
TRIPLE NET LEASE

Dated effective the 15th day of August, 2019.

THIS LEASE is made and entered into by the Landlord and the Tenant named herein who, in consideration of the rents and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, agree as follows:

ARTICLE 1 BASIC TERMS AND DEFINITIONS

1.1 Basic Terms

The basic terms of this Lease are as follows:

- | | | |
|-----|-------------------------------|---|
| (a) | Landlord:
Address: | 1203730 B.C. LTD.
PO Box 6694
Fort St. John, BC V1J 4J1 |
| (b) | Tenant:
Address: | NOBLE BC, A DIVISION OF EMCO
CORPORATION
2124 Oxford Street E.
London, ON N5V 0B7 |
| (c) | Premises: | Land and Building at 10115 and 10121 – 94 Ave. and 9315 – 102 St., Fort St. John, BC and legally described as Lots 13-19 Block 4 Plan Sec 36 Township 83 Range 19 W6M Plan PGP7277 PID's: 012-635-006, 012-635-022, 012-635-031, 012-635-049, 012-635-057, 012-635-065, and 012-635-073 |
| (d) | Rental Period: | August 15, 2019 to September 30, 2029 |
| (e) | Basic Rent: | \$162,720.00 plus GST per year |
| (f) | Monthly Instalments: | \$13,560.00 plus GST |
| (g) | Permitted Use: | Receiving, storing, shipping, distributing, and selling products, materials and merchandise, general warehouse, display, wholesale sales, outdoor storage, office, related uses, and other uses permitted by Laws. |

The foregoing Basic Terms are agreed to by the parties and each reference in this Lease to any of the Basic Terms will be construed to include the foregoing provisions and all of the additional applicable sections of this Lease where such Basic Terms are more fully set forth.

1.2 Definitions

The Landlord and the Tenant agree that, in this Lease, the words or phrases set out in Schedule A will, unless there is something in the context inconsistent therewith, have the meanings set out in Schedule A.

1.3 Schedules

Schedules attached to this Lease are incorporated into and form an integral part of this Lease:

Schedule A – “Definitions”

Schedule B – “Landlord’s Work”

ARTICLE 2 DEMISE AND OPTIONS TO EXTEND

2.1 Demise

The Landlord hereby leases the Premises to the Tenant and the Tenant leases the Premises from the Landlord in an “as is” condition, subject to the terms and conditions set out in this Lease, for the Term.

2.2 Options to Extend

If the Tenant performs all the Tenant’s covenants and is not in material default under any of the terms of this Lease, then the Tenant, on giving written notice to the Landlord not earlier than eighteen (18) months, and not later than six (6) months prior to the last day of the Term, will have the right to extend the Term of this Lease for a further period of **5 years** (the “**Extension Term**”) upon the same terms and conditions as contained in this Lease, except the Basic Rent and this option to extend. The Extension Term will commence on the day immediately succeeding the last day of the Term and will end at midnight on the day immediately preceding the fifth anniversary of the first day of the Extension Term, unless sooner terminated in accordance with the provisions of this Lease.

If the Tenant performs all the Tenant’s covenants and is not in material default under any of the terms of this Lease, then the Tenant, on giving written notice to the Landlord not earlier than eighteen (18) months, and not later than six (6) months prior to the last day of the Extension Term, will have the right to extend the Term of this Lease for a further period of **5 years** (the “**Second Extension Term**”) upon the same terms and conditions as contained in this Lease, except the Basic Rent and this second option to extend. The Second Extension Term will commence on the day immediately succeeding the last day of the Extension Term and will end at midnight on the day immediately preceding the fifth anniversary of the first day of the Second Extension Term, unless sooner terminated in accordance with the provisions of this Lease.

The Basic Rent during the Extension Term and the Second Extension Term, as applicable, will be at the then current market rental rate for the Premises including all leasehold improvements thereto. Failing agreement by the parties on such current market rental rate by one (1) month before the

expiry of the Term or Extension Term, as the case may be, the current market rental rate for the Extension Term or the Second Extension Term, as applicable, will be determined by arbitration, based on the criteria set out above, by one arbitrator under the *Arbitration Act* (British Columbia), and amendments thereto, or any like statute in effect from time to time, and the decision of such arbitrator will be final and binding upon the parties. The costs of the arbitration will be borne equally by the parties. Except as otherwise provided for herein, the provisions of the *Arbitration Act* will apply. Until the Basic Rent has been determined as provided, the Tenant will continue to pay the monthly instalments of Basic Rent payable before the commencement of the Extension Term or the Second Extension Term, as applicable, and, upon the determination being made, the Tenant will make the appropriate adjustment payment, if any, to the Landlord.

ARTICLE 3 RENT AND OTHER PAYMENTS

3.1 Basic Rent and Additional Rent

Commencing on the Commencement Date, the Tenant will pay to the Landlord or as the Landlord may in writing direct, in lawful money of Canada without any deduction, abatement, set-off, or reduction, except as otherwise provided herein, the aggregate of:

- (a) Basic Rent for each Lease Year, payable in advance in equal consecutive monthly instalments on the first day of each month in each year of the Term;
- (b) the Operating Costs and Taxes, payable in accordance with Section 3.2; and
- (c) the cost of all utilities consumed on the Premises save and except those payable in accordance with Section 3.5.

Rent will be payable at the Landlord's address specified in Section 1.1(a) or at such other place or by direct deposit at a financial institution as the Landlord may from time to time direct in writing. The Landlord may, at its option, apply all sums received from or due to the Tenant against any amounts due and payable under this Lease in such manner as the Landlord sees fit.

During the period from August 15, 2019 to September 30, 2019 the Tenant shall not be obligated to make any payments of Rent to the Landlord.

3.2 Net Lease

This Lease will be net to the Landlord such that, except as otherwise set out in this Lease, all costs, expenses and obligations relating to the Premises will be paid by the Tenant.

Additional Rent (including, without limitation, Operating Costs, Taxes, and Landlord's Insurance) payable by the Tenant will be estimated by the Landlord for such period as is designated by the Landlord from time to time. The Tenant will pay the Landlord the estimated amount in monthly installments in advance on the first day of each calendar month during the designated period. Within ninety (90) days of time following the designated period the Landlord will furnish to the Tenant a statement setting out the Operating Costs, Taxes, and Insurance for such period.

