a. Exclusive Rights (Section 3, Schedule "F")
The principal business of an optical store or optometrist, subject to the terms of this Lease.

b. Radius Clause (Section 4, Schedule "F")

c. Prohibited Use Restrictions (Schedule "G")

ARTICLE 1 - COVENANTS

1.01 Covenants of Landlord

The Landlord covenants with the Tenant that, subject to any provisions of the Lease to the contrary, the Tenant may peaceably possess and enjoy the Premises during the Term without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming by, from or under it, and the Landlord shall perform and observe all the covenants, obligations and agreements in this Lease required to be performed and observed by it. The Landlord further covenants to operate the Development, during the Term, as a first class shopping centre having regard to its size, age, type and location. The Development shall at all times be under the exclusive control and management of the Landlord.

1.02 Covenants of Tenant

The Tenant covenants to pay Rent and to perform and observe all the covenants, obligations and agreements in this Lease required to be performed and observed by it.

ARTICLE 2 - CONSTRUCTION, USE AND SURRENDER

2.01 Landlord's Work

(a) The Landlord shall carry out the Landlord's Work as set out in Schedule "C", which is the only work to be carried out by the Landlord unless other work is specifically described herein. All other work required in order to complete the Premises shall be the responsibility of the Tenant. Any delays in the completion of the Landlord's Work by reason of delays in the performance of or a lack of information relating to the Tenant's Work shall not operate to postpone the commencement of the Fixturing Period, or if applicable, the Term Commencement Date, nor delay the payment of Rent due under this Lease.

(b) The Tenant further agrees that if there is a delay, whether or not it constitutes an Unavoidable Circumstance, in the commencement or completion by the Landlord of the Landlord's Work, as set out in Schedule "C", the deferment of the obligation of the Tenant to pay Rent for a period equal to the period of such delay shall be accepted by the Tenant as full compensation for any loss, costs, claims or damages of any nature and kind whatsoever that the Tenant may incur or suffer as a result of such delay. In order for the Landlord or the Tenant to claim that a delay has occurred for the purposes of this Section or Section 2.02, notice of such claim must be given to the other of them.

(c) In the event that any work specification desired by the Tenant cannot be provided or cannot be provided without undue delay, the Landlord may so notify the Tenant who will either provide an alternative work specification or will notify the Landlord that the Tenant wishes to await the availability of the original work specification, but if the Tenant wishes to await the availability of the original work specification, the Term Commencement Date will be deemed to have occurred on the day when the work would have been completed if the Tenant had chosen the alternative work specification.

2.02 Pre-Term Occupancy - Tenant's Work

(a) The Tenant has no right to occupy the Premises prior to the Possession Date, except as may be expressly set out herein. Unless otherwise expressly provided in this Lease, all of the Tenant's covenants, obligations and agreements under this Lease shall apply during any period of occupancy by the Tenant prior to the Term Commencement Date. If completion of the

Landlord's Work or the Tenant's Work shall be prevented by Unavoidable Circumstance which has continued for 120 days, the Landlord may terminate this Lease on written notice to the Tenant.

(b) Save for the Landlord's Work, the Tenant shall, at its expense, complete the Premises in accordance with the standards of a first-class commercial building and in accordance with Schedule "C" using new materials only.

(c) All Tenant signage including graphics and installation will be at the Tenant's sole cost, and must comply with both the Landlord's design criteria and all legal and municipal requirements, and must receive prior written approval of the Landlord prior to installation of such signage. Only those signs which are compatible with the Development and are tasteful in size, colour and logo will be approved. Subject to the foregoing, the Tenant will be entitled to place its sign within the permitted storefront area of the Premises.

On a temporary basis, to be determined by the Landlord in its sole discretion and based on availability of space on Landlord's Pylon Sign and having regard to the other tenants in the Development, the Tenant shall be permitted signage on the Landlord's Pylon Sign. The Landlord may remove the Tenant's Pylon Signage on not less than thirty (30) days prior written notice.

(d) All Leasehold Improvements shall become the property of the Landlord on being installed or affixed and shall not be encumbered at the time of being so installed or affixed.

(e) All Tenant's work shall be carried out by the Tenant, at the Tenant's expense, in accordance with the Landlord's General Provisions, as reasonably amended and supplemented from time to time, which are initially included in Schedule "C" hereof.

(f) Prior to carrying out any part of the Tenant's Work, the Tenant must submit, for approval by the Landlord, detailed Drawings and Specifications with respect to all such Tenant's Work, prepared and submitted in accordance with the Landlord's General Provisions and following such approval by the Landlord, such Tenant's Work shall be carried out as expeditiously as possible and in accordance with such Drawings and Specifications, except in accordance with amendments thereto that have been approved by the Landlord. The Tenant shall pay the reasonable charges of the Landlord and the Landlord's consultants for the review of the Tenant's Drawings and Specifications, as aforesaid.

2.03 Commencement and Conduct of Business

(a) The Tenant shall commence business in the Premises on or before the Term Commencement Date and shall thereafter continuously, actively and diligently operate and maintain the Premises fully fixtured, stocked and staffed on the Term Commencement Date and shall carry on the use specified in paragraph BLT (D) in the whole of the Premises in compliance with all the provisions of this Lease in a proper and efficient manner in keeping with the highest standards of the shopping centre industry and will not carry on in any part of the Premises any activity which will cause a contravention of the uses set forth in the Prohibited Use Restrictions set out as Schedule "G" or a contravention of the Supermarket Provisions set out in Schedule "H" to this Lease. The Tenant shall carry on business in the Premises only under the Tenant's trade or business name set out in paragraph BLT (D). The Tenant shall not allow or cause to be displayed or offered for sale at the Premises any merchandise or service, other than as specified in paragraph BLT (D), and in no event shall there be conducted or carried on in the Premises:

(1) any sale of second-hand goods, insurance salvage stock, bankruptcy sale stock, fire sale stock or merchandise damaged by fire or purported to be damaged by fire (except a fire sale of goods from the Premises actually damaged in a fire occurring in the Development and then only for a period of 30 days following the date of occurrence of such fire);

(2) any auction sale, pawn business or mail order or catalogue business;

(3) the operation of any games of chance or the sale of any form of lottery ticket or lottery participation;

(4) any business or operation which, in the Landlord's reasonable opinion, is inconsistent with the operation of a first class commercial shopping centre; or

(5) any liquidation, going out of business, distress or bankruptcy sale or a bulk sale other than pursuant to an occupancy transaction permitted under Section 10.04.

(b) Except when prohibited by law, the Tenant shall be open for business throughout the Retail Hours. For each and every day during any part of the Term on which the Tenant is not open for business in full compliance with this Section 2.03(b), the Tenant shall pay on demand, in addition to all other Rent, an amount equal to 1/365th of the then current Minimum Rent. Such amount is a liquidated sum representing the minimum amount of damages which the Landlord shall be reasonably estimated to have suffered for loss of percentage rentals payable by the Tenant, if any, and by other tenants in the Development to which the Landlord might otherwise have become entitled, if any, and loss of the effect of advertising and promoting the Development by the Landlord and are without prejudice to the Landlord's right to claim and prove greater damages or to avail itself of any other remedies for breach under this Lease.

(c) If the Tenant:

(1) does not commence business in the Premises within 10 days after the date on which it is required to do so under Subsection 2.03(a),

(2) after the date on which the Tenant is required to commence business in the Premises under Subsection 2.03(a), shall not have been open for business as required under Subsections 2.03(a) and 2.03(b) on any ten (10) Business Days in any Lease Year or on any five (5) consecutive Business Days, or

(3) abandons the Premises,

then, in addition to any other remedies for breach under this Lease, the Landlord may terminate this Lease.

(d) Except when prohibited by law, the Tenant may, on obtaining the consent of the Landlord, which may be arbitrarily withheld, be open for business during such additional hours as the Tenant determines although this shall not imply any obligation of the Landlord to maintain the Common Facilities or permit customer access thereto at any time other than during the Retail Hours and the Tenant shall pay for all additional costs and expenses incurred by the Landlord as a result of the Tenant's operation outside the Retail Hours.

(e) The Tenant shall observe any reasonable rules and regulations not inconsistent with this Lease made by the Landlord from time to time pertaining to the operation, reputation, safety, care or cleanliness of the Development and the Premises, the operation and maintenance of buildings and equipment, the use of Common Facilities, business hours, lighting, display of signs visible outside any premises, pest extermination and any other matters affecting the operation of the Development and conduct of business in the Premises and which may differentiate between different types of business. The Tenant shall maintain the Premises in a clean and sanitary manner and shall store all trash and refuse only within the Premises (in refrigerated storage in the case of perishable goods) and shall arrange for the removal of such trash and refuse at regular times all at the Tenant's expense. In the event the Landlord requires the Tenant to dispose of its refuse in the garbage room servicing building D-G, the Tenant shall do so and shall pay to the Landlord its share of waste disposal costs incurred by the Landlord as determined by the Landlord, acting reasonably. The Landlord may from time to time change such rules and regulations and shall not be responsible to the Tenant for the non-observance or violation of any provision of such rules and regulations, or of any other lease or other agreement of part of the Development by any other tenant or any person, and the Landlord is not obligated to enforce any such provisions. Any reference in the Lease to rules and regulations made by the Landlord refers to those from time to time in effect. The Landlord's initial Rules and Regulations are attached as Schedule "E".

2.04 No Exclusive

Unless otherwise provided for in this Lease, nothing shall prohibit or limit or be deemed to prohibit or limit the conduct by the Landlord or any person other than the Tenant of any business in the Development whether or not in competition with the business of the Tenant.

2.05 Common Facilities

Subject to the terms of this Lease, the Tenant shall have a non-exclusive right to use, in common with all other persons entitled thereto, the part of the Common Facilities appropriate, intended or designated from time to time by the Landlord for such use. The said Common Facilities are to be used and occupied under a revocable license and if the amount of the Common Facilities be diminished, the Landlord shall not be subject to any liability and the Tenant shall not be entitled to any compensation as a result thereof. Subject to the terms of this Lease, the Tenant shall have a non-exclusive right to access during the Retail Hours, in common with all other persons entitled thereto, to and from the Premises over the lands of the Development from time to time appropriate for access to and from a highway, street or lane (and in the case of the Tenant's customers, only for the purpose of enabling such customers to shop in the Premises); provided that the location of such access may be changed from time to time by the Landlord so long as there will be reasonable access to and from the Premises at all times during the Retail Hours. The rights granted under this Section 2.05 are subject to the following:

(a) Such rights shall not extend to parts of the Common Facilities from time to time allocated by the Landlord for other use, whether temporary or permanent, including kiosks, outdoor selling areas, displays, entertainment and special features, or to parts inappropriate for actual use such as roofs, service rooms and structures.

(b) The Common Facilities shall at all times be under the exclusive control and management of the Landlord and the Landlord may close and lock the enclosed Common Facilities at any time other than during the Retail Hours.

