later of the date of the occurrence of such damage or the date the Tenant properly ceases to conduct its business from the Premises, and the Tenant shall deliver up vacant possession of the Premises in accordance with this Lease on the date specified in the notice.

17.2 Notice by Tenant

The Tenant shall give immediate notice to the Landlord, in case of fire or accidents in the Premises or in the building of which the Premises are a part, or of defects therein or in any Fixtures or equipment, notwithstanding the fact that the Landlord may have no obligations with respect thereto.

17.3 Notice of Repair and Reconstruction

From and after the date upon which the Tenant is notified in writing by the Landlord that the Landlord's work of reconstruction or repair is completed, the Tenant shall immediately commence all work required to fully restore the Premises and shall complete such work and reopen for business within thirty (30) days of receipt of the Landlord's notification aforesaid with the Premises fully fixtured, stocked and staffed. The certificate of the Landlord's architect shall bind the parties hereto as to the state of tenantability of the Premises and as to the date upon which the Landlord's work of reconstruction or repair is completed.

**ARTICLE 18
EXPROPRIATION**

18.1 During the Term, if the Market, or any part thereof, shall be acquired or condemned by expropriation for any public or quasi-public use or purpose, then the Landlord and the Tenant may separately claim, receive and retain awards of compensation for the loss of their respective interest, if any, but neither the Landlord nor the Tenant shall have any claim against the other in respect of the said loss or the unexpired Term.

**ARTICLE 19
DEFAULT OF TENANT**

19.1 Right to Re-enter

If and whenever all or part of the Minimum Rent or any other amounts payable by the Tenant under this Lease are not paid on the day appointed for payment, whether demand for payment has been made or not, or if the Tenant shall fail to comply with any of the covenants

hereunder after the Landlord has given notice to the Tenant in writing stating the default with reasonably sufficient particulars and requiring it to be remedied and such default has not been remedied by the Tenant within fourteen (14) days after receipt of such notice, or such longer period as may be reasonably necessary in view of the nature of the default, or if the Tenant shall falsify any report required to be furnished to the Landlord pursuant to the terms of this Lease or if the Tenant or any indemnifier of this Lease shall become bankrupt or insolvent or file any proposal, or if a Receiver is appointed of all or a portion of the Tenant's property or any such indemnifier's property, or if the Tenant makes a sale in bulk, or if the Tenant shall abandon the Premises, or suffer this Lease or any of its assets to be taken under any writ of execution or like process, or if the Tenant creates a security interest in the personal property of the Tenant in the Premises in favour of a third party or if any notice is filed under section 49 of the *Personal Property Security Act* in respect of the Premises or if re-entry is permitted under any other terms of this Lease, then the Landlord, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises and such property may be removed and stored for the account of the Tenant or be sold by the Landlord (and at the sole option of the Landlord, by way of private sale to the Landlord or any third party) all without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby and to have again, repossess and enjoy the Premises as of its former estate whether the Landlord terminates this Lease or not, and notwithstanding the retaking of possession of the Premises by the Landlord, the Landlord specifically reserves all remedies and rights of action herein or at law or in equity provided. The Landlord or its duly authorized agent shall be entitled to distrain for the Rent hereby reserved including accelerated rent, if any, or for any money hereby made recoverable by distress upon the goods and chattels of the Tenant, wheresoever situate, and upon any premises to which the same may have been removed or wherever the same may be found. The Tenant hereby waives and renounces the benefit of any present or future legislation taking away or limiting a Landlord's right of distress.

19.2 Damages

In the event of any breach of this Lease by the Tenant, the Landlord, in addition to exercising any other remedies available to the Landlord and whether the Landlord terminates this Lease or not, may recover from the Tenant all damages it may incur by reason of such breach, including the cost of recovering the Premises, solicitor and his own client indemnity legal fees and including the worth at the time of termination of the excess, if any, of the amount of Rent and charges equivalent to Rent reserved in this Lease for the remainder of the Term over the then reasonable rental value of the Premises for the remainder of the Term, all of which amounts shall be immediately due and payable by the Tenant to the Landlord. In any of the events referred to in Article 19.1 in addition to any and all other rights including the rights referred to in this Article 19.2 and in Article 19.1, the full amount of the current month's together with the next three (3) months' instalments of Minimum Rent, and Additional Rent shall immediately become due and payable, and the Landlord may distrain for the same, together with any arrears and interest thereon unpaid.