If the amount payable by the Tenant as shown on any such statement is greater or less than the aggregate of amounts paid by the Tenant under this Section 3.2, the proper adjusting credit or

payment will be made between the parties within fourteen (14) days after delivery of the statements pertaining to Operating Costs, Taxes, and Insurance.

Any credit made by the Landlord or payment made by the Tenant and accepted by the Landlord in respect of any adjustment made hereunder, will be without prejudice to the Landlord's or Tenant's right to claim a readjustment provided such claim is made within twelve (12) months from the date of delivery of the statement referred to in this Section 3.2.

3.3 Tax Appeals

Either the Landlord or the Tenant shall have the right to appeal any assessment or invoice relating to Taxes, provided that each party exercising such right shall give the other party notice of the intention to so appeal. Neither party will appeal any assessment or invoice relating to Taxes in respect of a particular period if the other party has already given notice of its intention to initiate an appeal in respect of such period and is diligently pursuing such appeal.

3.4 Tenant's Taxes

The Tenant will promptly pay the Tenant's Taxes as they become due. The Tenant will provide to the Landlord, upon request, the official receipt for each payment made by the Tenant in respect of the Tenant's Taxes.

3.5 Utilities

- (a) Upon taking possession of the Premises, the Tenant will immediately obtain or transfer any and all utility accounts for the Premises including telephone, cable, natural gas, water and sewer and electricity in its own name.
- (b) The Tenant will pay promptly any invoices for all telephone, cable, natural gas, other fuel, water and sewer and electricity and other utilities consumed or used on the Premises, whether from the Landlord or separately billed from the supplying utility provider to the Tenant or otherwise.

3.6 Irregular Periods

If, for any reason, it becomes necessary to calculate Basic Rent or Additional Rent for irregular periods, an appropriate pro rata adjustment will be made on a daily basis in order to compute such rent for such irregular periods, unless otherwise expressly set out in this Lease.

3.8 GST

Any and all payments of Basic Rent and Additional Rent by the Tenant to the Landlord shall have GST added thereon.

**ARTICLE 4
TENANT'S OPERATING COVENANTS**

4.1 Use of Premises

The Tenant covenants and agrees with the Landlord that it will not:

- (a) use the Premises nor allow the Premises to be used for any purpose other than that specified in Section 1.1 without the prior written consent of the Landlord, such consent not to be unreasonably withheld;
- (b) permit any illegal activity on the Premises by the Tenant, its employees or invitees;
- (c) do or permit anything to be done whereby any policy of insurance on the Building or any part thereof may become void or voidable or do or permit anything to be done, without the prior written consent of the Landlord, whereby the premium payable in respect of any policy of insurance on the Building or any part thereof shall or may be increased;
- (d) commit or suffer to be committed any nuisance or waste upon the Premises; or
- (e) use, exercise, or carry on, or permit or suffer to be used, exercised or carried on, in upon or about the Premises, or any part thereof, any noxious, illegal, noisome or offensive act, trade, business, occupation or calling.

The Tenant covenants and agrees with the Landlord that it will:

- (a) use the Premises only in compliance with the permitted zoning under any applicable municipal or other local government bylaws, rules or regulations; and
- (b) heat the Premises to a reasonable temperature and maintain, repair, and keep the heating systems in good order and condition and clean or replace all filters in said systems on a regular basis as required, all at its sole cost and expense.

4.2 Signs

The Tenant may affix or exhibit or permit to be affixed or exhibited upon the Premises a sign for advertising the Tenant's business but only in an area designated by the Landlord in its sole discretion. Further, the design and content of such sign is subject to written approval by the Landlord acting reasonably.

Within the last 3 months of the Term, or any extension thereof, the Landlord shall have the right to affix or exhibit upon the Premises a sign for advertising that the Premises are for rent and/or for sale. The Landlord shall make every reasonable effort to ensure such signage does not interfere with the Tenant's business.

4.3 Parking

The Tenant shall have unlimited parking rights over the parking areas on the Land.

4.4 Rubbish, Snow, and Ice

The Tenant will keep the Premises clean and tidy and in good order and will not permit waste, garbage, ice, or snow to accumulate on the Premises. The Tenant shall, however, be permitted to pile snow on the Premises as part of its winter snow maintenance.

4.5 Compliance with Laws

The Tenant will do, observe and perform all of its obligations and all matters and things necessary or expedient to be done, observed or performed by the Tenant by virtue of any law, statute, by-law, ordinance, regulation or lawful requirements of any Governmental Authority or any public utility lawfully acting under statutory authority.

4.6 Rules and Regulations

The Tenant will observe and perform, and will cause its employees, agents, invitees and others over whom the Tenant can reasonably be expected to exercise control to observe and perform, all such reasonable rules and regulations as may be made from time to time by the Landlord of which written notice has been given to the Tenant. In the event of any conflict between a provision of this Lease and any of such rules and regulations, the provision of this Lease will govern.

4.7 Vacate on Termination

At the termination of this Lease, whether by the passage of time or otherwise, the Tenant will vacate and deliver up possession of the Premises a tidy broom-swept condition with all the Tenant's chattels removed. The Tenant shall also be permitted to remove its racking upon termination of the Lease.

**ARTICLE 5
HAZARDOUS SUBSTANCES**

5.1 Hazardous Substances

The Tenant will obtain all Environmental Approvals required by all Environmental Laws and will conduct its business and operations in and around the Premises in compliance with all Environmental Laws and, without limiting the generality of the foregoing, the Tenant will not, except in compliance with all Environmental Laws: (a) bring or permit to be brought into the Premises any Hazardous Substances; (b) prepare, produce, use, generate, manufacture, refine, treat, transport, store, maintain, handle, dispose of, transfer, process, release or permit any other dealing with any Hazardous Substances at the Premises; or (c) release or permit the release of any Hazardous Substances into any soil, water courses, culverts, drains or sewers. At its own cost, risk and expense, the Tenant will comply with all Environmental Laws from time to time in force regulating any dealing with Hazardous Substances by the Tenant.

5.2 Notice of Hazardous Substances

The Tenant will advise the Landlord forthwith after becoming aware of any release of any Hazardous Substances on the Premises or any other part of the Premises or any adjacent property that would or might contaminate the Premises.

5.3 Restoration After Contamination

If the presence of any Hazardous Substance or any other substance on the Premises, caused by the Tenant, results in any contamination of the Premises, the Tenant will promptly take all actions at its sole risk and expense as are necessary to remove or otherwise render such contamination in compliance with all Environmental Laws. The Tenant shall take all actions at its sole risk and expense as are necessary to remove such contamination until such time as invasive testing shows that none of the Tenant's contamination remains.