(c) The Landlord may alter, diminish, expand, rearrange or relocate the Common Facilities or any parts thereof and to eliminate any area or facility or structure within the Development, except as specifically provided in this Lease and the Landlord shall have the absolute right to expand, reduce, alter or deal with the Development in any manner whatsoever; provided the Landlord shall use reasonable efforts to ensure that disruptions to the conduct of the Tenant's business from the Premises are kept to a minimum, and further provided the Landlord shall have the right at any time and from time to time in its discretion to construct the buildings in the Development in phases, at such time or times as the Landlord may determine and nothing in this Lease shall affect the absolute right of the Landlord to construct the buildings in the Development in such phases, provided such construction in phases does not permanently adversely affect the Tenant's business. During or in connection with any of the Landlord's activities under this provision or the making of alterations, reconstructions or repairs to any portion of the Development, the Landlord may erect temporary scaffolds and other construction aids in the Common Facilities, and may on a temporary basis only interfere (to the extent necessary and reasonable) with the use of and access over all or any portion of the Common Facilities. The Tenant further acknowledges and agrees that as a result of the aforesaid work by the Landlord, the Tenant's access to, quiet enjoyment, use and possession of the Premises may be interrupted or interfered with from time to time, and the Tenant shall have no right of off-set, deduction, discount, entitlement to damages or compensation from the Landlord.

(d) The Tenant shall not at any time park or allow vehicles making or receiving deliveries to or from the Premises to be parked in parking areas not specifically allocated by the Landlord for the purpose of parking such vehicles.

(e) The Tenant shall not keep or display any merchandise on or otherwise interfere with the Common Facilities and shall not sell, advertise or conduct business anywhere in the Development other than within the Premises.

(f) The Landlord may, from time to time, prohibit the Tenant and its employees, suppliers and customers from parking anywhere in the Development. If the Landlord designates tenant parking areas in the Development or elsewhere, the Tenant and its employees shall park their vehicles only in such parking areas. The Tenant shall furnish the Landlord, on request, with the current license numbers of all vehicles owned or used by the Tenant and its employees and the Tenant shall, thereafter, notify the Landlord of any changes within five days after any such change

occurs. If the Tenant or its employees park their vehicles in any such prohibited parking areas, the Landlord, in addition to all rights and remedies hereunder, shall have the right to charge the Tenant a per diem fee per vehicle parked in any area other than a designated area. Such fee is payable as Additional Rent on demand.

(g) Notwithstanding anything to the contrary contained in this Lease, the Tenant acknowledges, confirms and agrees that the Development may be constructed in phases. Accordingly, the whole of the Common Facilities may not be fully completed at the commencement of the Tenant's Fixturing Period or for a period of time thereafter. Notwithstanding the state of construction of the Common Facilities, the Tenant's Fixturing Period shall commence on the date specified in the Landlord's notice, and the Tenant's obligation to pay Rent shall commence on the Term Commencement Date, it being understood and agreed that the incomplete construction of the Common Facilities shall not be deemed to be the basis of a claim by the Tenant against the Landlord for any compensation whatsoever so long as reasonable access and parking is available for the Tenant's customers.

2.06 Surrender of Premises

(a) On the expiration or sooner termination of this Lease, the Tenant shall deliver vacant possession of the Premises to the Landlord in accordance with the following:

(1) the Tenant shall not remove any Leasehold Improvements from the Premises;

(2) the Tenant may, if it is not in default under this Lease, remove its trade fixtures, furnishings, equipment, interior and exterior signage, and inventory. For greater certainty, the Tenant's trade fixtures shall not include any (i) heating, ventilating or air-conditioning systems, facilities and equipment serving the Premises; (ii) floor coverings; (iii) light fixtures; (iv) suspended ceiling and ceiling tiles; (v) wall and window coverings; and (vi) all partitions within the Premises, all of which, if erected or installed by the Tenant, are deemed to be Tenant's Leasehold Improvements. Notwithstanding anything in this Lease the Landlord shall be under no obligation to repair or maintain the Tenant's Leasehold Improvements;

(3) notwithstanding subparagraphs 2.06(a)(1) and (a)(2) above, the Tenant shall remove such Leasehold Improvements, trade fixtures, furnishings, equipment, interior and exterior signage, and inventory as the Landlord shall require to be removed; and

(4) all trade fixtures, furnishings, equipment and inventory not removed by the Tenant shall become the property of the Landlord.

(b) The Tenant shall, in the case of every installation or removal, make good any damage caused to the Premises and/or the Development.

(c) On the expiration or sooner termination of this Lease, the Tenant shall deliver all keys for the Premises and the Development to the Landlord at the place then fixed for the payment of Minimum Rent and provide to the Landlord the combinations of any locks, safes and vaults in the Premises.

2.07 Overholding by Tenant

If the Tenant remains in possession of the Premises after the expiration or sooner termination of this Lease then, in the absence of any written agreement otherwise providing, it shall be a tenant from month-to-month, at a monthly minimum rent equal to 140% of the monthly instalment of Minimum Rent and Percentage Rent (if any) payable in the preceding Lease Year and otherwise on the terms and conditions of this Lease, *mutatis mutandis*, except as to duration and rights of renewal. This provision does not authorize the Tenant to overhold.

ARTICLE 3 - RENT

3.01 Minimum Rent

Commencing on the Term Commencement Date and thereafter during the Term the Tenant shall pay to the Landlord an annual rent calculated at the rate specified in paragraph BLT (E) subject

to readjustment in accordance with the provisions of Section 7.08. Minimum Rent shall be payable by equal monthly instalments in advance on the first day of each month during the Term, provided that if the Term Commencement Date is not the first day of a month, then the instalment of Minimum Rent payable on the Term Commencement Date for the broken portion of the month at the beginning of the Term shall be calculated on a pro rata basis.

Throughout the Term and any renewal or extension thereof, in the event the Minimum Rent required to be paid by the Tenant to the Landlord is changed to a higher or lower amount and if such change of the amount of Minimum Rent is to be effective on a day which is not the first day of a calendar month, the effective date of such change of the amount of Minimum Rent shall be the first day of the calendar month next following.

3.02 Additional Rent

The Tenant shall pay Additional Rent, including but not limited to Realty Taxes, Operating Costs and Percentage Rent, to the Landlord in the same manner as Minimum Rent and in accordance with all applicable provisions of this Lease. If the whole of any Fiscal Period is not included in the Term, any amount of Additional Rent payable for such Fiscal Period shall be apportioned on a per diem basis.

3.03 Prepaid Rent

The Tenant shall pay to the Landlord, on demand, the amount specified in paragraph BLT (G) to be applied towards payment of the Minimum Rent, Additional Rent and GST accruing due for the first and last months of the Term under this Lease, provided that if the Tenant shall be in default of any such covenant, obligation or agreement, the Landlord may, without notice to the Tenant, appropriate and apply such portion of the prepaid rent for the last month of the Term as the Landlord, in its sole discretion, considers necessary to compensate it for Rent outstanding or loss or damage suffered by the Landlord arising out of or in connection with such default. On demand of the Landlord following any such appropriation, the Tenant shall pay to the Landlord an amount sufficient to restore the original amount of the prepaid rent for the last month of the Term. In the event of a sale, transfer or assignment of this Lease by the Landlord, the Landlord may transfer such prepaid rent or so much thereof as shall then remain, to the purchaser, transferee or assignee and thereon the Landlord shall be released and discharged from any further liability in connection with such prepaid rent.

3.04 Security Deposit

Intentionally deleted.

3.05 Interest on Arrears

In every case where the Tenant shall fail to pay any Rent when due or shall pay any amount which is thereafter determined, estimated or found to be less than the amount properly due, the Tenant shall pay on demand interest at an annual rate of 5% in excess of the Stipulated Rate of Interest on the unpaid amount or deficiency from the date due until paid. Whenever such interest is to be calculated over a period in excess of one month, it shall be compounded monthly.

3.06 Set-off and Abatement

All Rent payable by the Tenant to the Landlord shall be paid without any deduction, set-off or abatement, unless expressly provided otherwise in this Lease. Notwithstanding anything to the contrary (including any designations or instructions by the Tenant), whenever the Tenant is in default under this Lease, the Landlord may apply all sums received from or due to the Tenant against amounts due and payable under the Lease in such manner as the Landlord determines.

3.07 Special Events or Promotions

Intentionally Deleted

3.08 Place and Manner of Payment of Rent

All Rent shall be paid by the Tenant to the Landlord at the office of the Landlord as specified in paragraph BLT (J) or at such other place in Canada as the Landlord may designate in writing from time to time, without any prior demand therefor unless otherwise expressly provided in this Lease and shall be payable in lawful money of Canada at par. Within 15 days after the date on which the Landlord has from time to time given notice to the Tenant of any Rent payable by equal monthly instalments under this Lease, the Tenant shall provide to the Landlord one or

more series, as required by the Landlord, of monthly post-dated cheques for such Rent and such period as is specified in such notice.

3.09 Percentage Rent

The Tenant shall pay to the Landlord in each Lease Year further rent equal to the amount, if any, by which the percentage specified in paragraph BLT (F) of Gross Revenue in such Lease Year shall exceed Minimum Rent for such Lease Year (after deducting the portion of Minimum Rent payable by the Tenant attributable to any days during which the Tenant shall have not remained open for business during the Retail Hours). Percentage Rent shall be payable by monthly instalments, in arrears, within 10 days after the last day of each month in each Lease Year (including the broken portion of a month at the commencement of the Term if the Term commences other than on the first day of a month), the amount of each instalment being calculated on a cumulative basis in each Lease Year by computing the aggregate Gross Revenue for such Lease Year up to and including the month preceding the month in which such instalment is due, applying thereto the percentage referred to in paragraph BLT (F) for such Lease Year and deducting therefrom the aggregate of instalments payable on account of Minimum Rent for such Lease Year (after deducting the portion or portions thereof referred to above) up to and including the instalment payable for the preceding month, and the aggregate of previous instalments of Percentage Rent paid for such Lease Year, all based on the monthly statements of Gross Revenue referred to in Section 3.10 below, and subject to subsequent adjustment under Section 7.08 hereof.

3.10 Reporting of Gross Revenue and Percentage Rent Adjustment

(a) Within 10 days after the last day of each month of every Lease Year (including the broken portion of a month at the commencement of the Term if the Term Commencement Date is not the first day of a month), the Tenant shall deliver to the Landlord a statement in writing certified by the Tenant (but which need not be audited) accurately setting forth Gross Revenue for such month. Within 60 days after the last day of each Lease Year, the Tenant shall deliver to the Landlord a statement in writing, certified by the Tenant and audited by an independent licensed public accountant acceptable to the Landlord, setting forth accurately and with reasonable detail and particulars Gross Revenue for each month (including the broken portion referred to above) in such Lease Year and the Percentage Rent payable for such Lease Year. Such statement shall include a certification by such auditor that Gross Revenue has been calculated in accordance with the definition thereof set out above.

(b) If the aggregate of the monthly instalments of Percentage Rent paid for any Lease Year under paragraph 3.10(a) immediately above shall be less than Percentage Rent shown to be payable by the audited statement for such Lease Year, the Tenant shall contemporaneously with the delivery of such statement, pay to the Landlord the amount of the deficiency. If such aggregate shall exceed Percentage Rent shown to be payable by the audited statement for such Lease Year, the Landlord shall, within 60 days after the delivery of such statement, provide to the Tenant a credit note in the amount of the excess.

(c) If the Landlord or any Mortgagee or proposed Mortgagee requests, the Tenant shall provide to the Landlord or such Mortgagee within three Business Days after such request a report certified by a knowledgeable principal of the Tenant to be correct confirming the amount of the Gross Revenue for any day or days within the immediately preceding 90 days. Such report shall be received by the Landlord or the said Mortgagee or proposed Mortgagee on a strictly confidential basis.

(d) If the Landlord requests, the Tenant shall provide to the Landlord within three Business Days after such request such records including sales of goods, merchandise or services according to categories or types, as the Landlord may reasonably require to be shown. Such records shall not be used for the purpose of calculating Gross Revenue but may be used only for the purpose of assisting the Landlord in managing and promoting the Development.