19.3 Landlord's Right to Perform

If the Tenant shall fail to observe, perform or keep any of the provisions of this Lease to be observed, performed and kept by the Tenant, the Landlord may, but shall not be

obliged to, at its discretion and without prejudice, rectify the default of the Tenant, whether or not performance by the Landlord on behalf of the Tenant is otherwise expressly referred to in this Lease. For such purpose the Landlord may make any payment and may do or cause to be done such things as may be required including, without limiting the generality of the foregoing, entry upon the Premises. Any such performance by or at the request of the Landlord shall be at the expense of the Tenant and the Tenant shall pay to the Landlord the cost thereof as Additional Rent. The Landlord may perform all or any of the obligations hereunder by or through such managing or other agent or agents as it may from time to time determine and the Tenant shall pay to any such agent any monies payable hereunder to the Landlord, as from time to time directed by the Landlord.

19.4 Surrender of Premises

At the termination of this Lease, whether by effluxion of time or otherwise, the Tenant shall vacate and deliver up possession of the Premises and all Leasehold Improvements therein in the same condition as they were in at the commencement of the Term, subject only to reasonable wear and tear and shall surrender all keys to the Premises to the Landlord at the place then fixed for payment of Rent and shall inform the Landlord of all combinations on locks, safes and vaults (if any) in the Premises. Any indemnification of the Tenant's obligations under this Lease shall survive the termination of the Lease.

ARTICLE 20 RIGHT OF ENTRY

20.1 Right of Entry

The Landlord or its agent shall have the right to enter the Premises during normal business hours except where otherwise agreed to examine the same and to show them to prospective purchasers, lessees or mortgagees, and to enter the Premises at times mutually agreed between the Landlord and the Tenant to make such repairs as the Landlord may deem necessary or desirable, and the Landlord shall be allowed to take all material into and upon the Premises that may be required therefor without the same constituting an eviction of the Tenant in whole or in part and the Rent reserved shall in no way abate by reason of loss or interruption of business of the Tenant or otherwise while said repairs are being made. During the six (6) months prior to the expiration of the Term, the Landlord may place upon the Premises reasonable notices "To Let" or "For Lease". The Tenant shall permit such notices to remain thereon without hindrance or molestation. The Landlord may at any time within six (6) months before the end of the Term enter the Premises and bring others at all reasonable hours for the purposes of offering the Premises for rent. If the Tenant or the Tenant's representative shall not be present to open and permit an entry into the Premises, at any time, when for any reason an emergency or reasonably apprehended emergency shall exist or be contemplated, the Landlord or its agent may enter the same by a master key, or may forcibly enter the same, provided reasonable care is exercised without rendering the Landlord or such agent liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained however, shall be deemed or construed to impose upon the Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Premises or any part thereof except as otherwise herein specifically provided.

ARTICLE 21
ASSIGNMENT BY LANDLORD

21.1 Assignment

In the event of the sale or lease by the Landlord of the Market or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that any purchaser or assignee by agreement with the Landlord has assumed the covenants and obligations of the Landlord hereunder, the Landlord shall without further written agreement be freed and relieved of liability upon such covenants and obligations.

ARTICLE 22
RULES AND REGULATIONS

22.1 Rules and Regulations

All rules and regulations adopted and promulgated by the Landlord from time to time including those appended as Schedule "C" are hereby made a part of this Lease and the Tenant agrees to comply with and observe the same. The Tenant's failure to keep and observe such rules and regulations shall constitute a breach of this Lease in the manner as if the same were contained herein as covenants. Written notice of any amendments or supplements shall be given to the Tenant and the Tenant agrees thereupon to comply with and observe all such rules and regulations and amendments and supplements, provided that no such rules and regulations which contradict any provisions of this Lease shall be binding upon the Tenant. The Landlord shall not be responsible to the Tenant for the non-observance or violation by any other tenant or person of the rules and regulations.

ARTICLE 23
STATUS STATEMENT, SUBORDINATION AND ATTORNMENT

23.1 Status Statement

Within ten (10) days after request therefor by the Landlord, or in the event of any sale, assignment, lease or mortgage of the Premises or the Market, the Tenant agrees to execute and deliver, in a form supplied by the Landlord, a certificate to any proposed mortgagee or purchaser or to the Landlord, certifying (if such be the case) that this Lease is in full force and effect and that there are no deficiencies or set-offs thereto, or stating those claimed by the Tenant.