5.4 Tenant's Environmental Indemnity

The Tenant hereby indemnifies and saves harmless the Landlord and its shareholders, directors, officers, employees, agents and representatives from any and all Damages suffered by, imposed upon or asserted against it or any of them arising from or in connection with any contamination of the Premises caused by the Tenant or any person for whom the Tenant is in law responsible.

5.5 Landlord's Environmental Indemnity

The Landlord hereby indemnifies and saves harmless the Tenant and its shareholders, directors, officers, employees, agents and representatives from any and all Damages suffered by, imposed upon or asserted against it or any of them arising from or in connection with any contamination of the Premises caused by the Landlord or any person for whom the Landlord is in law responsible.

**ARTICLE 6
TENANT'S REPAIRS AND ALTERATIONS**

6.1 Repair

The Tenant will, at its own expense, repair and maintain the Premises and all equipment, machinery, fixtures and improvements (including all electrical, plumbing and sprinkler equipment and other heating, ventilating and air-conditioning equipment) in good repair, given the age of the building, except:

- (a) reasonable wear and tear;
- (b) repairs for which the Landlord is responsible under this Lease, and
- (c) damage by fire, lightning, tempest, flood, explosion, collision through the air, and other perils for which the Landlord is obligated to insure, and acts of God.

At the end or sooner termination of the Term or any extension thereof the Tenant will deliver to the Landlord the Premises repaired and maintained in the condition required by this Section 6.1, and this obligation will survive the expiration or earlier termination of the Term or any extension thereof. Upon notice in writing of any defect or want of repair being given by the Landlord to the Tenant, the Tenant will cause the same to be repaired, as required by this Section 6.1, within thirty (30) days from the date of the giving of such notice by the Landlord (the "**Tenant Repair Period**"). If the Tenant does not make such repairs within the Tenant Repair Period, then the Landlord may, but is not obligated to, repair and maintain the same, and the Landlord may charge to the Tenant as Additional Rent all reasonable costs and expenses incurred by the Landlord in respect of such repairs and maintenance as aforesaid.

6.2 Entry by Landlord

Upon reasonable prior written notice (except in any emergency when no notice is required), the Landlord and its duly authorized agents or nominees may, with or without workers and others, enter upon the Premises for the purpose of examining the state of repair, condition and use thereof, and in every case the Tenant will cooperate with and assist the Landlord in such entry and examination. In exercising the foregoing rights the Landlord will make reasonable efforts to minimize any disruption of the Tenant's business.

6.3 Business and Trade Fixtures

The Tenant may install its usual business and trade fixtures, provided that the Tenant obtained the Landlord's prior written consent thereto for any major installations or installations that may affect Building systems or structures, which consent will not be unreasonably withheld, delayed or conditioned.

All business and trade fixtures owned or installed by the Tenant in or on the Premises will remain the property of the Tenant and may be removed by the Tenant at the expiration of the Term or any extension thereof or at the sooner termination thereof, provided that the Tenant at its expense will repair any damage to the Premises caused by such removal and, if the Tenant does not remove any of the foregoing items, they will become and remain the property of the Landlord, without compensation to the Tenant.

6.4 Alterations and Additions

The Tenant will not make any change to the Premises without having first obtained the prior written consent of the Landlord to the proposed change, such consent not to be unreasonably withheld, delayed or conditioned. All work will be done in a good and workmanlike manner. Any and all installations, alterations, additions, partitions, improvements or fixtures, other than the Tenant's business and trade fixtures in or upon the Premises, whether placed there by the Tenant or the Landlord will, immediately upon such placement, become and remain the property of the Landlord without compensation to the Tenant, unless mutually agreed by the parties. Notwithstanding anything contained in this Lease, the Landlord will not be obligated to repair, maintain, replace or insure such installations, alterations, additions, partitions and fixtures or anything in the nature of a leasehold improvement made or installed by or on behalf of the Tenant.

6.5 Liens

If any claim of lien is filed against the Premises by any person claiming against the Tenant, the Tenant will take all necessary steps to have the claim of lien cancelled and discharged from title to the Premises within thirty (30) Business Days of the date the Tenant has knowledge of such filing.

6.6 Additional Tenant Responsibilities

Throughout the Term and any extension thereof, the Tenant will, at its sole cost, perform and be responsible for the following items of work:

- (a) cleaning and janitorial services, snow removal, garbage removal, security, supervisory and maintenance services;
- (b) all repairs and replacements to the Premises, other than replacements for which the Landlord is responsible under this Lease; and
- (c) landscaping and maintaining any landscaped or gravelled areas on the Premises,

provided, however, that if the Landlord and Tenant mutually agree, some or all of such items of work shall no longer be the Tenant's responsibility and shall be the Landlord's responsibility, following which any costs incurred by the Landlord in connection therewith shall form part of Operating Costs payable by the Tenant to the Landlord.

ARTICLE 7 INSURANCE/INDEMNIFICATION

7.1 Tenant's Insurance

- (a) The Tenant will, at its sole cost, during the period of this lease take out and maintain in full force and effect, the following coverage in policy forms reasonable acceptable to the Landlord with reputable insurers licenced to provide such coverage:
 - (i) "all risk" property insurance including earthquake, flood and sewer backup perils, on a replacement cost basis for all insurable property owned by or otherwise the responsibility of the Tenant including, without limitation, all merchandise, stock-in-trade, furniture, fixtures, equipment, leasehold improvements and betterments and other property of every kind and description located at the Premises, owned by the Tenant or for which the Tenant is responsible or legally liable, in an amount at least equal to the full insurable value thereof, calculated on a full replacement cost basis. In the event that Tenant makes alterations in accordance with Section 6.4 herein, this policy should include coverage for the installation and/or construction. Otherwise a separate installation floater must be purchased;
 - (ii) commercial bodily injury and property damage liability insurance (or its equivalent), including environmental liability, applying to the operations of the Tenant carried on, in and from the Premises and which will include, without limitation, personal injury liability, product liability, contractual liability, non-owned automobile liability, protective liability and Tenant's legal liability with respect to the occupancy by the Tenant of the Premises; and such insurance will be written for an amount of not less than \$5,000,000.00 per occurrence; and
 - (iii) any other policies of insurance that may be required by law or any policies of insurance that would normally be carried by a prudent business owner in a similar industry as the Tenant.
- (b) All policies of insurance referred to in this Section 7.1 will include the following provisions:
 - (i) all policies of liability insurance will name the Landlord and any persons or corporations designated by the Landlord and having an interest in the Premises as additional insureds (with respect to the operations of the Tenant);
 - (ii) insurance covering any and all property damage shall waive rights of subrogation against the Landlord; and
 - (iii) all policies will contain an undertaking by the insurers to endeavour to notify the Landlord in writing, not less than thirty (30) Business Days prior to any cancellation or other termination of any policy.
- (c) The Tenant will deliver to the Landlord certificates evidencing insurance upon request.