3.11 Records and Audits

(a) The Tenant shall keep, at the Premises or at the address specified in paragraph BLT (K), for the current Lease Year and the preceding three Lease Years, records from which Gross Revenue may be readily and accurately determined and verified. Such records shall be full, true

and accurate and kept in accordance with all requirements of this Article 3 and otherwise in accordance with general accepted accounting practice and shall show inventories and receipts of merchandise at the Premises and Competing Premises and daily receipts of all sales, charges, services and other transactions in or from the Premises and the Competing Premises made by the Tenant and any other person conducting business in or from the Premises or the Competing Premises as well as sales tax returns, pertinent original sales records and any other records that the Landlord reasonably requires and that would normally be examined by an accountant under accepted auditing standards in performing a detailed audit of Gross Revenue. The Tenant shall adopt proper and adequate procedures at all times in the recording of Gross Revenue and shall record at the time of sale or other transaction, in the presence of the customer, all receipts from sales, charges, services or other transactions whether for cash, credit or other consideration, in a cash register or registers having a sealed cumulative total and any other control features reasonably required by the Landlord. The Tenant shall also cause the records and procedures described above to be kept and observed by all persons conducting business on or from the Premises or the Competing Premises. The Landlord shall have access to the locations specified in this subparagraph 3.11(a) during Retail Hours for the purpose of examining and reviewing all the accounting records and procedures adopted by the Tenant for the recording and control of all transactions affecting the determination of Gross Revenue and shall have the right to place an authorized representative on the Premises during Retail Hours to check and tabulate Gross Revenue. The Tenant shall provide such statements, information and other supporting data respecting Gross Revenue as the Landlord may reasonably require. The Tenant covenants to comply with all reasonable directions, rules and regulations issued to it by the Landlord from time to time respecting the accounting records and procedures to be adopted for the proper and accurate recording and control of all transactions affecting the determination of Gross Revenue.

(b) In addition to the Landlord's other rights under this Lease or at law, the Landlord may at any time and from time to time have all or any of the accounting records and procedures of the Tenant affecting the determination of Gross Revenue specially audited or examined by a qualified accountant designated by the Landlord and who may be required by the Landlord to report to the Landlord his opinion as to any matters arising under this Section 3.11, including but not limited to whether the Tenant has complied with subparagraph 3.11(a) immediately above and all directions, rules and regulations of the Landlord thereunder, whether the Tenant has accurately reported Gross Revenue in compliance with subparagraph 3.11(a) above and the amount of Gross Revenue and Percentage Rent payable for any period. If such accountant shall report to the Landlord that, as at the date of his audit or examination, in his opinion and based on generally accepted accounting practices and procedures:

(1) the Tenant was not complying with Subsection 3.11(a) or 3.11(b), the Landlord may deliver a copy of such accountant's report to the Tenant and the Tenant shall forthwith take such steps as may be recommended, necessary or advisable to remedy the default;

(2) the Tenant's accounting records and procedures were sufficient to permit a determination of Gross Revenue for any period and shall therein set out his determination of Gross Revenue for such period and the amount of any overpayment or underpayment of Percentage Rent, the Landlord shall deliver a copy of such accountant's report to the Tenant. If such report sets out an overpayment, the Landlord shall deliver to the Tenant concurrently with the report a credit note for such overpayment. If such report sets out an underpayment, the Tenant shall forthwith pay to the Landlord the amount of such underpayment; or

(3) the Tenant's accounting records and procedures were not sufficient to permit a determination of Gross Revenue for any period, the Landlord may thereafter deliver to the Tenant an estimate made by the Landlord of Gross Revenue for such period and the amount of any underpayment of Percentage Rent (which estimate shall be based on any information available to the Landlord which the Landlord considers reliable, the apparent business conducted on or from the Premises and the Competing Premises and such records of the Tenant as have been made available having regard to the possibility of errors or inaccuracies therein) and the Tenant shall immediately pay to the Landlord any amount therein set out as an underpayment of Percentage Rent. Every such estimate shall be binding on the Tenant until and except to the extent that the Tenant proves it inaccurate and shall not be contestable by the Tenant after one year next following delivery of same to the Tenant.

(c) All costs of any special audit or examination or report under Subsection 3.11(b) shall be payable by the Tenant to the Landlord on demand if such accountant shall report that, in his opinion:

(1) the Tenant's accounting records and procedures were inadequate, or

(2) the Tenant was not complying with Subsections 3.11(a) or 3.11(b), or

(3) Gross Revenue or Percentage Rent for any period as determined by such accountant is greater by 3% or more than that reported by the Tenant, or

(4) the Tenant has made any other default under Section 3.10 or 3.11, or

(5) the Landlord is entitled under paragraph (3) of Subsection 3.11(b) to make an estimate of the Percentage Rent payable by the Tenant.

If Gross Revenue or Percentage Rent as determined under paragraph (2) of Subsection 3.11(b) or as estimated under paragraph (3) of Subsection 3.11(b) is greater or less by 5% or more than that reported or paid by the Tenant, then the Landlord may, at its sole option, terminate this Lease.

(d) The acceptance by the Landlord of any statement of Gross Revenue delivered by the Tenant under Section 3.10 or any payment of Percentage Rent based thereon or on any accountant's determination or Landlord's estimate shall not be deemed to relieve the Tenant from its obligation to comply with Sections 3.09, 3.10 or 3.11 or from the consequences of any default thereof or be a waiver by the Landlord of any of the obligations of the Tenant thereunder or any of the rights of the Landlord under this Lease and the Landlord shall be entitled to all its remedies under this Lease, including but not limited to its right to terminate this Lease under Subsection 3.11(c). The Landlord shall also have the right to terminate this Lease if there shall be any substantial or continuing breach of such obligations by the Tenant or if there shall have been any refusal or omission by the Tenant to report or to maintain or produce adequate records affecting the determination of Gross Revenue or to maintain adequate accounting procedures.

(e) If for any two consecutive Lease Years after the first Lease Year, no Percentage Rent shall have been payable under this Lease, then on at least 60 days written notice given to the Tenant at any time before Percentage Rent shall have subsequently become payable under this Lease, the Landlord may terminate this Lease. For the purposes of this Subsection 3.11(e), Percentage Rent shall be deemed not to have been payable for a Lease Year if the annual statement to be delivered by the Tenant under Section 3.10 discloses that no Percentage Rent is payable based on Gross Revenue for the full Lease Year, notwithstanding that Percentage Rent may have been payable for one or more months of the Lease Year. The Landlord's right to terminate this Lease under this Subsection 3.11(e) shall not be considered to have been waived by the Landlord's acceptance of Rent or enforcement or performance of this Lease after such right of termination arises.

ARTICLE 4 - TAXES

4.01 Realty Taxes Payable by the Landlord

The Landlord shall pay or cause to be paid to any taxing authority having jurisdiction all Realty Taxes for the Development, subject to its right of reimbursement under Section 4.03 and 4.05. The Landlord shall have no obligation to contest, object or litigate the levying or imposition of any Realty Taxes and the Landlord may settle, compromise, consent to, waive or otherwise determine in its discretion any Realty Taxes without notice to, or the consent or approval of the Tenant.

4.02 Business Taxes Payable by the Tenant

The Tenant shall pay when due to the municipality or taxing authorities having jurisdiction all Business Taxes imposed in respect of any business of the Tenant in, or use, enjoyment or occupancy by the Tenant of, the Development or any portion thereof. If the Landlord requests, the Tenant shall provide to the Landlord proof satisfactory to the Landlord of payment of all Business Taxes payable by the Tenant and such other information in connection therewith as the Landlord may reasonably require. The obligation of the Tenant for amounts previously

designated as "Business Taxes" is, as of the date of this Lease, included in its obligation for Realty Taxes.

4.03 Realty Taxes Payable by the Tenant

(a) The Tenant shall pay to the Landlord in each Fiscal Period, its share of Realty Taxes. The Tenant's share of Realty Taxes shall, at the Landlord's option, be determined in accordance with either Section 4.03(b) or Section 4.03(c) below.

(b) At the Landlord's option, but without duplication of any Realty Taxes payable by the Tenant under Subsection 4.03(c), the Tenant's share of Realty Taxes for each Fiscal Period shall be equal to its Proportionate Share of all Realty Taxes for the Development calculated as the ratio that the Rentable Area of the Premises bears to the Rentable Area of all leasable premises in the Development for which Realty Taxes are attributed on a proportionate share basis.

(c) At the Landlord's option, without duplication of any Realty Taxes payable by the Tenant under Subsection 4.03(b), if the process of assessment for real property taxation purposes of the Development has permitted or should, in the future, permit any leasable premises therein, including the Premises, to be separately assessed (such separate assessment shall be deemed to include the valuation of the Premises as determined, from time to time, by the assessing authority for realty taxation purposes of the Development, as evidenced by such documentation including, without limitation, the assessing authority's valuation and/or working papers that may be made available to the Landlord, from time to time), and if such separate assessment together with all other separate assessments of premises in the Development aggregate the total assessment for Realty Taxes for the Development, then the Tenant's share of Realty Taxes shall be calculated by multiplying the Realty Taxes of the Development by a fraction, the numerator of which is the separate assessment of the Premises and the denominator of which is the total assessment of the Development. If such separate assessment, valuation or information is not available from the relevant assessment authority, the Landlord shall have the right to determine and allocate the Realty Taxes for any leaseable premises in the Development, including the Premises, in a manner which is equitable and consistent with the primary method of assessment or valuation which the assessing authority is required to employ to arrive at a separate assessment or valuation in accordance with the governing legislation. If the Landlord does not determine and allocate the Realty Taxes for the Premises, as aforesaid, the Tenant's share of Realty Taxes for the Development shall be as calculated in accordance with Section 4.03(b) above.

(d) Without duplication of any other Realty Taxes payable by the Tenant, the Tenant shall, in each Fiscal Period, pay to the Landlord its Proportionate Share of all Realty Taxes for the Common Facilities.

(e) Notwithstanding any other provision of this Lease, the parties agree that any lower tax rate, rebate or reduction in Realty Taxes attributable to vacant premises in the Development will only benefit the Landlord. For greater certainty, the Tenant acknowledges that the Landlord, in its sole discretion, may override the provisions of Section 4.03 in order to ensure that the Landlord secures the benefit of any lower tax rate, rebate or reduction in Realty Taxes attributable to vacant premises in the Development.

(f) For purposes of Section 4.03(b) and (c), Realty Taxes for the Development shall be the total amount of Realty Taxes assessed, levied or imposed against the Development by the taxing authority and deducting therefrom:

(1) Realty Taxes for the Common Facilities, if separately assessed, levied or imposed [the Tenant's contribution to which is payable under Subsection 4.03(d)], and

(2) the amount by which any Realty Taxes for the Development payable in respect of the support of separate schools exceeds, as a result of the election of any tenant of the Development, the amount which would have been payable for the support of public schools.

In addition, for the purposes of Section 4.03(b), the Realty Taxes payable by tenants under Section 4.03(c) based on separate assessment or valuation shall also be deducted from Realty Taxes.

(g) If, as a result of the election of the Tenant, the Premises or any part thereof shall be assessed for the support of separate schools, the Tenant shall pay to the Landlord in each Fiscal Period on demand the additional amount of Realty Taxes for the Development attributable to its election to support separate schools.