23.2 Subordination and Attornment

If required by any mortgagee or the holder of any trust deed or indenture, this Lease and all rights of the Tenant hereunder shall be subject and subordinate to all mortgages, trust deeds or indentures now or hereafter existing which may now or hereafter affect the Market

and to all renewals, modifications, consolidations, replacements and extensions thereof; provided that whenever required by any mortgagee, including any trustee under a trust deed or indenture, the Tenant shall attorn to such mortgagee as the tenant upon the terms of this Lease. The Tenant agrees to execute and deliver promptly, whenever requested by the Landlord or by such mortgagee, an instrument of subordination or attornment, as the case may be, as may be required of the Tenant. If the Tenant fails to do so within seven (7) days after receiving the instrument, the Tenant hereby irrevocably authorizes the Landlord to complete, execute and deliver the instrument for and on behalf of and in the name of and as agent of the Tenant.

ARTICLE 24
ENVIRONMENTAL CONSIDERATIONS

24.1 Definitions

Capitalized terms or expressions used in this Article 24 have the following meanings:

- (a) **“Environmental Laws”** means any statutes, laws, regulations, orders, bylaws, standards, guidelines, permits, and other lawful requirements of any governmental authority having jurisdiction over the Premises now or hereafter in force relating in any way to the environment, health, occupational health and safety, or transportation of dangerous goods, including the principles of common law and equity.
- (b) **“Hazardous Substance”** or **“Hazardous Substances”** means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, asbestos materials, hazardous, corrosive, or toxic substances, special waste or waste of any kind, or any other substance which is now or hereafter prohibited, controlled or regulated under Environmental Laws.

24.2 Tenant’s Covenants

The Tenant shall:

- (a) not use or permit to be used all or any part of the Premises for the sale, storage, manufacture, disposal, use, or any other dealing with any Hazardous Substances, without the prior written consent of the Landlord, which may be unreasonably withheld;
- (b) strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Premises;
- (c) promptly provide to the Landlord a copy of any environmental site assessment, audit, or report relating to the Premises conducted by or for the Tenant at any time, and, at the Landlord’s request from time to time, obtain from an independent environmental consultant approved by the Landlord an environmental site assessment of the Premises or an environmental audit of the operations at the

Premises, including any additional investigations as the environmental consultant may recommend;

- (d) promptly notify the Landlord in writing of any release of a Hazardous Substance or Hazardous Substances or any other occurrence or condition at the Premises or any adjacent property which would contaminate the Premises or subject the Landlord or the Tenant to any fines, penalties, orders, investigations, or proceedings under Environmental Laws;
- (e) on the expiry or earlier termination of this Lease, or at any time if requested by the Landlord or required by any governmental authority pursuant to Environmental Laws, remove from the Premises all Hazardous Substances and remediate any contamination of the Premises or any adjacent property resulting from Hazardous Substances, in either case brought onto, used at, or released from the Premises by the Tenant or any person for whom it is in law responsible. The Tenant shall perform these obligations promptly at its own cost and in accordance with Environmental Laws. All such Hazardous Substances shall remain the property of the Tenant, notwithstanding any rule of law or other provision of this Lease to the contrary and notwithstanding the degree of their affixation to the Premises;
- (f) indemnify the Landlord and its directors, officers, employees, agents, successors, and assigns from any and all liabilities, actions, damages, claims, losses, costs, fines, penalties, and expenses whatsoever (including all legal and consultants' fees and expenses and the cost of remediation of the Premises and any adjacent property) arising from or in connection with:
 - (i) any breach of or non-compliance with the provisions of this Article 24 by the Tenant; or
 - (ii) any release or alleged release of any Hazardous Substance or Hazardous Substances at or from the Premises related to or as a result of the use and occupation of the Premises or any act or omission of the Tenant or any person for whom it is in law responsible.

The obligations of the Tenant under this Article 24 shall survive the expiry or earlier termination of this Lease.

ARTICLE 25

MISCELLANEOUS

25.1 No Tacit Renewal

In the event the Tenant remains in possession of the Premises after the end of the Term without the execution and delivery of a new lease and the Landlord accepts the Rent, there shall be no tacit renewal of this Lease or the Term and the Tenant shall be deemed to be

occupying the Premises as a Tenant from month to month at a monthly rental payable in advance on the first day of each month equal to twice the sum of all monthly Rent payable during the last month of the Term and otherwise upon the same terms and conditions as are set forth in this Lease, so far as applicable to a monthly tenancy.