- (d) Deductibles in the insurance policies shall be reasonably acceptable to Landlord.
- (e) Tenant shall immediately advise Landlord in the event of a loss that may give rise to an insurance claim.
- (f) Stipulation of types or amounts of insurance do not in any way limit or restrict the Tenant's obligations under this Lease.

7.2 Landlord's Insurance

Except as may be otherwise provided in this Lease, the Landlord will take out and maintain in force such insurance as the Landlord as a prudent owner deems appropriate including, without limitation:

- (a) broad form property insurance in respect of the Building (other than the machinery, equipment, furniture, trade fixtures and property of tenants therein) covering fire and extended perils, including earthquake and flood, in an amount at least equal to the full insurable value thereof, calculated on a full replacement cost basis;
- (b) "comprehensive form" boiler and machinery insurance (or its equivalent) upon any boilers, pressure vessels or mechanical equipment located at the Premises in such amount as the Landlord may reasonably require from time to time;
- (c) commercial bodily injury and property damage liability insurance (or its equivalent); and
- (d) loss of rental income insurance, or loss of insurable gross profits commonly insured against by prudent landlords, including loss of all rentals receivable from tenants in the Premises in accordance with the provisions of their leases, including basic and additional rentals.

Notwithstanding any contribution by the Tenant to any insurance costs as provided for herein, no insurable interest will be conferred upon the Tenant under policies carried by the Landlord.

7.3 Indemnify Landlord.

The Tenant will indemnify and save the Landlord harmless from and against any actions or causes of action, damages, costs, loss, legal fees or expenses of whatever kind which the Landlord may sustain, incur or be put to by reason of or arising out of:

- (a) a breach of the terms of this Lease by the Tenant or any persons for whom the Tenant is, at law, responsible including without limitation contractors, agents, employees, invitees and customers;
- (b) the use or occupation of the Premises in whole or in part by the Tenant or any persons for whom the Tenant is, at law, responsible,

and such liability to indemnify and save harmless will survive any termination of this lease or any extension thereof, and the expiry of the term or any extension thereof, notwithstanding anything in

this lease to the contrary.

The Tenant will indemnify and save the Landlord harmless such that the Landlord shall not, in any event whatsoever, be liable or responsible in any way for any personal injury or death that may be suffered or sustained by the Tenant or any employee or invitee of the Tenant or any other person who may be on the Land or for any loss of or damage to any personal property belonging to the Tenant or its employees or invitees while such property is on the Land to the extent such personal injury, death, loss of or damage to personal property is caused by an act or omission of the Tenant or any person for whom the Tenant is, at law, responsible.

ARTICLE 8 DISPOSITIONS

8.1 Assignment and Subletting

- (a) The Tenant will not assign this Lease, nor sublet the Premises or any part thereof, nor part with or share possession of all or any part of the Premises, without the prior written consent of the Landlord, such consent not to be unreasonably withheld, delayed or conditioned.
- (b) If the Tenant wishes to assign, sublet or part with or share possession of all or any part of the Premises, in whole or in part, then the Tenant will give prior written notice to the Landlord, specifying the proposed assignee, transferee, subtenant or occupier and provide to the Landlord such information on the nature of the business of the proposed assignee, transferee, subtenant or occupier and its financial responsibility and standing as the Landlord may reasonably require and will deliver to the Landlord a copy of the assignment, transfer or sublease intended to be executed by the Tenant and the assignee, transferee or subtenant. Within ten (10) days after receipt of such notice, the Landlord must notify the Tenant in writing whether it consents or does not consent to the assignment, transfer, subletting or parting with or sharing possession as the case may be, and the reason for not consenting, if applicable.
- (c) The Tenant will, at the request of the Landlord, require any assignee of the interest of the Tenant under this Lease or any subtenant of the Tenant, at the time of such assignment or sublease, to enter into a written agreement with the Landlord in which the assignee or subtenant covenants and agrees with the Landlord to observe and perform all of the covenants, agreements, provisos, terms and conditions of this Lease.
- (d) The Tenant will pay or reimburse to the Landlord upon demand all reasonable solicitors' fees and all other costs, charges, and expenses reasonably incurred by the Landlord in connection with the Tenant's request for consent to any assignment, subletting or parting with or sharing of possession.
- (e) No assignment, transfer, subletting or parting with or sharing possession will in any manner release the Tenant from its obligations for the payment of the Rent and the observance and performance of the covenants, terms and conditions of this Lease.
- (f) Notwithstanding the foregoing, provided that the Tenant gives prior written notice of the same to the Landlord and the assignee or subtenant first executes and delivers

to the Landlord a written agreement as contemplated in Section 8.1(c), the Tenant will be entitled, without the consent of the Landlord, to:

- (i) sublet the Premises or any part thereof or part with or share possession of all or any part of the Premises to an affiliate of the Tenant (as such term is defined in the *Business Corporations Act* (British Columbia)) and the Tenant will remain liable for its obligations for the payment of the Rent and the observance and performance of the covenants, terms and conditions of this Lease; or
- (ii) assign or transfer this Lease to:
 - A. an affiliate of the Tenant (as such term is defined in the *Business Corporations Act* (*British Columbia*); or
 - B. a bona fide purchaser of all or substantially all of the assets of the Tenant,

and in each case the Tenant will remain liable for its obligations for the payment of the Rent and the observance and performance of the covenants, terms and conditions of this Lease, except that, in the event of an assignment or transfer to a bona fide purchaser as contemplated in Section 8.1(f)(ii)B., the Tenant will be released from its obligations for the payment of the Rent and the observance and performance of the covenants, terms and conditions of this Lease if the Landlord, acting reasonably, is satisfied with the financial strength of such bona fide purchaser.