4.04 Determination of Realty Taxes

For the purposes of determining any Realty Taxes under Section 4.03 (including but not limited to Realty Taxes for the Common Facilities), any apportionment of assessments which shall not have been made by any municipality or taxing/assessing authority having jurisdiction may be made by the Landlord acting reasonably.

4.05 Payment of Realty Taxes

(a) Prior to the commencement of each Fiscal Period or as soon as practicable thereafter, the Landlord shall give to the Tenant a written estimate of the monthly instalments of Realty Taxes payable by the Tenant under Section 4.03 for such Fiscal Period. The Tenant shall pay to the Landlord such estimated monthly instalments on the first day of each month (and in the case of the first month of Term, on the Term Commencement Date) throughout such Fiscal Period, on account of its obligations under Section 4.03, provided that the Landlord may from time to time re-estimate such monthly instalments and the Tenant shall thereafter pay to the Landlord such re-estimated monthly instalments on the first day of each remaining month in such Fiscal Period. Realty Taxes payable by the Tenant under Section 4.03 for any Fiscal Period will be in respect of the calendar year or other taxation period which commences in such Fiscal Period.

(b) Within a reasonable period of time after the end of each Fiscal Period which such estimated payments have been made, the Landlord shall deliver to the Tenant a statement of actual Realty Taxes incurred and a calculation of the Tenant's share calculated in accordance with Section 4.03 above. If the Tenant has paid in excess of the Tenant's share, the excess shall be credited by the Landlord against rent then or in the future owing by the Tenant under this Lease. If the amount the Tenant has paid is less than the Tenant's share, the Tenant agrees to pay the difference together with the next monthly payment of Minimum Rent.

(c) The Landlord may postpone payment of any Realty Taxes for the Development payable by it under Section 4.01 to the extent permitted by law.

4.06 Other Taxes

The Tenant shall pay to the Landlord GST on the Rent. The Landlord's GST Registration No. is 864010210 RT0001. The amount of GST from time to time shall be calculated by the Landlord in accordance with the legislation then applicable and shall be paid at the same time as the amounts to which GST apply are payable to the Landlord under this Lease. The Tenant shall not be liable for GST paid or payable by the Landlord on the purchase of goods and services included in Operating Costs which may be available to and claimed by the Landlord as a credit in determining the Landlord's net tax liability or refund on account of the GST, but only to the extent that such GST is included in Operating Costs. The GST shall be deemed not to be Additional Rent, but the Landlord shall have all of the same rights and remedies on non-payment of GST as it has for Rent in arrears under the Lease. The Landlord and the Tenant each covenant to register under the GST legislation for the purposes of this Section and to maintain such registration in effect at all times. The Landlord shall, on the request and at the cost of the Tenant, prepare and execute any forms necessary to establish the amount that the Tenant has paid to the Landlord under this Article.

ARTICLE 5 - OPERATING COSTS

5.01 Tenant's Contributions to Operating Costs

Commencing on the Term Commencement Date the Tenant shall pay to the Landlord in each Fiscal Period its Proportionate Share of Operating Costs. In addition, the Tenant shall pay to the Landlord on demand the amount of any increase in Operating Costs, which the Landlord reasonably determines is attributable to the operation of the Tenant's business.

5.02 Tenant's Payment of Operating Costs

(a) Prior to the commencement of each Fiscal Period, or as soon as practicable thereafter, the Landlord shall give to the Tenant a written estimate of the monthly instalments of Operating Costs payable by the Tenant for such Fiscal Period. The Tenant shall pay to the Landlord such estimated monthly instalments, together with the Minimum Rent, on the first day of each month (and in the case of the first month of the Term, on the Term Commencement Date) throughout such Fiscal Period, on account of its obligations under Subsection 5.01, provided that the Landlord may from time to time re-estimate such monthly instalments and the Tenant shall thereafter pay to the Landlord such re-estimated monthly instalments on the first day of each remaining month in such Fiscal Period.

(b) Within one hundred and twenty (120) days following the end of each Fiscal Period, for which such estimated payments have been made, the Landlord shall deliver to the Tenant a statement, certified by a senior officer of the Landlord, of the actual Operating Costs for such Fiscal Period and a statement, similarly certified, outlining the amount payable by the Tenant under Section 5.01, showing in reasonable detail the information relevant and necessary to the calculation thereof. If the Tenant has paid in excess of the amount owing for such Fiscal Period, the excess shall be credited by the Landlord against Rent then or in the future owing by the Tenant under this Lease. If the amount the Tenant has paid is less than the amount owing for such Fiscal Period, the Tenant agrees to pay such difference with the next monthly payment of Minimum Rent.

ARTICLE 6 - HEATING, VENTILATION, AIR-CONDITIONING AND UTILITIES

6.01 Tenant's Covenants Respecting HVAC

(a) The Tenant acknowledges that the Premises are serviced by separate HVAC Facilities exclusively servicing the Premises. The Tenant will accept the Premises subject to the capacity of the HVAC Facilities to be installed, as per the Landlord's specifications set out in Schedule C. In addition to its obligations under Section 7.01, the Tenant shall regulate and operate all HVAC Facilities servicing the Premises, at its sole cost, so as to maintain reasonable conditions of temperature and humidity within the Premises and otherwise to the satisfaction and in accordance with the directions of the Landlord;

(b) Except as set out below, throughout the Term the Tenant shall be responsible for the repairing, servicing, maintaining and, if necessary, replacing the HVAC Facilities serving the Premises, to the intent that on the termination of this Lease, the HVAC Facilities shall be in good working order, having regard to the age of the HVAC Facilities; provided however, that if the Tenant, on written request from the Landlord, does not provide satisfactory evidence that the Tenant has entered into an existing service contract with a reputable company, the Landlord shall have the right, on giving notice, to take responsibility for such repairing, servicing and maintaining of the HVAC Facilities, in which event the cost thereof, which shall be competitively priced and shall be paid by the Tenant from time to time on demand. The Landlord may enter the Premises at any time, on giving notice except in the case of an emergency, in order to inspect the HVAC Facilities or for repairing, servicing and maintaining of the HVAC Facilities, if the Landlord has elected to do so as set out above.

6.02 Utilities

(a) The Tenant shall, whenever reasonably possible, obtain Utilities required by it directly from appropriate utility suppliers and in such event the Tenant shall pay for Utilities used or consumed in the Premises as from time to time invoiced by the suppliers thereof.

(b) The Landlord may determine or allocate the cost of Utilities for the Premises, not obtained directly by the Tenant pursuant to subsection 6.02(a) above (which shall include the cost of Utilities consumed in the operation of the HVAC Facilities servicing the Premises), whether supplied by the Landlord or otherwise, in which event, the Tenant shall pay to the Landlord such determined or allocated cost together plus an administration fee equal to 15% thereof; provided that the amounts charged to the Tenant under this Subsection 6.02(b) shall be without duplication of any other amounts payable by the Tenant.

(c) The Tenant shall, if required by the Landlord in writing, install at its own expense a check meter or meters approved by the Landlord indicating demand and consumption of Utilities in and for the Premises, in a location or locations designated by the Landlord; otherwise, no meter shall be installed by the Tenant unless permitted by the Landlord in writing.

(d) The Tenant shall not install any equipment which will exceed or overload the capacity of any utility facilities and agrees that any equipment installed by the Tenant be installed at the Tenant's expense in accordance with plans and specifications approved by the Landlord prior to installation.

(e) Any determination or allocation by the Landlord of any costs of HVAC or Utilities shall be made on any reasonable basis chosen by the Landlord, in its sole discretion, and in so doing, the Landlord may consider information from check meters, a pro-rata apportionment based on Rentable Area, information from engineering consultants or any combination thereof.

6.03 Landlord May Estimate Payments

The Landlord may estimate any amounts payable by the Tenant under Sections 6.01 and 6.02 for each Fiscal Period and the Tenant shall pay such estimated amount to the Landlord in equal monthly instalments on the first day of each month (and in the case of the first month of the Term, on the Term Commencement Date) throughout such Fiscal Period. Within a reasonable period of time after the end of each Fiscal Period for which such estimated payments have been made, the Landlord shall deliver to the Tenant a statement of the actual amounts payable under Sections 6.01 and 6.02. If the Tenant has paid in excess of the amounts due, the excess shall be credited by the Landlord against rent then or in the future owing by the Tenant under this Lease. If the amount the Tenant has paid is less than the amount due to the Landlord, the Tenant agrees to pay such difference together with the next monthly payment of Minimum Rent.

ARTICLE 7 - MAINTENANCE, REPAIRS AND ALTERATIONS

7.01 Landlord's Obligation to Repair and Maintain

The Landlord shall, in the same manner and to the same extent as would a prudent owner of the Development, keep the Common Facilities clean and in good repair, order and condition. The obligations of the Landlord in this Section and Section 6.01(b) are subject to the Tenant's obligations in Section 6.01(a) and elsewhere in this Lease and an exception for any damage or injury which is not covered by insurance which the Landlord maintains or is required to maintain under this Lease or the cost of repair or restoration of which exceeds the proceeds of such insurance actually received by the Landlord and for this purpose deductible amounts shall be deemed received.

7.02 Tenant's Obligation to Repair and Maintain

(a) Subject to Section 7.02(b), the Tenant shall keep and maintain the Premises, all Leasehold Improvements and all Tenant's Property in good repair and in a clean and orderly condition at its expense in accordance with the provisions of the Landlord's Regulations (initially set out in Schedule E), as may be amended and supplemented from time to time and consistent with the standard of a high quality Canadian shopping facility similar to the Development. The Tenant is also responsible for (i) the cost of any necessary repairs, replacements or alterations to the Development or any of the Common Facilities required as a result of the negligence, carelessness or misuse of the Tenant, its servants, agents, employees, contractors, licensees, lessees or concessionaires or through it or them in any way and (ii) the costs incurred by the Landlord as a result of the Tenant's failure or neglect to repair properly, in both cases together with an administrative fee equal to 15% of all such costs. Without limiting the generality of the foregoing, the Tenant shall promptly replace, at its own expense, any and all plate and other glass damaged or broken from any cause whatsoever in and about the Premises.

(b) Notwithstanding Subsection 7.02, the Landlord may:

(1) if the Premises have a recessed storefront, clean and maintain the floor of such area; and

(2) clean the exterior face of the glass or other transparent portion of the storefront of the Premises;

and the Tenant shall pay to the Landlord on demand the Landlord's charge for such cleaning and maintenance.

(c) The Landlord may supervise any repairs or maintenance in or to the Premises.

(d) The Tenant shall give prompt written notice to the Landlord of the existence of any condition, including any need for repair, within the Premises of which it has or should have knowledge, which condition might cause any damage or is a hazard to any portion of the Development and of any need for repair which is the Landlord's obligation under Section 6.01.

(e) The Tenant shall at all times comply with and keep the Premises in accordance with all applicable laws, directions, rules, regulations or codes of every governmental authority having jurisdiction and any insurer by which the Landlord or the Tenant is insured and shall not allow or cause any act or omission to occur in or about the Premises which is likely to result in an illegal use or cause any breach of or non-compliance with such laws, directions, rules, regulations and codes. If any such laws, directions, rules, regulations and codes require any changes to the Premises, the Tenant shall perform such changes at its own expense but subject to the provisions of Section 7.04.

7.03 Landlord's Alterations

Subject to the provisions of this Section and provided that the Rentable Area or the frontage of the Premises is not permanently reduced by more than 10%, the Landlord may from time to time make any alterations, additions or subtractions to or from the Development or any portion thereof (**"Alterations"**). In doing so, the Landlord shall, to the extent reasonably possible in the circumstances, minimize any interference with the Tenant's use and occupancy of the Premises. If any Alterations will permanently reduce the Rentable Area of the Premises, in no event to exceed 10% of the Rentable Area or the frontage of the Premises, Minimum Rent shall abate in proportion to such reduction.