25.2 Option to Renew

25.2.1 The Tenant, provided it has duly and punctually paid the Rent due hereunder and duly and punctually observed all of the covenants and terms of this Lease and provided it is not in default hereunder shall have the option of renewing this Lease for one further term of [_5_] years, all terms of the renewal lease to be the same as this Lease with the exception of this option to renew which shall be deleted, and with the further exception of the amount of Minimum Rent to be paid which shall be determined by agreement of the Landlord and Tenant subject to the provisions of Section 25.2.2, but in no case shall Minimum Rent for the renewal term be less than the Minimum Rent for the last year of the immediately preceding term. This shall be exercised by the Tenant serving written notice exercising the option upon the Landlord in the manner for serving written notice provided in this Lease. Notice of intention to exercise such option shall be given by the Tenant to the Landlord not less than nine months and not more than 12 months prior to the expiration of the term hereunder.

25.2.2 Should the Tenant serve written notice exercising the option in the previous sub-clause, the Landlord and Tenant shall negotiate with the aim of agreeing on the amount of Minimum Rent to be paid during the renewal lease. Should the Landlord and Tenant be unable to reach an agreement within two (2) months prior to commencement of the extended term, Minimum Rent shall be determined by arbitration under the provisions of the *Commercial Arbitration Act* of British Columbia based on fair market Minimum Rent payable for the renewal lease, for improved premises of similar quality, size, use and location within the Sunshine Coast Regional District or comparable area, British Columbia, but in no case shall Minimum Rent for the renewal term be less than the Minimum Rent for the last year of the immediately preceding term.

25.3 Successors

All rights and liabilities herein given to, or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties; and if there be more than one tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been approved by the Landlord in writing as provided in Article 13 hereof.

25.4 Entire Agreement

This Lease and the Schedules attached hereto and forming a part hereof set forth all of the covenants, promises, conditions, agreements and understandings between the Landlord and the Tenant. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them.

25.5 Force Majeure

Save as otherwise herein provided, in the event that either party hereto shall be delayed or hindered in or by reason of strikes, lock-outs, labour troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, but not a delay caused by lack of funds or other financial reason, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

25.6 Notices

Any notice, demand, request or other instrument which may be or is required to be given under this Lease, shall be delivered in person or sent by registered mail, postage prepaid and shall be addressed to the parties at their respective addresses as set out in Article 1.1 or at such other address as the Landlord or Tenant may designate by written notice. Any such notice, demand, request or consent shall be conclusively deemed to have been given or made on the day upon which such notice, demand, request or consent is delivered, or if mailed, then on the third business day following the date of the mailing, as the case may be, and either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder, provided that in the case of interruption in the ordinary postal service, any notice, demand, request or consent given hereunder shall be delivered and not mailed. At the option of the Landlord, any notice may be delivered to the Tenant at the Premises. If two or more persons are named as Tenant, such notice, demand, request or other instrument shall be sufficiently given or made if and when the same shall be given to any one of such persons.

25.7 Article and Article Numbers

The section and article numbers appearing in this Lease are inserted only as a matter of convenience and in no way limit the scope or intent of such paragraphs and articles of this Lease.

25.8 Governing Law

The Lease shall be construed and governed by the laws of the Province of British Columbia.

25.9 Severability

If any provision of this Lease is determined to be illegal or unenforceable, such provision shall be severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties as though the said provision had never been included.

25.10 Time

Time shall be strictly of the essence of this Lease.

25.11 No Partnership

The Landlord and the Tenant are agreed that nothing contained in this Lease nor any acts of the Landlord or the Tenant shall be deemed to create any relationship between the Landlord and the Tenant other than the relationship of landlord and tenant.

25.12 No 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 shall operate as a condoning, excusing or overlooking 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 in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord save only expressed waivers in writing. All rights and remedies of the Landlord in this Lease contained shall be cumulative and not alternative.

25.13 Registration

The Tenant agrees that the Landlord shall not be obliged to deliver this Lease in form registrable under the *Land Title Act* and covenants and agrees with the Landlord not to register this Lease or any evidence of it at the Land Title Office.

25.14 Obligations as Covenants

Each obligation of any party hereto, expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

25.15 All Amounts Recoverable as Rent

All amounts payable by the Tenant under this Lease shall be deemed to be Rent and recoverable as Rent and the Landlord shall have all the rights and remedies against the Tenant for default in payment of any such amount as the Landlord has for default in payment of Rent.

25.16 Number and Gender

Whenever the singular or masculine or neuter is used in this Lease, same shall be construed to mean the plural or feminine or body corporate where the context or the parties may so require.