8.2 Subordination

This Lease is and will be subject, subordinate and postponed to all existing and future mortgages, including any debentures and any deeds of trust and mortgages securing bonds and all indentures supplemental thereto (collectively called the "**Mortgages**") which may now or hereafter charge the Premises or any part thereof and to all extensions, modifications, consolidations, replacements and extensions of the Mortgages, provided that the holder of the applicable Mortgage shall enter into an agreement with the Tenant (in form satisfactory to the Tenant, acting reasonably) permitting the Tenant to continue in quiet enjoyment and possession of the Premises in accordance with the terms of this Lease, notwithstanding any default by the Landlord under such Mortgage, whereupon the Tenant agrees to execute promptly any document in confirmation of such subordination, postponement and priority which the Landlord may reasonably request.

8.3 Estoppel Certificate

Within 10 Business Days after written request therefor by the Landlord, or if upon any sale, assignment, lease, or mortgage of the Premises by the Landlord an estoppel certificate is required from the Tenant, the Tenant will deliver, in a form supplied by the Landlord, an estoppel certificate to any proposed Mortgagee, assignee, lessee, or purchaser, or to the Landlord, stating, if such is the case:

- (a) that this Lease is unmodified and in full force and effect, or if there have been modifications, that this Lease is in full force and effect as modified and identifying the modification agreements, or if this Lease is not in full force and effect, the certificate will so state;

- (b) the start of the Term;
- (c) the date monthly Base Rent was first paid and the date to which monthly Base Rent has been paid under this Lease;
- (d) whether or not there is any existing default by the Tenant in the payment of any Base Rent and whether or not there is any other existing or alleged default by either Party under this Lease, and if there is any such default, specifying the nature and extent thereof; and
- (e) whether there are any set-offs, defences, or counter-claims against enforcement of the obligations to be performed by the Tenant under this Lease.

8.4 Exhibit Premises

The Landlord may, on reasonable notice to the Tenant and during normal business hours, enter and exhibit the Premises to prospective tenants or subtenants during the three (3) month period prior to the expiry of the Term or any extension thereof, and to prospective purchasers at any time during the Term or any extension thereof. The Landlord will make reasonable efforts to minimize any disruption of the Tenant's business caused thereby.

ARTICLE 9 LANDLORD'S COVENANTS

9.1 Quiet Enjoyment

If the Tenant pays the Rent and performs the covenants contained in this Lease, the Tenant will be entitled to quiet enjoyment of the Premises.

9.2 Repair

Subject to Section 11.1, the Landlord will:

- (a) maintain, repair (reasonable wear and tear excepted) and replace the structural elements and components of the Building, the Roof, the foundations and drainage systems of the Building, bearing structures, sub-floors, supports and outer walls of the Building;
- (b) attend to the replacement of, when necessary, and all major repairs to all boilers, engines, pipes, heating, ventilating and air-conditioning equipment, and wiring, plumbing, and sprinkler systems in the Building,

all in such a manner as would a prudent landlord of reasonably similar premises and as required by all applicable Laws, and the costs incurred by the Landlord in respect of the items set out above will not form part of Operating Costs. Upon notice in writing of any defect or want of repair being given by the Tenant to the Landlord, the Landlord will cause the same to be repaired, as required by this Section 9.2, within sixty (60) days from the date of the giving of such notice by the Tenant (the "Landlord Repair Period"). If the Landlord does not make such repairs within the Landlord Repair Period, then the Tenant may, but is not obligated to, repair and maintain the same, and the Landlord will repay to the Tenant, on demand, all reasonable costs and expenses incurred by the Tenant in respect of such repairs and maintenance as aforesaid. Provided however, that the Tenant may

deduct all such reasonable costs and expenses from payments of Rent. Notwithstanding the foregoing, the Tenant shall be permitted to make emergency repairs and notify the Landlord of such repairs as soon as practicable.

9.3 Landlord's Work

Prior to October 1, 2019, the Landlord, at its sole cost and expense, shall perform the work set out in Schedule "B" attached hereto. The Landlord will complete the Landlord Improvements in a good and workmanlike manner and in accordance with all relevant laws, regulations, by-laws, and codes.

ARTICLE 10 DEFAULT

10.1 Re-entry on Default

If at any time during the Term or any extension thereof:

- (a) any payments of the Rent, or any part thereof, are not paid within fifteen (15) days after they are due;
- (b) the Tenant breaches or fails to observe or perform any covenant, agreement, stipulation, proviso, condition, rule or regulation contained in this Lease and the breach, non-observance or non-performance continues for fifteen (15) days after written notice thereof to the Tenant (or such longer period as may be reasonably necessary in the circumstances in order to rectify such breach or failure);
- (c) the Term or any extension thereof or any of the goods and chattels of the Tenant is seized or taken in attachment by any creditor of the Tenant; or
- (d) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute at the time in force for bankrupt or insolvent debtors;

then:

- (i) the Landlord, in addition to any other remedy available to it, may re-enter and take possession immediately of the Premises or any part thereof in the name of the whole by force if necessary, without any previous notice of intention to re-enter and may remove all persons and property from the Premises and may use such force and assistance in removing such persons and property as the Landlord may deem advisable to recover at once full and exclusive possession of the Premises and such re-entry will not operate as a waiver or satisfaction in whole or in part of any right, claim or demand arising out of or connected with any breach, non-observance or non-performance of any covenant or agreement by the Tenant of any provision contained in this Lease; and
- (ii) in the event of a default under Section 10.1(a) or Section 10.1(d), the next three months' Basic Rent and Additional Rent (to be determined at rates estimated by the Landlord acting reasonably) and any additional amounts owing under the Lease will immediately become due and payable and will be recoverable by the Landlord as if it were Rent in arrears, but the Tenant will remain liable under this Lease.

10.2 Waiver with Respect to Re-entry

The Tenant hereby waives any present or future requirement that notice of the Landlord's intention to re-enter be served or that the Landlord commence legal proceedings in order to re-enter.

10.3 Sale and Reletting

Upon the Landlord becoming entitled to re-enter the Premises under any of the provisions of this Lease, the Landlord, in addition to all other rights and remedies, may enter the Premises as the agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor and relet the Premises as the agent of the Tenant, and receive all rent therefore. The Landlord may also, as agent of the Tenant, take possession of any business and trade fixtures and any goods, chattels, and property of the Tenant whatsoever on the Premises, sell them at public or private sale without notice and apply the proceeds of such sale and any rent derived from reletting the Premises, after deducting its costs of conducting such sale and its costs of reletting, in payment of the Rent due under this Lease, and the Tenant will be liable to the Landlord for any deficiency. The Tenant further agrees that the Landlord may seize the goods, chattels, and property of the Tenant at any place to which the Tenant or any other person may have removed them and may sell such goods and chattels in the same manner as if the goods, chattels, and property remained upon the Premises.