7.04 Tenant's Alterations

Subject to compliance with the provisions of the Landlord's General Provisions, the Tenant may at its expense make such alterations and improvements in and to the Premises as will, in the Tenant's judgment, better adapt the Premises for the purposes of its business. Prior to undertaking any repair, alteration or improvement in or to the Premises under any provision of this Lease, the Tenant shall submit to the Landlord an adequate description of the contemplated work (comprising drawings and specifications conforming to the requirements of the Landlord's General Provisions) and obtain the Landlord's written approval thereof, which shall not be arbitrarily withheld or unduly delayed. The Tenant shall pay the reasonable charges of the Landlord and the Landlord's consultants for the review of the Tenant's Drawings and Specifications, as aforesaid. In undertaking any such repair, alteration or improvement, the Tenant shall comply with all applicable provisions of Sections 2.01 and 2.02 as if such work constituted Tenant's Work.

7.05 Liens

The Tenant shall, at its expense, immediately discharge and vacate all liens, charges and encumbrances registered or filed against the Premises or the Development with respect to the Premises or any work or services performed or material supplied at the request or for or on behalf of the Tenant within 15 days of such registration or within five days after notice from the Landlord, failing which the Landlord, in addition to any other rights or remedies it may have, may, but shall not be obligated to, discharge such liens and/or certificates by payment to the claimant, payment into court, or otherwise; any such payments and the Landlord's legal costs (on a solicitor and his client basis) and other costs of obtaining and registering such discharges and/or releases shall be repaid by the Tenant to the Landlord on demand as Additional Rent.

7.06 Relocation

(a) The Landlord reserves the right, at any time during the Term or any renewal or extension thereof upon giving the Tenant not less than 60 days prior written notice to relocate the Tenant to any other space or area within the retail section of the Development as the Landlord may deem advisable or necessary, provided, however, that the new premises and area shall be substantially similar in size to the Premises. Upon receipt of the Landlord's notice of relocation, together with

a floor plan showing the proposed new location, the Tenant shall within 10 days of the said notice of relocation indicate to the Landlord in writing whether (a) it is willing to move to the new premises, or (b) it wishes to terminate the Lease (in which case, the Tenant must vacate the Premises within 60 days of giving such notice).

(b) If the Tenant gives notice that it is willing to move to the new premises, the Tenant will co-operate with the Landlord with all due diligence in approving plans within ten (10) days of receipt of such plans for the new premises and the Tenant agrees to execute, on request of the Landlord, an Amendment to this Lease documenting the change in location, but all other terms, covenants and conditions of the Lease shall remain in full force and effect except that Minimum Rent shall thereafter be calculated at the rate per square foot set forth in this Lease based on the Gross Rentable Area of the new premises.

(c) In the event of a relocation, the Landlord shall pay for the cost of the construction of the Tenant's new premises on a "turn-key" basis, similar to the existing Premises, using the Landlord's standard building materials, and which may include relocation of the Tenant's existing Leasehold Improvements, trade fixtures, furnishings and equipment as the Landlord deems appropriate for use by the Tenant in the new premises, including all utility, telephone and other communication connections. Further, the Landlord shall pay for the Tenant's reasonable moving costs, which shall include labour, stationery and other related items, such moving costs not to exceed a maximum of $3,000.00.

7.07 Damage and Destruction

(a) If any part of the Development is destroyed or damaged by any cause and the Landlord does not elect to terminate this Lease, as provided for in Subsection 7.07(b), the Landlord will commence diligently to restore the Development, but only to the extent of the Landlord's responsibilities pursuant to the terms of the various leases for premises in the Development and exclusive of any tenant's responsibilities set out therein. If the Landlord so elects to restore the Development, the Landlord may restore according to plans and specifications and working drawings other than those used in the original construction of the Development.

(b) Notwithstanding Subsection 7.07(a), if 50% or more the Rentable Area of rentable premises in the Development is destroyed or damaged by any cause so as not to be capable of being used for its intended purposes and the Landlord elects, by written notice to the Tenant given within one hundred and 120 days after the occurrence of such destruction or damage, not to repair, then within 60 days after such notice is given (notwithstanding that the Premises may be unaffected thereby) the Landlord may terminate this Lease on not less than 30 days nor more than 60 days written notice. Except as expressly provided in this Subsection 7.07(b) and subject to Subsection 7.07(c), destruction or damage to the Development or any portion thereof by any cause shall not frustrate or terminate this Lease nor affect the Tenant's covenants, obligations and agreements under this Lease.

(c) If the Premises are destroyed or damaged by any cause and rental insurance proceeds for the Premises are thereby payable to the Landlord, then Rent shall abate only for the period and to the extent that such rental insurance proceeds are actually received by the Landlord.

(d) If this Lease expires or is surrendered or terminated at a time when all or any part of the Premises is destroyed or damaged as a result of an occurrence in respect of which the Tenant is required to be insured under this Lease, the Tenant shall, on demand, pay to the Landlord an amount equal to or assign to the Landlord free of any encumbrance, the proceeds of insurance, if any, required to be maintained by the Tenant under this Lease with respect to such destruction or damage.

7.08 Determination of Areas of Premises

(a) The Rentable Area of the Premises are agreed to be as set out in paragraph BLT (A), subject to adjustment under Subsections 7.08(b) and 7.08(c).

(b) If it is determined at any time during the Term, on measurement, by the Landlord or the Landlord's authorized representative, in accordance with the definition of Rentable Area herein contained that the Rentable Area is other than as set out in paragraph BLT (A), then:

(1) Minimum Rent shall be adjusted accordingly as of the Term Commencement Date;

(2) Additional Rent, where applicable, shall be adjusted accordingly as of the Term Commencement Date; and

(3) such area shall thereafter be the Rentable Area of the Premises.

(c) Notwithstanding Subsections 7.08(a) and 7.08(b), if the Rentable Area of the Premises is enlarged or diminished by any alteration by or approved by the Landlord, the Landlord will determine the revised Rentable Area on substantial completion of such alteration or as soon as practicable thereafter, and:

(1) such revised area shall thereafter be the Rentable Area of the Premises;

(2) Minimum Rent shall be adjusted accordingly as of such date of substantial completion; and

(3) Additional Rent, where applicable, shall be adjusted accordingly as of such date of substantial completion unless the date of commencement of the next ensuing Fiscal Period (the "**Fiscal Date**") occurs after such date of substantial completion and before the date the Landlord determines such revised areas, in which case such adjustment shall be as of the Fiscal Date.

ARTICLE 8 - INSURANCE AND LIABILITY

8.01 Landlord's Insurance

The Landlord shall take out and maintain or cause to be taken out and maintained with respect to the Development:

(a) comprehensive general liability insurance against personal and bodily injury, including death, and property damage; and

(b) fire insurance and standard extended coverage endorsement (including coverage for leakage from fire protective devices).

The Landlord, acting reasonably, shall determine all policy terms, including deductibles and may take out and maintain other insurance as it considers advisable, but the Landlord shall not be required to take out or maintain any insurance with respect to any loss, injury or damage required to be insured against by the Tenant or with respect to the Tenant's property. All proceeds of the Landlord's insurance shall belong to the Landlord although some portions are to be applied to reduce Operating Costs as provided in this Lease.

8.02 Tenant's Insurance

The Tenant shall take out and maintain or cause to be taken out and maintained:

(a) comprehensive general and legal liability insurance against personal and bodily injury, including death, and property damage with respect to the Premises, the business carried on therein or therefrom and the use and occupancy thereof, on an occurrence basis and having limits of not less than $5,000,000.00 in respect of any one occurrence;

(b) fire insurance and standard extended coverage endorsement (including coverage for leakage from fire protective devices and all other types of water damage) in respect of the Premises (including Leasehold Improvements) and all Tenant Property owned by the Tenant or for which it is legally liable;

(c) business interruption insurance, plate glass insurance and such other forms of insurance, including boiler and machinery insurance, as the Tenant or the Landlord or any mortgagee of the project, acting reasonably, requires from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure.

Insurance to be effected by the Tenant shall be in amounts and on terms which the Landlord shall from time to time, acting reasonably, determine to be sufficient. Such insurance shall (i) provide that the Landlord is to be immediately notified in writing by the insurer of any threatened cancellation, (ii) include the Landlord as an additional named insured and (iii) contain cross-liability and severability of interest provisions, as applicable. Insurance under Subsection 8.02(b) shall be on a full replacement cost basis without deduction for depreciation and for amounts sufficient to prevent the Tenant from being a co-insurer and shall be subject only to deductibles and exclusions as the Landlord, acting reasonably, may approve. The Tenant shall provide the Landlord with certificates or other proof to establish the Tenant's insurance coverage in effect from time to time. If the Tenant fails to insure or to file proof thereof or if the Landlord receives notice of any cancellation of the Tenant's insurance, the Landlord may, on not less than 24 hours written notice to the Tenant, effect such insurance and the Tenant shall pay to the Landlord on demand the amount of any premiums paid therefore, together with an administrative fee equal to 15% of such premiums. If this Lease expires or is terminated at a time when the Premises or the Leasehold Improvements therein are damaged or destroyed as a result of a peril required to be insured against by the Tenant, the Tenant shall pay or assign to the Landlord free of any encumbrance, an amount equal to the proceeds or the proceeds of insurance required to be maintained by the Tenant with respect to such damage or destruction.

8.03 Conduct Affecting Insurance

The Tenant shall not allow or cause anything to be done in the Development which might contravene any insurance policy in respect of the Development or any portion thereof or which might result in the impairment or invalidation of any policy of insurance or the premiums therefor being increased. The Tenant shall pay to the Landlord, on demand, the amount of any such increase in insurance premium. If the situation causing or threatening any impairment or invalidation of any policy of insurance cannot be remedied in time to prevent the non-renewal or cancellation of the insurance, then the Landlord shall be entitled to terminate this Lease effective on written notice to the Tenant unless the Tenant arranges replacement coverage which is satisfactory to the Landlord, acting reasonably.

8.04 Limitations of Landlord's Liability - Mutual Release

The Landlord shall not be liable or in any way responsible to the Tenant in respect of any loss (including any direct or indirect economic or other consequential loss), injury (including death) or damage, however caused and whether or not arising out of the Landlord's negligence, suffered by the Tenant or other persons in respect of persons or property however caused. Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom such other is in law responsible with respect to occurrences insured against or required to be insured against by each party hereunder whether any such claims arise as a result of the negligence or otherwise of such other or those for whom it is in law responsible, such waiver and release to be effective only to the extent of proceeds of such insurance received by each party and proceeds which would have been received if each party obtained all insurance required to be obtained under this Lease and for this purpose deductible amounts shall be deemed to be proceeds of insurance received.

8.05 Limitations of Tenant's Liability

The Tenant shall not be liable to the Landlord in respect of any direct loss, injury or damage insured by the Landlord under Subsections 8.01(a) and 8.01(b), to the extent of any recovery by the Landlord under such insurance.