25.17 Relocation

The Landlord reserves the right at any time, and from time to time, to change the location of the Premises, provided that the Floor Area of the New Premises shall not be more than five percent (5%) larger than the Floor Area of the Premises unless consented to by the Tenant. If the Landlord exercises such right to relocate the Tenant:

- (a) the Landlord shall endeavour to relocate the Tenant in premises of comparable size, quality and exposure;

- (b) during the period of such relocation, all Rent and other charges provided for hereunder shall abate for that period of time during which the Tenant is unable to carry on business in the Mall;
- (c) the Landlord will pay the moving costs of the Tenant, if any;
- (d) should the Floor Area of the premises to which the Tenant is relocated be larger or smaller than the Floor Area of the Premises, then the Minimum Rent and Tenant's Proportionate Share shall be proportionately adjusted to reflect such greater or lesser area by the ratio which such increase or decrease in the area bears to the original Floor Area of the Premises;
- (e) the exercise of such rights shall be without recourse by the Tenant;
- (f) should the Landlord give the Tenant written notice of such relocation after the Tenant has commenced or completed the installation of partitioning or other improvements to the Premises, the Landlord will furnish the Tenant with similar partitioning and other improvements of equal quality or compensate the Tenant therefore; and
- (g) at the request of the Landlord, the Tenant shall execute and deliver a lease of the premises to which the Tenant is relocated for the remainder of the Term, which lease shall contain the same terms and conditions as this Lease subject only to changes necessitated by Section 26.16(d) and an appropriate description of such premises, after which the parties shall release one another from any further obligation under this Lease.

25.18 Indemnification

The Tenant acknowledges that as a condition of the Landlord entering into this Lease with the Tenant, the Tenant has caused the Indemnifier to issue in favour of the Landlord an indemnity with respect to the obligations of the Tenant to the Landlord (the "Indemnity Agreement"). The Landlord and Tenant agree that in addition to all of the Landlord's rights and remedies under this Lease, an event of default of the Tenant shall occur under this Lease if an event of default occurs under the Indemnity Agreement, if the Indemnity Agreement is terminated or is or becomes invalid or unenforceable or if the Indemnifier becomes unable to pay his debts when they come due in the ordinary course, if the Indemnifier makes an assignment for the benefit of his creditors or is voluntarily or involuntarily adjudged bankrupt or insolvent or if the Indemnifier dies before satisfying his obligations under the Indemnity Agreement.

IN WITNESS WHEREOF the parties have executed this Lease as of the date first above written, and in the case of each corporate party its seal was affixed in the presence of its duly authorized officers.

LANDLORD:

Gibsons Community Building Society

Per: [Signature]
Authorized Signatory
Name / Title: GERRY ZIPUNSKY
EXEC. DIRECTOR

[Signature]
WITNESS SIGNATURE
Dana Sauer
WITNESS NAME
780 CREEKSIDE CRES, GIBSONS
NOV 29/16
DATE

TENANT:

[Signature]
Witness - Signature
Sylvie Penquitzky
Witness - Print Name
2389 Gambier Rd, Gambier Island / BC V0N 1V0
Address
Director
Occupation
November 18 / 2016

ART MEETS CHOCOLATE

INDEMNIFIER:

SIGNED, SEALED AND DELIVERED
in the presence of:

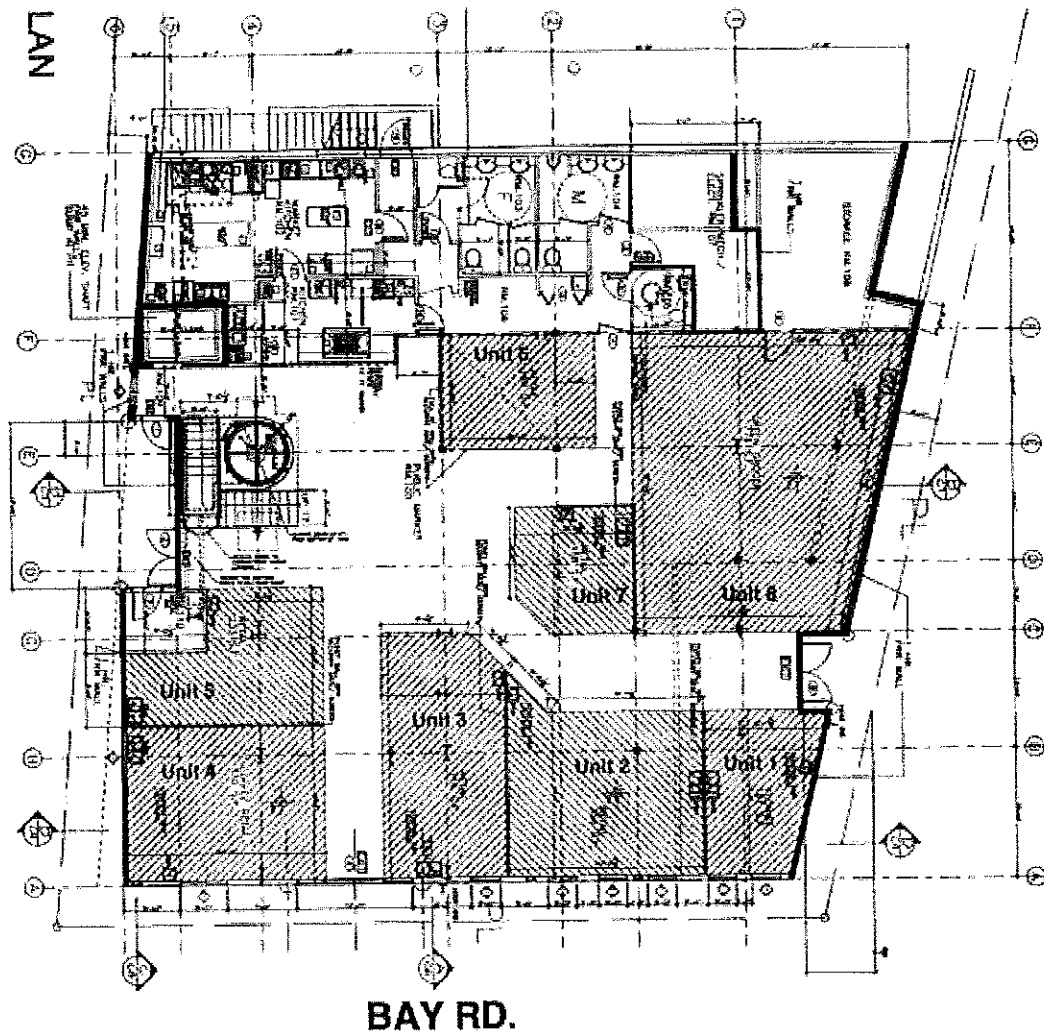
Signature

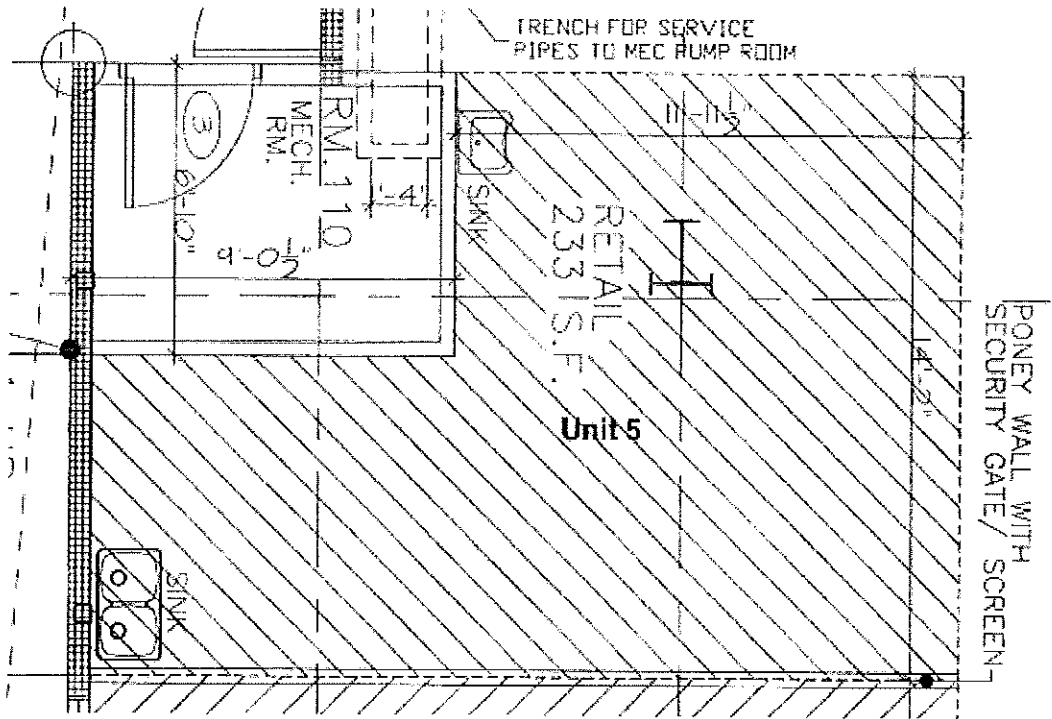
Address

Occupation



SCHEDULE "A"
SITE PLAN AND FLOOR PLAN





SCHEDULE "B"