10.4 Termination

Upon the Landlord becoming entitled to re-enter upon the Premises under any of the provisions of this Lease, the Landlord, in addition to all other rights and remedies, may immediately terminate this Lease by giving notice in writing addressed to the Tenant of its intention so to do. Upon such termination Rent will be computed, apportioned and paid in full to the date of such termination, the Tenant will pay any other amounts for which it is liable pursuant to Section 10.7, the Tenant will forthwith deliver up possession of the Premises to the Landlord and the Landlord may re-enter and take possession of the Premises.

Despite a termination of the Lease and a re-taking of possession of the Premises, the Landlord hereby reserves the right to sue the Tenant for damages suffered by the Landlord including, but not limited to, the loss of income of the Landlord expected to be derived hereunder for Rent related to the remainder of the Term.

10.5 Distress

Whensoever the Landlord is entitled to levy distress against the goods and chattels of the Tenant it may use such force as it deems necessary for that purpose and for gaining admission to the Premises without being liable for any action in respect thereof or for any loss or damage occasioned thereby and the Tenant hereby expressly releases the Landlord from all actions, proceedings, claims or demands whatsoever for or on account of or in respect of any such forcible entry or any loss or damage sustained by the Tenant in connection therewith.

The Tenant hereby waives and renounces the benefit of any present or future statute taking away or limiting Landlord's rights of distress, and covenants and agrees with the Landlord that, notwithstanding any such statute, none of the goods and chattels of Tenant on the Premises at any time during the Term, or any extension thereof, shall be exempt from the levy by distress for rent in arrears.

10.6 Payments by Landlord Regarded as Rent

If the Tenant fails to observe or perform any of the covenants or obligations of the Tenant under or in respect of this Lease, the Landlord may at its discretion perform any of such covenants or obligations or any part thereof and for such purpose may do such things as may be necessary and may enter upon the Premises to do such things and all costs and expenses incurred and expenditures made by or on behalf of the Landlord will be paid by the Tenant to the Landlord on demand. If the Tenant fails to pay, the Landlord may add such charges to the Rent, payment of which is to be made by the Tenant on presentation of an invoice therefore.

10.7 Remedies Cumulative

No remedy conferred upon or reserved to the Landlord under this Lease, by statute or otherwise, will be considered exclusive of any other remedy, but the same will be cumulative and in addition to every other remedy available to the Landlord and all such remedies and powers of the Landlord may be exercised concurrently and from time to time and as often as the Landlord deems expedient.

10.8 No Waiver

The failure of the Landlord to exercise any right or option in connection with any breach or violation of any term, covenant or condition herein contained will not be deemed to be a waiver or relinquishment of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

10.9 Interest

Interest on any money due to the Landlord under this Lease will be paid by the Tenant and will accrue at the rate of 12.0% per annum, such rate of interest to be calculated and compounded monthly, not in advance, from the respective date upon which any such money becomes due to the Landlord.

**ARTICLE 11
DAMAGE AND DESTRUCTION/EXPROPRIATION**

11.1 Damage and Destruction

If all or any part of the Premises is damaged by fire or other casualty and all or a portion of the Premises is rendered unusable by the Tenant, then Rent will abate, in the proportion that that part of the Premises which is rendered unusable bears to the whole of the Premises, and the damage to the Premises will be repaired, with due diligence, by the Landlord at its expense except that repairs to installations, alterations, additions, partitions, improvements and fixtures made by or on behalf of the Tenant will be performed by the Tenant, at the Tenant's cost.

If the Premises is destroyed or damaged by fire or other casualty to such an extent that the Premises are rendered unfit for use by the Tenant or it is impossible or unsafe to use them and the same shall not be capable with due diligence of being repaired, restored or rebuilt within a period of one hundred and eighty (180) days after the happening of such destruction or damage (employing normal construction methods without overtime or other premium) then either the Landlord or Tenant may terminate this Lease upon sixty (60) days written notice one to the other, given within thirty (30) days of the date of such destruction or damage; and the Tenant shall thereupon immediately surrender the Premises to the Landlord and Rent shall be apportioned to the date of such damage or destruction.

11.2 Expropriation

If the whole of the Premises is acquired or condemned by an authority having the power for such acquisition or condemnation then the Term and any extension thereof will cease from the date of entry by such authority. Nothing in this Lease will prevent the Landlord or the Tenant or both from recovering damages from such authority for the value of their respective interests or for such other damages and expenses allowed by law.

ARTICLE 12 MISCELLANEOUS

It is hereby agreed by the Landlord and the Tenant as follows:

12.1 No Warranties

No representations, warranties, agreements or conditions (including zoning bylaws, the applicability of the *Agricultural Land Commission Act*, or any permitted uses regarding the Premises whatsoever) have been made to or for the Tenant other than those expressed herein, and no agreement collateral to this Lease will be binding upon the Landlord unless it is made in writing and duly executed on behalf of the Landlord. The Tenant hereby acknowledges and agrees that the Landlord has made no representations and given no warranties with regard to the condition of the Premises.

12.2 Notices

Any notice, demand, request, consent, invoice, objection or other instrument which may be or is required to be given under this Lease will be in writing and delivered personally or sent by registered mail, postage prepaid, and will be addressed, if to the Landlord, to the address set out in Section 1.1 and, if to the Tenant, to the Premises or, at the Landlord's option, to the address set out in Section 1.1 (if different) or to the Tenant's registered office in British Columbia or in any other jurisdiction. In the event of a postal disruption, any notice will only be delivered personally.

Any such notice will be conclusively deemed to have been given or made on the day on which such notice is delivered or, if sent by registered mail, then five (5) Business Days following the date of mailing. Notice may not be given by electronic mail (email) unless otherwise agreed to in writing between the parties hereto.

If at any time there is more than one Tenant or more than one person comprising the Tenant hereunder, any notice given to any one of them will be deemed to have been given to all of them.

Either party may from time to time give written notice to the other (in the manner provided in this Section 12.2) of any change of address of the party giving such notice and, from and after the giving of such notice, the address therein specified will be deemed to be the address of such party for the purpose of giving notice hereunder.