8.06 Indemnity

Except as provided in Section 8.05 and except to the extent such loss, injury or damage is due to the act or omission of the Landlord, the Tenant shall indemnify and hold harmless the Landlord from any and all actions, liabilities, losses, claims, damages, costs or expenses arising out of or in connection with:

(a) any breach of any of the Tenant's covenants, obligations or agreements under this Lease;

(b) any loss, injury (including death) or damage in respect of persons or property arising out of or in connection with any act or omission of the Tenant, its directors, officers, employees, agents, contractors, licensees, invitees and all other persons for whom the Tenant is at law responsible or occurring in or about the Premises however caused.

Notwithstanding anything to the contrary, such indemnification shall survive the expiration or sooner termination of this Lease.

ARTICLE 9 - LANDLORD'S REMEDIES

9.01 Re-Entry and Termination

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

(a) the Tenant is in default in the payment of Rent and such default continues for a period of five days after notice from the Landlord:

(b) the Tenant is in default under this Lease (other than under its covenant to pay Rent) and such default continues for 10 days or such longer period as may be reasonably required in the circumstances to cure such default after notice by the Landlord to the Tenant reasonably specifying the details of the default and requiring it to be remedied;

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

(d) any insurance policy is cancelled or not renewed by an insurer by reason of the use or occupation of the Premises;

(e) the Tenant makes any bulk sale or removes any substantial part of its property from the Premises other than in the course of normal sales to customers or pursuant to a permitted Assignment or when the same are no longer required for the conduct of the Tenant's business and other property of equal or greater value and utility is contemporaneously substituted therefor;

(f) the Tenant or any person acting on behalf of the Tenant submits any report or statement required to be furnished to the Landlord under this Lease which, for any reason other than inadvertent clerical error, is false or misleading; or

(g) termination or re-entry is permitted under any other provision of this Lease or in law:

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

9.02 Landlord's Further Remedies

If and whenever the Landlord is entitled to re-enter the Premises and terminate this Lease under Section 9.01, the Landlord may without notice to the Tenant and without effecting a termination of this Lease:

(a) re-enter the Premises as the agent and in the name of the Tenant, make such alterations and repairs as may be advisable to sublet the Premises and sublet the Premises on whatever terms the Landlord may accept, in its sole discretion. The Landlord shall be entitled to enforce all of the covenants, obligations and agreements of the subtenant and to collect and receive all rent and other amounts payable by the subtenant and to apply them against all indebtedness of the Tenant to the Landlord from time to time existing. The Tenant shall nevertheless be liable to the Landlord for damages in respect of loss of rental and other income of the Landlord suffered in connection with such re-entry and for damages in respect of any defaults by the Tenant under this Lease and the Tenant shall continue to be liable for the performance and observance of all of its covenants, obligations and agreements under this Lease. Notwithstanding any such re-entry and subletting without termination, the Landlord may at any time thereafter terminate this Lease by reason of the previous or any other default under this Lease and the provisions of Section 9.01 shall apply to such termination, *mutatis mutandis*; and

(b) suspend the supply to the Premises of any benefit, service or utility provided by the Landlord.

9.03 Landlord May Perform Tenant's Covenants

If the Tenant is in default under this Lease (other than under its covenant to pay Rent) and such default continues for 10 days or such longer period as may be reasonably required in the circumstances to cure such default after notice by the Landlord to the Tenant reasonably specifying the details of the default and requiring the default to be remedied or without notice, in an emergency, the Landlord may remedy such default, without prejudice to or limitation of any other right or remedy it may have with respect to such default. The cost to the Landlord of so doing together with an administration fee equal to 15% of such costs and interest thereon at the Stipulated Rate of Interest plus 5% per annum from the date of default shall be added to the Rent due on the next succeeding date on which Minimum Rent is payable and such amount shall thereon become due and payable as Rent in addition to the regular payment of Minimum Rent then due.

ARTICLE 10 - ASSIGNMENT, TRANSFER AND OTHER ENCUMBRANCES

10.01 Transfers and Encumbrances by Landlord

The Landlord may sell, transfer, lease, mortgage, encumber or otherwise deal with the Development or any portion thereof or any interest of the Landlord therein, in every case without the consent of the Tenant and without restriction and to the extent that any purchaser, transferee or lessee from the Landlord has become bound by and covenanted with the Landlord to perform and observe the covenants, obligations and agreements of the Landlord under this Lease, the Landlord shall, without further written agreement, be released from and have no liability for such covenants, obligations and agreements.

10.02 Subordination and Attornment by Tenant

(a) This Lease and all of the Tenant's rights are subject to and subordinate to any existing or future mortgage or other encumbrances affecting the Development and to all advances made or to be made thereunder and to the interest thereon and to all renewals, replacements, modifications, consolidations or extensions thereof. If any Mortgagee or if the purchaser at any foreclosure sale or any sale under a power of sale contained in any mortgage or other encumbrance shall from time to time so request, the Tenant will attorn to and recognize such Mortgagee or purchaser, as the case may be, as the landlord for the balance of the Term, subject to all the terms of this Lease.

(b) Notwithstanding Subsection 10.02(a), any such Mortgagee may from time to time subordinate its mortgage or encumbrance to this Lease without the Tenant's consent by execution of a written document subordinating such mortgage or encumbrance to this Lease to the extent set forth therein. This Lease shall then be deemed to be prior to such mortgage or encumbrance to the extent set forth in such written document.

(c) Subsections 10.02(a) and 10.02(b) are self-operative, but if the Landlord or any such Mortgagee or purchaser so requests in writing, the Tenant shall from time to time promptly execute and deliver without charge and in form satisfactory to the party requesting same, all documents so requested to acknowledge or effect any postponement, subordination or

attornment. If the Tenant fails to promptly execute and deliver the documents so requested, the Tenant irrevocably grants to the Landlord or such Mortgagee or purchaser, as the case may be, the power of attorney to do so.

(d) The Tenant agrees that it will, upon request, provide the Landlord and any Mortgagee or proposed Mortgagee on a strictly confidential basis, with such information as to the financial standing and corporate organization of the Tenant and the Indemnifier as the Landlord or such Mortgagee or proposed Mortgagee may require. The failure of the Tenant to comply with any request of the Landlord for such information shall constitute a default under this Lease and the Landlord shall thereby be entitled to terminate this Lease and all rights of the Tenant hereunder by notice to the Tenant and any rental or security deposit retained by the Landlord shall be forfeited to the Landlord as liquidated damages and not as a penalty.

10.03 Certificates of Status

If the Landlord or the holder of any mortgage or encumbrance affecting the Development so requests in writing, the Tenant shall from time to time promptly execute and deliver, without charge and in form satisfactory to the party requesting same, a certificate or acknowledgement of the status and validity of this Lease, the state of the rental account hereunder and such other information as may reasonably be required, including copies of the Tenant's most recent audited financial statements.

10.04 Assignment, Subletting or Change of Control

(a) The Tenant will not voluntarily enter into any assignment (whether by operation of law or otherwise) nor a mortgage, charge or debenture (floating or otherwise) of this Lease, the Leasehold Improvements, the Tenant's Property or the Premises nor a sublease or sharing or a parting with possession of all or any part of the Premises, either directly or indirectly, through a change of control of the Tenant (the "**Assignment**") without first submitting to the Landlord a written request for the Landlord's consent, which consent shall not be unreasonably or arbitrarily withheld. Notwithstanding the *Commercial Tenancies Act*, R.S.O. 1990, c.L.7, or any other statute or common law, such consent shall only be provided if the Tenant has first complied with the Landlord's standard assignment-sublease procedure, as reasonably amended and supplemented from time to time (initially as set forth in Schedule "D" to this lease).

(b) If the Tenant requests the Landlord's consent to any Assignment, as set out above, and the Landlord determines that it is not reasonably required to give its consent, based on the terms set out above, the Landlord may either:

(1) refuse its consent in accordance with the provisions of this Section 10.04; or

(2) grant its consent with such conditions, if any, as the Landlord elects to impose, in its sole discretion, which conditions may include but are not limited to:

(A) further limitations on the use and occupancy of or business to be carried on in the Premises or any part thereof to be affected by the Assignment;

(B) an increase in Minimum Rent to an amount which is the greater of the aggregate of the average Minimum Rent and Percentage Rent payable by the Tenant during the two years preceding the Assignment or, if less than two years of the Term have expired, an amount equal to the aggregate of the Minimum Rent and Percentage Rent payable by the Tenant during such period adjusted to a 12 month period and the then fair market minimum rent, as determined by the Landlord, for the Premises;

(C) the relinquishment of any rights to renew this Lease or extend the Term or in respect of additional premises in the Development or of exclusivity of use;

(D) the requirement that any party to the Assignment enter into a new lease or assignment agreement with the Landlord on the Landlord's then standard lease form for the Development and that the Tenant enter into such new lease or assignment agreement as an indemnifier;

(E) the deletion of any of the amendments to the Landlord's standard form of lease contained in this Lease:

(F) the requirement that the Premises or any part thereof be renovated to comply with the Landlord's then current design criteria for the Development in accordance with the Landlord's then current General Provisions and all applicable provisions of this Lease: and

(G) the requirement that any party to the Assignment other than the Tenant covenants directly with the Landlord in writing to perform and observe such of the covenants, obligations and agreements of the Tenant under this Lease as the Landlord requires.

(c) Notwithstanding any Assignment hereunder, the Tenant and the Indemnifier shall remain liable for the performance and observance of all of its covenants, obligations and agreements under this Lease and no consent of the Landlord to any such Assignment shall be construed as having released the Tenant therefrom. If this Lease is disclaimed or terminated by any trustee in bankruptcy of any assignee of this Lease, the Tenant or any subsequent assignee of the Tenant's interest under this Lease shall, on written notice given by the Landlord within 30 days after the date of such disclaimer or termination, enter into a lease with the Landlord on the same terms and conditions as are contained in this Lease except for the term, which shall expire on the date the Term would have expired save for such disclaimer or termination.

(d) The Tenant shall not allow or cause to be advertised the whole or any part of the Premises or the terms of this Lease for the purposes of any Assignment, unless the complete text and format of any such advertisement shall have received the Landlord's prior written approval which may be arbitrarily withheld.

(e) This Lease shall be binding on the Tenant and no one claiming to exercise or enjoy any of the benefits or rights of the Tenant under this Lease by virtue of any Assignment shall enjoy or exercise such benefits or rights unless Section 10.04 has been fully complied with in each respect.

(f) Where the Tenant is not a voluntary party and has no right to consent or withhold its consent to an Assignment, including but not limited to an expropriation, receivership or seizure by execution or other legal process (an "**Involuntary Assignment**"), the Tenant shall give written notice to the Landlord of any Involuntary Assignment which occurs or which may be likely to occur promptly on the Tenant obtaining knowledge of such Involuntary Assignment.

(g) The Landlord may, without notice to the Tenant, terminate this Lease as to the whole or part of the Premises affected or to be affected by any Involuntary Assignment:

(1) within 30 days after the occurrence of such Involuntary Assignment, or

(2) on receipt by the Landlord of information, which the Landlord considers reasonably reliable (which may consist of the Tenant's notification under Subsection 10.04(f) above), that an Involuntary Assignment is likely to occur.