TENANT'S WORK

The Tenant shall submit to the Landlord working drawings of any proposed Tenant improvements to the Premises, which drawings must be approved by the Landlord (such approval not to be unreasonably withheld) prior to the commencement of any such work, provided that such work shall be done by qualified and licensed contractors or sub-contractors of whom the Landlord shall have approved in writing, and be done in compliance with all applicable laws. The Tenant shall improve the Premises to a standard in keeping with the appearance and character of a first class retail building. The Tenant shall use the Gibsons Public Market designated trades (both electrical and mechanical) for Tenant improvements and any changes, additions or subtractions to the allocated vendor space.

It is the Tenant's responsibility to secure all the necessary building permits and approvals required by the Town of Gibsons, for all leasehold improvements. Such permits must be secured and copies provided to the Landlord before any work shall commence on the improvements. The Tenant shall also be responsible for making application for a certificate of occupancy, as required by the Town of Gibsons, as it applies to leasehold improvements.

- o The Tenant will follow the Guidelines and Terms and Conditions set out by the Gibsons Public Market with regards to signage, display and shared/common spaces.
- o All electrical and plumbing work will be provided by the Landlords contractors. Tenants are responsible for getting their own permits.
- o The Tenant is financially responsible for any internal security measures and construction such as security gates.

LANDLORD'S WORK

To ensure the premises are operating in accordance with typical retail standards within the Town of Gibsons, within the extent possible of the current building. Otherwise, the Landlord shall furnish the premises to the Tenant in and as is where is condition as seen during the site tours, prior to commencement of move-in.

The Gibsons Public Market will provide/install :

- o A hand wash sink : the sole cost and expense to be covered by the Tenant.
- o A standard double wash sink : the sole cost and expense to be covered by the Tenant.
- o Standard electrical and gas outlets in accordance with the BC Building Code, any special electrical needs will not be covered by the landlord.
- o The Landlord will assume responsibility for the provision of secure Wifi coverage throughout the whole Public Market building.
- o The Landlord will also install a sound system and interior speakers throughout the building.

SPECIAL TERMS

1. The Tenant shall have available and access to designated space within the TENANT ONLY cold storage. A monthly storage bin area charge of \$25/bin area will be invoiced on the 31st of each month.
2. All permanent Tenants will be required to participate as Affinity Partners in the Market Membership Program (see Vender Guidelines pag 3 section A-1
3. The tenant shall be guaranteed a minimum of 20 hours/week rental use of the Gibsons Public Market Commercial Kitchen located on Level One of the Public Market building. Every reasonable effort will be made to enable the tenant to rent the Kitchen during the hours of 8 am - 10 pm each day. In light of special events and other such needs within the Market , the tenant needs to be prepared to rent the space after Market regular hours.
4. Rental rate of the Commercial Kitchen will be set by the Market Facility Manager. Permanent tenants will receive a preferential rental rate. In addition depending upon the number of rented hours the rental rate may be further reduced from the standard hourly rate.
5. Once the rental rate for the Commercial Kitchen is determined during the first year of tenancy, the hourly rate will not be increased over the first year of the term. Any increase in rental rate will be fairly determined based on the experience of annual charge of hydro and gas requirements.

SCHEDULE "C"

RULES AND REGULATIONS

1. **REFUSE**

- (a) All trash, rubbish, waste material and other garbage shall be kept within the Premises until the day of removal, such removal to be at the expense of the Tenant on a regular basis as determined by the Landlord.
- (b) The Tenant shall not burn any garbage in or about the Premises or anywhere within the Market.
- (c) If the Tenant's garbage is of a deteriorating nature, creating offensive odours, the Tenant shall utilize and maintain at its cost and expense refrigerated facilities as required by the Landlord.
- (d) In the event the Landlord considers necessary, or otherwise consents in writing to, the placing of the Tenant's garbage outside the Premises, such garbage shall be placed by the Tenant in containers approved by the Landlord but provided at the Tenant's expense and kept at a location designated by the Landlord.