12.3 Overholding

If the Tenant holds over after the expiration of the Term, or any extension thereof, and the Landlord accepts Rent or any portion thereof, the new tenancy thereby created will be deemed a monthly tenancy and not a yearly tenancy and will be subject to the covenants and conditions contained in this Lease insofar as they are applicable to a monthly tenancy, except that the monthly instalments of Basic Rent will be 150% of the monthly instalments of Basic Rent payable for the last month of

the Term or any extension thereof and, in addition, the Tenant will be liable for all costs, expenses, losses and damages resulting or arising from the failure of the Tenant to deliver up possession of the Premises to the Landlord.

12.4 Inability to Perform

Whenever and to the extent that Landlord is unable to fulfil, or is delayed or restricted in the fulfilment of any obligation under this Lease by reason of being unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfil any such obligation or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board, or any governmental department or officer or other authority, or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its control whether of the foregoing character or not, the Landlord may extend the time for fulfilment of such obligation by a time equal to the duration of such delay or restriction, and the Tenant will not be entitled to compensation for any inconvenience, nuisance or discomfort or damage thereby occasioned, and will not be entitled to terminate this Lease.

12.5 Joint and Several Liability

If the Tenant is more than one person, all covenants, liabilities and obligations of the Tenant set out in this Lease are joint and several.

12.6 Continuation of Obligations

This Lease and the obligations of the Tenant under it will continue in full force and effect notwithstanding any change in the person or persons comprising the Landlord.

12.7 Assignment by Landlord

If there is a sale, lease or other disposition by the Landlord of the Premises or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that the purchaser or assignee assumes all the covenants and obligations of the Landlord hereunder, the Landlord will, thereupon and without further agreement, be relieved of all further liability with respect to its covenants and obligations.

12.8 Registration of Lease

If required by the Tenant, the Landlord will execute and deliver this Lease or a short form of lease in form registrable under the *Land Title Act* (British Columbia). All costs and expenses in connection with such registration and any plans required for registration will be paid by the Tenant.

**ARTICLE 13
INTERPRETATION**

13.1 Interpretation

The parties agree that:

- (a) This Lease will be construed in accordance with, and governed by, the laws of British Columbia and each of the parties hereto agrees irrevocably to conform to the jurisdiction of the Courts of British Columbia.
- (b) All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate provision hereof.
- (c) If any provision or provisions of this Lease is found to be illegal or not enforceable it or they will be considered separate and severable from this Lease and its remaining provisions will remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.
- (d) Time is of the essence of this Lease.
- (e) Nothing contained in this Lease will constitute or be construed to be or create a partnership or joint venture between the Landlord and its respective successors and assigns, on the one part, and the Tenant or its permitted sublessee and their respective successors or assigns on the other part.
- (f) The headings of the Articles and Sections in this Lease are inserted for convenience only and in no way define, limit, construe or describe the scope or intent of such Articles or Sections nor in any way affect this Lease.
- (g) This Lease will extend to, be binding upon and enure to the benefit of the Landlord and the Tenant and their respective heirs, executors, administrators, successors and permitted assigns.
- (h) This Lease sets out the entire agreement between the parties with respect to the subject matter of this Lease and will not be modified, amended or waived except by an instrument in writing duly executed and delivered by the parties or by their successors and permitted assigns.
- (i) This Lease may be executed by the respective parties in counterparts, whether original, copy, faxed, or electronic copy and all such executed documents, provided same are otherwise identical, shall be deemed originals of this Agreement and together shall constitute one Agreement.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF the parties hereto have duly executed and delivered this Lease as of the day and year first above written.

1203730 B.C. LTD.,
by its authorized signatory:



Signature

Lawrence Ramsay
Print Name

NOBLE BC, A DIVISION OF EMCO CORPORATION

by its authorized signatories:



Signature

MARK WHITELY
Print Name



Signature

Diana Ferrera
Print Name

SCHEDULE A – Definitions

- (a) **“Additional Rent”** means all sums, other than Basic Rent, payable by the Tenant to the Landlord under this Lease, whether or not designated as Additional Rent;
- (b) **“Basic Rent”** means the annual basic rent set out in Section 1.1;
- (c) **“Building”** means all buildings and improvements erected or to be erected on the Land;
- (d) **“Business Day”** means a day which is not a Saturday, Sunday, or statutory holiday in the Province of British Columbia or Canada.
- (e) **“Commencement Date”** means the first day of the Rental Period set out in Section 1.1 or as otherwise agreed upon by the Landlord and Tenant;
- (f) **“Damages”** means any and all liabilities, actions, damages, claims, remediation cost recovery claims, losses, costs, orders, fines, penalties, and expenses whatsoever (including without limitation any and all environmental or statutory liability for remediation, the full amount of all legal fees and expenses on a solicitor-client basis, the full amount of all consultants' fees and expenses and the costs of removal, treatment, storage, and disposal of Hazardous Substances and remediation of the Premises and any adjacent property);
- (g) **“Environmental Approvals”** means all applicable permits, licenses, authorizations, consents, directions, and approvals required by Governmental Authority pursuant to Environmental Laws in respect of the Premises and the equipment, structures, and activities located or carried on therein or thereon by the Tenant;
- (h) **“Environmental Laws”** means all applicable federal, provincial, municipal and local laws, statutes, ordinances, by-laws, and regulations and all orders, directives and decisions rendered by, and policies, guidelines and similar guidance of, any Governmental Authority, (in each case having the force of law), including any obligations or requirements arising under common law, relating to the protection of the environment, human health and safety or the manufacture, processing, distribution, use, treatment, storage, presence, disposal, packaging, labelling, recycling, transport, handling, containment, clean-up or other remediation of or corrective action in respect of any Hazardous Substance;
- (i) **“GST”** means all sales, goods and services, value-added or other taxes, including harmonized sales tax, when applicable, assessed or imposed on the Tenant or the Landlord, whether or not in existence on the Commencement Date, in respect of the Rent payable to the Landlord by the Tenant under this Lease, the rental of the Premises by the Landlord to the Tenant or the provision of any goods, services or utilities whatsoever by the Landlord to the Tenant under this Lease;
- (j) **“Governmental Authority”** means any government, regulatory authority, government department, agency, commission, board, tribunal or court having jurisdiction on behalf of any nation, province or territory or other subdivision thereof or any municipality, regional district or other subdivision thereof;
- (k) **“Hazardous Substance”** means any contaminant, pollutant, dangerous or potentially dangerous or noxious or toxic substance, hazardous waste, flammable or explosive or radioactive material, urea formaldehyde, asbestos, PCBs and substances or any other

materials declared or defined to be hazardous, toxic, radioactive, poisonous, contaminants or pollutants, or which at any time during the Term or any extension thereof, if known to the general public could reasonably be expected to adversely impact upon the fair market value of the Premises, or are regulated as a threat or are capable of posing a threat to public health or the environment under or pursuant to, any applicable laws, regulations, requirements or guidelines in British Columbia, including any applicable laws, regulations, requirements or guidelines of the Government of Canada, the Government of British Columbia, any municipal or regional authority, or of any other lawful Governmental Authority having jurisdiction;