(h) Notwithstanding anything else to the contrary in this Lease, if the Tenant intends to effect an Assignment, then and so often as such event shall occur, the Tenant shall give prior written notice to the Landlord of such intent, specifying therein the proposed transferee and providing such information with respect thereto including, without limitation, information concerning the principals thereof and such credit, financial or business information relating to the proposed transferee as the Landlord or any mortgagee of the Development requires and the Landlord shall, within 30 days after having received such notice and all such necessary information, notify the Tenant in writing either that (a) it consents or does not consent to the Assignment in accordance with the provisions and qualifications in this Article 10, or (b) it elects to cancel this Lease in preference to giving of such consent. If the Landlord elects to cancel this Lease, as aforesaid, the Tenant shall notify the Landlord in writing within 15 days thereafter of the Tenant's intention either to refrain from such Assignment or to accept the cancellation of this Lease. If the Tenant fails to deliver such notice within such period of 15 days, this Lease will thereby be terminated upon the expiration of the said 15 day period. If the Tenant advises the Landlord it intends to

refrain from such Assignment, then the Landlord's election to cancel this Lease, as aforesaid, shall become null and void in such instance.

ARTICLE 11 - MISCELLANEOUS

11.01 Notices

(a) Any written notice provided for in this Lease shall be effectively given by facsimile/telecopy transmission, by registered or certified mail addressed to or by delivery to:

(1) in the case of notice to the Landlord, the address specified in paragraph BLT (J);

(2) in the case of notice to the Tenant, the address specified in paragraph BLT (K) or the Premises; and

(3) in the case of notice to the Indemnifier, the address specified in paragraph BLT (M).

(b) Any written notice so given shall be deemed to have been given on the day it was transmitted by facsimile/telecopier (provided that the original thereof is posted by registered or certified mail within two Business Days thereafter) or three Business Days after the day it was so mailed by registered or certified mail or on the day it was so delivered, as the case may be.

(c) Each of the Landlord, the Tenant and the Indemnifier may, from time to time by written notice to the others, change its address (including telecopier/facsimile number) for the purpose of any subsequent written notice.

11.02 Certificates

The following certificates shall be conclusive, final and binding in respect of any question of fact or opinion in dispute with respect to the matters stipulated:

(1) a certificate procured by the Landlord at the Tenant's reasonable expense from an Architect, professional engineer, quantity surveyor or other individual whom the Landlord determines to be qualified and who may be an employee of the Landlord, as to the Rentable Area of the Premises, any question of fact concerning the completion of any construction or other work either by the Landlord or the Tenant, the extent to which the completion of any such work has been delayed by Unavoidable Circumstances, whether the Development or any part thereof is being kept in good repair, order and condition as required by this Lease, the determination or allocation of any costs of HVAC or Utilities under Article 6, the cause of any destruction or damage, the extent to which rentable premises in the Development are incapable of being used for their intended purpose by reason of any destruction or damage; and

(2) a certificate procured by the Landlord from a licensed public accountant, who may be the Landlord's auditor or employee, as to any question of fact or opinion concerning the computation or allocation of Gross Revenue, Operating Costs or the proper amount of any payment to the Landlord or the Tenant under this Lease.

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

11.03 Legal Relationship

The provision in this Lease for the payment by the Tenant of Percentage Rent is a reservation of rent only and neither such provision nor any other provision of this Lease is intended to create a joint venture or partnership or any other similar relationship between the Landlord and the Tenant, such relationship being that of landlord and tenant only.

11.04 Changes in Development

This Lease shall affect only the lands from time to time comprising the Development as such lands may from time to time be altered, varied, diminished, enlarged or supplemented by the Landlord. The Tenant shall, at the request of the Landlord, enter into such further assurances,

releases or other documents as may reasonably be required by the Landlord to give effect to such alteration, variation, diminution, enlargement or supplementation.

11.05 Severability

If any provision of this Lease shall be unenforceable, it shall be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though such provision had not been included.

11.06 Unavoidable Circumstance

If either the Landlord or the Tenant shall be delayed, hindered or prevented from the performance or observance of any of its covenants, obligations or agreements under this Lease by reason of any Unavoidable Circumstance, then the performance or observance of such covenant, obligation or agreement shall be excused for the period during which such performance or observance is so delayed, hindered or prevented and the time for the performance or observance thereof shall be extended accordingly. Notwithstanding the foregoing, and except as provided in Section 2.02, neither the Tenant nor the Landlord shall be excused from the payment of Rent or any other payments required under this Lease and this Section 11.06 shall not operate to extend any period or time stipulated in Section 2.02.

11.07 Indemnifier

Where an Indemnifier is identified in paragraph BLT (M), then in consideration of the Landlord entering into this Lease, the Indemnifier agrees to indemnify and hold harmless the Landlord from any loss, damage or injury arising out of or in connection with any default of the Tenant under this Lease and guarantees the performance and observation of the covenants, obligations and agreements set out in the attached Indemnification schedule referenced as Appendix 1.

11.08 Limitation of Liability

Only the Landlord's interest in the Development, as the case may be, and no other assets of the Landlord will be available for the satisfaction of any claim for damages for the breach of any of the Landlord's covenants, obligations and agreements under this Lease. The Tenant shall have no recourse to the officers, directors or employees of the Landlord in respect of any breach of the Landlord's covenants, obligations and agreements under this Lease.

11.09 Registration

The Tenant shall not register this Lease or any part thereof but may register a notice or caveat in respect thereof, which notice or caveat shall disclose only the existence and Term of this Lease and such other terms as the Landlord, in its sole discretion, may approve.

11.10 Non-Eligible Tenant

The Tenant represents and warrants that either (a) it is not a non-Canadian within the meaning of the *Investment Canada Act* or any similar legislation or any amendments thereto (the "**Act**") or (b) it has or shall have, prior to the commencement of the Term, carried on in Canada the business required under Section 2.03 or a related business, without being in violation of the Act.

11.11 Authorization

The Tenant covenants that it has all requisite power and possesses all licenses, franchises, permits, consents, approvals and other rights necessary to enable it to enter this Lease and fully perform and observe its covenants, obligations and agreements under this Lease.

11.12 Joint and Several Liability

If the Tenant or the Indemnifier shall be comprised of more than one person, the liability of each such person under this Lease shall be joint and several.

11.13 Landlord's Right of Entry - Display of Premises

In addition to and without limiting any other rights which the Landlord may have under this Lease, the Landlord may, at all reasonable times and on reasonable prior notice and at any time without notice, in the case of real or apprehended emergency, enter the Premises to:

(1) supervise any work in or examine any portion of the Development;

(2) take such action as may be necessary or advisable to prevent or abate damage to any portion of the Development;

(3) make any determination of the Rentable Area of the Premises or to obtain information for the preparation of plans in respect of any portion of the Development;

(4) perform any repairs, maintenance, alterations or work permitted or required to be performed by the Landlord under this Lease;

(5) show the Premises to prospective purchasers, tenants or mortgagees; and

(6) during the six months prior to the expiration of the Term, erect on or in the Premises notices of reasonable size and number and in reasonable locations, that the Premises are available for renting.

11.14 Governmental Consents

This Lease is entered into subject to the condition that it is to be effective only if the provisions of any applicable legislation or regulatory requirement concerning planning, land severance or land division and requiring consent to or approval of this Lease, are complied with. The Tenant shall be responsible for obtaining such consent or approval at its sole cost and expense. Until any necessary consent or approval is obtained on an unconditional basis, this Lease shall have effect in accordance with all of its provisions except that the Term, if in excess of 21 years less one (1) day, shall be deemed to be for a period not in excess of 21 years less one (1) day and the Term and any renewal rights are limited accordingly.

11.15 Landlord's Failure to Deliver Possession

Notwithstanding anything to the contrary, the Landlord shall not be in default of this Lease if it fails to give possession of the Premises to the Tenant as required under this Lease by reason of any other person holding over or retaining possession of or any interest in the Premises or for any other reason which is not a result of wilful neglect by the Landlord. No such failure to give possession of the Premises shall affect the validity or terms and conditions of this Lease or be construed as extending the Term, except that the Tenant shall be excused from its obligation to pay Rent until it has been given possession of the Premises. If the Landlord shall not have given possession of the Premises to the Tenant within six months of the date of this Lease, the Landlord may terminate this Lease and in such event, any money or security given to the Landlord with respect to this Lease shall be returned to the Tenant without interest or deduction and neither party shall have any liability to the other.

11.16 Remedies Generally

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

11.17 Waiver

No waiver by the Landlord of any breach or non-compliance of the Tenant's covenants, obligations or agreements under this Lease shall operate as a waiver of the Landlord's rights in respect of any continuing or subsequent breach or non-compliance or be inferred from or implied by anything done or omitted to be done by the Landlord except from or by an express written waiver by the Landlord.

11.18 Governing Law/Interpretation/Time of the Essence/Benefit

This Lease shall be construed and governed by and the Tenant and the Indemnifier submit to the jurisdiction of the laws of the Province of Ontario. This Lease shall be read with such changes in number and gender as may be required by the context. The headings introducing articles, sections and subsections are for convenience of reference only and shall not affect the interpretation of this Lease. Time shall be of the essence of this Lease and of every part hereof.

This Lease shall enure for the benefit of the successors and assigns of the Landlord and the permitted successors and assigns of the Tenant.

11.19 Tenant Confirmations

The Tenant shall, when and as reasonably requested by the Landlord, provide confirmation of compliance with the Tenant's covenants contained herein, including but not limited to providing confirmations of insurance coverage.

11.20 Environmental Provisions

The Tenant covenants with the Landlord that, from and after the occupation of the Premises by the Tenant, the Tenant, and anyone for whom it is responsible in law, shall not use or permit or suffer the use of the Premises to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any substance deemed or defined as contaminants or hazardous materials (the **"Hazardous Substances"**) under the *Environmental Protection Act*, R.S.O. 1990, c.E.19, the *Occupational Health and Safety Act*, R.S.O. 1990, c.O.1, and regulations made under them, or under any other applicable federal or provincial statute, regulation or municipal by-law dealing with environmental, land use, occupational, health or safety matters, or guidelines published under any of them (the **"Environmental Legislation"**), except in strict compliance with all Environmental Legislation, and only if the use of such Hazardous Substances is necessary for the conduct of the Tenant's business for the use permitted in BLT (D) and Section 2.03. If the nature of the Tenant's business requires the use of Hazardous Substances during the Term, the Tenant and its principals shall be liable for and shall carry out all clean-up work, remedial actions, decommissioning work or capital expenditures required by the Environmental Legislation to properly remove or dispose of Hazardous Substances which are in excess of the levels permitted in the circumstances to be on or in the Premises and the Development. The Tenant agrees to indemnify the Landlord of and from all claims, orders or directions arising under the Environmental Legislation that result from any matter or occurrence caused or contributed to by the Tenant or anyone for whom it is responsible in law.

11.21 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly payment of Rent herein stipulated is deemed to be other than on account of the earliest stipulated Rent nor is any endorsement or statement on any cheque or any letter accompanying any cheque or payment as Rent deemed an acknowledgement of full payment or an accord and satisfaction and the Landlord may accept and cash such cheque or payment without prejudice to the Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or by law.