2. **SUSPENSION**

The Tenant shall not hang or suspend from any wall or ceiling or roof, or any other part of the Premises or the Mall, any equipment, fixtures, signs or displays which are not first authorized by the Landlord.

3. **ELECTRICAL EQUIPMENT**

- (a) The Tenant shall at its sole cost and expense, install and maintain all necessary lighting fixtures, electrical equipment and wiring therefor.
- (b) If the Tenant requires any electrical equipment which might overload the electrical facilities in the Premises, the Tenant shall submit to the Landlord plans and specifications for works required to install and supply additional electrical facilities or equipment to prevent such overloading, and shall obtain the Landlord's written approval to perform such works, which shall meet all the applicable regulations or requirements of any government or other competent authority, the Association of Insurance Underwriters and the Landlord's insurers, all at the sole cost and expense of the Tenant.

4. PLUMBING

No plumbing facilities shall be used for any purpose other than that for which they were designed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision by the Tenant or by any persons for whom the Tenant is responsible shall be borne by the Tenant. No garberators shall be installed by the Tenant without the prior written approval of the Landlord.

5. HVAC OPERATION

- (a) The Tenant shall operate or permit to be operated its own heating, ventilating or air-conditioning equipment, if any, in such manner that there will be no direct or indirect appropriation of heating or cooling from other portions of the Market.
- (b) The Tenant shall not leave open any doors or windows to the exterior of the Market which would adversely affect the performance of any heating, ventilating or air-conditioning equipment in the Market.

6. SIGNS, ADVERTISING, DISPLAY WINDOW

- (a) The Tenant shall not erect or install any exterior signs or interior window or door signs or advertising media or window or door lettering or placards without the prior written consent of the Landlord.
- (b) The Tenant shall not use any advertising media that the Landlord shall deem objectionable to it or to other tenants, such as, without limiting the generality of the foregoing, loudspeakers, phonographs, televisions, public address systems, sound amplifiers, radios, broadcasts or telecasts within the Market in a manner capable of being heard or seen outside the Premises.
- (c) The Tenant shall not install any exterior lighting, exterior decorations or build any aerial or mast or make any change to the store front of the Premises, without the prior written consent of the Landlord.
- (d) The Tenant shall indemnify and save harmless the Landlord from all claims, demands, loss or damage to any person or property arising out of any sign, mast, aerial or other installation, notwithstanding any consent by the Landlord thereto.
- (e) The Tenant shall keep all display windows neatly dressed and, together with any other windows, store fronts and lighted signs in, upon or affixed to the Premises, illuminated until such times as required by the Landlord.
- (f) Any installation requiring the Landlord's consent which has not received such consent shall be subject to immediate removal without notice at the Tenant's cost.

7. NO SOLICITATION

The Tenant, or the Tenant's employees and agents, shall not solicit business in the Parking Areas or other Common Areas and shall not distribute any handbills or other advertising matter therein.

8. PESTS

Should the Premises become infested with rodents, vermin or the like, the Tenant shall forthwith remedy the same and shall use, at the Tenant's cost, such pest extermination contractor as the Landlord may direct and at such intervals as the Landlord may require as being necessary by reason of the conditions in the Premises.

9. NOTICE OF ACCIDENT, DEFECTS

The Tenant shall give immediate notice to the Landlord in case of fire or accident in the Premises or of defects therein or to any fixtures or equipment thereon.

10. EMERGENCY CONTACTS

The Tenant shall provide the Landlord with the names, addresses and telephone numbers of two (2) authorized employees of the Tenant who may be contacted by the Landlord in the event of an emergency relative to the Premises.

11. PERMITS, LICENSES

The Tenant alone shall be responsible for obtaining from the appropriate governmental authority or other regulatory body having jurisdiction, whatever permits, licenses or approvals as may be necessary for the operation of its business, the whole to the entire exoneration of the Landlord.

12. TENANT'S WORK

Any work to be performed in the Premises by the Tenant or its contractors shall be first approved and then made strictly in accordance with the rules and regulations of the Landlord from time to time in respect of work by the tenants within the Market.

13. HOURS OF OPERATION

The Tenant will be open for business a minimum of **fourty-eight (48) hours per week.**

14. FURTHER RULES AND REGULATIONS

For the general benefit and welfare of the Market and the tenants therein, the Landlord may amend and supplement these rules and regulations and the same shall be binding

on the Tenant. See Gibsons Public Market Vendor Guidelines for further Market Rules and Regulations.