- (l) "**Land**" means the lands legally described in Section 1.1;
- (m) "**Laws**" means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws; (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Authority; and (iii) to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority;
- (n) "**Lease Year**" means, in the case of the first Lease Year, the period beginning on the Commencement Date and ending 12 months from the last day of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year will terminate on the day prior to the first anniversary of the Commencement Date) and, in the case of each subsequent Lease Year, will mean each 12 month period after the first Lease Year;
- (o) "**Mortgages**" has the meaning set out in Section 8.2;
- (p) "**Operating Costs**" means all costs and expenses incurred by the Landlord (and for certainty, excluding any costs and expenses paid directly by the Tenant) in the operation, maintenance, repair and replacement of the Premises in each Lease Year, including, without limitation, the cost of all insurance maintained by the Landlord pursuant to this Lease;

Notwithstanding the foregoing, the following costs will be excluded from Operating Costs:

- (i) payments of principal and interest under any mortgages on the Premises and any costs associated with any further mortgages or refinancing of the Premises;
- (ii) corporate, income, profits or excess profit taxes assessed on the income of the Landlord and any other taxes assessed or levied on the Landlord, including any corporation capital tax payable by the Landlord;
- (iii) real estate commissions in connection with the sale of the Premises or parts thereof and leasing commissions with respect to leases of any part of the Premises;
- (iv) costs associated with structural repairs and replacements, being repairs and replacements in respect of the Roof, the foundations and drainage systems of the Building, bearing structures, sub-floors, supports and outer walls of the Building;
- (v) costs which are considered to be capital expenses in accordance with generally accepted accounting principles;
- (vi) depreciation, amortization or interest;

- (vii) any management and/or administration fee; and
- (viii) any deductible payable pursuant to any Landlord insurance policy,

and the following recoveries will be deducted from Operating Costs:

- (ix) any loss or damage to all or any part of the Premises or personal injury for which the Landlord is insured under the terms of this Lease, to the extent of the insurance proceeds actually received; and
 - (x) costs which are recovered by the Landlord by claiming under any existing warranties in favour of the Landlord.
- (q) "**Permitted Uses**" means the use(s) set out in Section 1.1 as permitted under the existing zoning regulations and *Agricultural Land Commission Act* which the Tenant has investigated and found compatible with its use;
 - (r) "**Premises**" means the Land and the Building;
 - (s) "**Rent**" means, collectively, Basic Rent and Additional Rent;
 - (t) "**Roof**" means the roof of the Building including the roof membrane, insulation and deck and all structural components of the roof;
 - (u) "**Taxes**" means the total of all taxes, local improvements or similar rates, duties, assessments and/or charges, municipal realty taxes, water taxes, school taxes, or any other taxes, rates, duties, assessments both general or special or any rate, duty, assessment, charge or tax levied, charged or assessed in lieu thereof now or at any time hereafter levied or imposed upon or in respect of the Premises or any part thereof, by any Governmental Authority whether federal, provincial, municipal or otherwise, together with all costs and expenses (including legal and other professional fees and interest and penalties on deferred payments) incurred by the Landlord in good faith contesting or appealing any such taxes, levies, rates, assessments or charges levied in lieu thereof, but excluding Tenant's Taxes;
 - (v) "**Tenant's Business and Trade Fixtures**" means those fixtures on or attached to the real estate which is used to conduct the daily operations of the Tenant's business as defined under "Permitted Use" above.
 - (w) "**Tenant's Taxes**" means all taxes, license and permit fees, rates, duties and assessments imposed or levied by any lawful authority covering any period during the Term and any extension thereof and relating to or in respect of the business of the Tenant or relating to or in respect of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned or installed by the Tenant at the expense of the Tenant or being the property of the Tenant, or relating to or in respect of improvements to the Premises built, made or installed by the Tenant, on behalf of the Tenant or at the Tenant's request whether any such taxes are payable by law by the Tenant or by the Landlord and whether such taxes are included by the taxing authority in the taxes, licenses, rates, duties and assessments imposed or levied on or with respect to the Premises and GST; and

- (x) **"Term"** means the Rental Period of this Lease set out in Section 1.1, commencing on the Commencement Date.

SCHEDULE "B"

LANDLORD'S WORK

Landlord's Work shall consist of the following:

1. Ensuring that the Leased Premises are in a clean, tidy and tenantable condition, that all entrance, overhead and shipping doors and all lighting, exit and emergency lighting and systems, mechanical, electrical, plumbing, sprinkler and HVAC systems are in good repair and working order, and that the foregoing comply with all applicable federal, provincial and municipal laws, by-laws, ordinances, codes, regulations and requirements. The Landlord will effect any necessary repairs and replacements thereto and will obtain all required inspections, certificates, approvals, permits and registrations.
2. Re-siding the entire Building.
3. Installing LED lighting (or other comparable energy efficient lighting) in the warehouse portion of the Building.
4. Completely renovating the front office and show room.
5. Installing ten (10) new windows in front of the office and show room.
6. Repairing the fence and gate to a functional condition.
7. Installing concrete blocks at the back of building to prevent trucks from hitting the fence and the Building.
8. Repairs to the roof to address all leaks.
9. Remove part of the counter from the east side of the office.
10. Create a doorway from the east side of the office to the warehouse.
11. Clear warehouse floor of all current equipment.
12. Clean and insulate warehouse walls and ceilings *and/or patch, tape and paint as needed.*
13. Pump out all floor drains

The Landlord shall seek the input of the Tenant prior to undertaking the Landlord's Work.

The Landlord shall ensure that all plans, standards, specifications and drawings comply with all building codes and restrictions, laws, by-laws, statutes, ordinances, regulations, orders and good building practices.