11.22 Waiver of Distress - Commercial Tenancies Act

The Tenant agrees that notwithstanding anything contained in any present or future statute or rule of law to the contrary, none of the goods and chattels of the Tenant which are on or have been on or at any future time, during the Term or any renewal thereof, will be on the Premises shall be exempt from levy by distress for Rent in arrears by the Tenant and that if any claim is made for such exemption by the Tenant or if a distress is made by the Landlord, this covenant and agreement may be pleaded as an estoppel against the Tenant in any action brought to test the right to the levying on any such goods as are named as exempted in any such legislation and the Tenant waives all and every benefit that could or might have accrued to the Tenant under and by virtue of any such legislation but for this covenant. The Tenant agrees to provide the Landlord with a key which will at all times open the locks to the Premises and expressly licences and authorizes:

(a) the Landlord to use the key for the purposes of effecting entry to the Premises to distrain on the goods and chattels of the Tenant or to prevent the Tenant from removing them; if the Landlord does not have the key or is unable to gain access to the Premises by the use of the key, the Tenant expressly licences and authorizes the Landlord to use any other means of ingress for the purpose of effecting distress as the Landlord may in its sole discretion determine including, without limitation, the breaking of the lock or of any window without being liable for any damages or prosecution for doing so;

(b) the Landlord to distrain at any time of the day or night including, without limitation, after sunset, before sunrise and on Sundays and statutory holidays;

(c) to levy distress against such goods and chattels at any place to which the Tenant or any other person may have removed them, in the same manner as if they had remained on the Premises;

(d) to sell any goods and chattels seized at public or private sale, without notice, and to apply the net proceeds of such sale on account of the Rent or any other sums due under this Lease, and Tenant shall remain liable for any deficiency. The Tenant shall pay to the Landlord on demand, to the extent not recovered out of any distress, all fees and expenses of levying distress including, without limitation, all legal, locksmith, bailiff, appraiser and auctioneer fees, together with three months' accelerated Rent.

Unless otherwise specifically provided in this Lease, all goods and chattels brought by the Tenant onto the Premises shall be the unencumbered property of the Tenant and they shall not be subjected to any claim or other encumbrance at any time without the prior written consent of the Landlord. If the Tenant shall leave the Premises leaving any Rent or other amounts owing under this Lease unpaid, the Landlord, in addition to any other available remedy, may seize and sell the goods and chattels of the Tenant at any place to which the Tenant or other person may have removed them in the same manner as if such goods and chattels had remained and been distrained on the Premises.

11.23 Adjacent Land

The Tenant acknowledges having been advised and agrees that the Development is located immediately adjacent to lands which may be owned by the Landlord (the "Adjacent Land"), which Adjacent Land is shown outlined in green on Schedule "B" hereto. The Adjacent Land has been leased or will be leased to a food store operator (the "Adjacent User") for the initial use as a supermarket and the Development and the Adjacent Land will be developed to appear as an integrated and unified retail shopping centre notwithstanding that each of them will be maintained and operated as separate properties. Accordingly, the Development and the Adjacent Land will be subject to a reciprocal easement agreement and other agreements, which contain provisions as described in Schedule "H" hereto. The Tenant accepts the provisions of Schedule "H" hereto and covenants and agrees to comply therewith.

EXECUTION BY THE PARTIES

CABBAGE PATCH DEVELOPMENTS INC.

(Landlord)

Per: _____

Name: David Gibson
Title: A.S.O.
I have authority to bind the Corporation.

SHS OPTICAL LTD.

(Tenant)

Per: _____

Name: JOANNE BERGEZ
Title: DIRECTOR

Per: _____

Name:
Title:
I/we have authority to bind the Corporation.

WITNESS:

(Indemnifier)

Name: _____

BRUCE BERGEZ

SCHEDULE "A"

DEFINITIONS

In this Lease, the following defined terms have the meanings indicated:

1. **"Additional Rent"** means all amounts payable by the Tenant under this Lease other than Minimum Rent and Percentage Rent, but does not include GST;

2. **"Architect"** means the architect from time to time named by the Landlord;

3. **"Business Days"** means the business days from time to time established by the Landlord for the Development, which may include Saturdays, Sundays and statutory and other holidays;

4. **"Business Taxes"** means business taxes or assessments or any other taxes, assessments, rates or levies imposed by any governmental authority having jurisdiction, in respect of any use, enjoyment or occupancy of or business carried on in any portion of the Development;

5. **"Capital Tax"** means any tax or taxes payable by the Taxpayer to any taxing authority based on or computed by reference to the value of the Development, or the paid-up capital or place of business of the Taxpayer. If the system of capital taxation shall be altered such that any new capital tax shall be levied or imposed in substitution for or in addition to Capital Tax from time to time levied or imposed, then any such new tax or levy shall be deemed to be Capital Tax or included in Capital Tax;

6. **"Capital Tax for the Development"** for any Fiscal Period means the amount calculated by multiplying the aggregate book value to the Taxpayer of the Development land, including all buildings and other structures existing thereon and owned or erected from time to time by a Taxpayer and all equipment used in connection therewith, by the applicable Capital Tax rate imposed, from time to time, by the taxing authority having jurisdiction. Aggregate book value shall be net of depreciation and amortization, for financial statement purposes and determined as at the end of such Fiscal Period. The parties acknowledge that Capital Tax for the Development is an approximation based on the concept of Capital Tax, and is not necessarily the actual Capital Tax paid or payable by the Taxpayer in respect of the Development. If the calculation of Capital Tax changes then the Taxpayer may adjust its calculation of such amount to reasonably reflect such change;

7. **"Common Facilities"** means all common areas, improvements and facilities from time to time provided or designated by the Landlord in connection with the Development, whether or not owned by the Landlord, for the use in common, in such manner as the Landlord may permit, of occupants of rentable premises in the Development and all others entitled thereto and includes but is not limited to: the roof and roof membrane to the extent that same is immediately above the Development; floor and ceiling slabs; exterior walls; structural portions of the Development; sidewalks and landscaped areas; signs; common washrooms; open or enclosed pedestrian malls; passageways; child care or nursery facilities; recreational facilities; common loading areas and delivery facilities; parking areas and driveways; customer and service ramps; stairways; fire detection and prevention, including sprinkler systems; communication systems; mechanical and electrical facilities; HVAC Facilities and all equipment, machinery, fixtures, furnishings, installations and facilities in, associated with or used in connection with any of the foregoing, all as from time to time existing;

8. **"Competing Premises"** means all premises located within a distance of 2.5 miles from the exterior boundaries of the lands of the Development wherein the Tenant or a Related Corporation has directly or indirectly in any capacity carried on, participated or been concerned or interested in (whether solely or jointly, as owner, principal, shareholder, holder of any security, tenant, licensor, agent or otherwise), or provided any financial aid or other support or assistance of any nature to a business which is in any manner or

degree competitive with the business carried on or required to be carried on in the Premises, other than any such business in operation and disclosed in writing to the Landlord before the Term Commencement Date, so long as such business is not thereafter expanded or relocated;

9. **"Development"** means the lands described on page 1 of the Lease, together with such buildings, structures, erections, additions, deletions, alterations and improvements as may be made thereon and thereto from time to time by the Landlord, or any other owner thereof but specifically excluding the Adjacent Land;

10. **"Encumbrancer"** means any party having a valid mortgage, debenture or other charge or encumbrance registered against or affecting the title of the Development;

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

12. **"Fixturing Period"** means, if a number of days is specified in paragraph BLT (B), the period commencing on the Possession Date and expiring on the Term Commencement Date as specified therein;

13. **"Gross Revenue"** means the gross receipts and revenues of every nature and kind with respect to all business conducted at, in or from the Premises and the Competing Premises and shall include, but is not limited to:

    (a) the actual selling price of all merchandise and services sold or for which orders are obtained or which are delivered or provided to the purchaser on or from the Premises and the Competing Premises or by personnel based thereon, whether at wholesale or retail, whether for cash, credit, exchange of merchandise or other consideration and whether by the Tenant or any other person conducting business on or from the Premises and the Competing Premises including every subtenant, concessionaire or licensee thereof; and

    (b) all receipts and receivables whatsoever from all other business conducted in or from the Premises and the Competing Premises including, but not limited to:

        (1) all deposits not refunded to customers;

        (2) the selling price of gift certificates (provided that when a customer of the Tenant redeems a gift certificate, the amount of such certificate shall not again be included in Gross Revenue);

        (3) the selling price of all merchandise and services sold or delivered and entertainment provided by machines, including vending machines and machines operated by coins, credit cards or otherwise, if such machines are located in or adjacent to the sales or display area of the Premises and the Competing Premises; and

        (4) the selling price of all merchandise and services sold or delivered to employees of the Tenant:

    but nevertheless shall exclude:

        (1) any sales taxes which are shown separately from the selling price and are collected by the Tenant from customers on behalf of and actually remitted to taxing authorities;

        (2) refunds made for merchandise returned, if and to the extent the selling price of such merchandise was previously included;

        (3) any receipt, credit or other receivable for merchandise returned to suppliers or manufacturers; and

        (4) proceeds of any sale of fixtures or equipment used in the conduct of the Tenant's business and which are not part of inventory.

In the determination of Gross Revenue, each sale shall be treated as a sale for the full price to the customer (including all finance charges) at the time of such sale being made, regardless of when the Tenant receives payment (whether full or partial);

14. **"GST"** means the Goods and Services Tax imposed under Parts VIII and IX of the *Excise Tax Act (Canada)*, and any other goods and service taxes, business transfer taxes, sales taxes, value added or transaction taxes, or any other taxes imposed on the Landlord with respect to the Rent and any other amounts payable by the Tenant to the Landlord under the Lease which may at any time be imposed by a governmental authority on or in respect of rental or real property (other than Realty Taxes, Landlord's business, income or similar taxes), whether characterized as a goods and services tax, sales tax, value-added tax or otherwise;

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

16. **"HVAC Facilities"** means equipment, machinery, installations and facilities used for or in connection with the supply of HVAC to the Premises, as from time to time existing;

17. **"Indemnifier"** means the person whose name is specified in paragraph BLT (M);

18. **"Landlord"** means Cabbage Patch Developments Inc. and also includes, where the context permits, its successors, assigns and legal personal representatives;

19. **"Landlord's Work"** means all items of work to be performed by and at the expense of the Landlord, as set out in Schedule "C";

20. **"Lease"** means this lease, including the attached Appendices and Schedules, and any amendments in writing to such lease from time to time;

21. **"Lease Year"** in the case of the first Lease Year means the period beginning on the Term Commencement Date and terminating on the 31st day of December of that first Lease Year. Each subsequent Lease Year commences on the 1st day of January and terminates on the earlier of the expiration of twelve months thereafter or on the expiration or sooner termination of this Lease; provided that the Landlord may, for accounting purposes, from time to time by written notice to the Tenant, specify an annual date on which each subsequent Lease Year is to commence, in which event the then current Lease Year will terminate on the day preceding the day on which the specified annual date next falls, and all appropriate adjustments will be made for any Lease Year which is, as a result, more or less than twelve calendar months;

22. **"Leasehold Improvements"** means all fixtures, improvements, installations, alterations and additions from time to time made, constructed, erected or installed in or to the Premises, with the exception of trade fixtures;

23. **"Minimum Rent"** means the annual rent payable under Section 3.01, BLT (A) and BLT (E), as the same may be adjusted from time to time as herein provided;

24. **"Mortgagee"** means any mortgagee, debenture holder, hypothecary creditor, or other encumbrancer (including any trustee for bondholders) having a valid mortgage, debenture or other charge or encumbrance registered against or affecting the title of the Development or any part thereof;

25. **"Operating Costs"** means, without duplication, the total cost and expense incurred or accrued and attributed by the Landlord and any other owner of the Development, to discharge its obligations under this Lease and to own, operate, maintain, supervise and administer the Development and may include but is not limited to:

    (1) the cost of all insurance in respect of casualties, contingencies and losses against which the Landlord may reasonably insure (including the insurance which the Landlord may obtain under Section 8.01), applicable to the Development;

    (2) the cost of cleaning, waste disposal, sweeping, window washing, snow removal, redecorating, renovating, gardening and landscaping the Common Facilities and

maintaining and operating fire detection, fire prevention, lighting (including, without limitation, replacement of lamps, ballasts and light fixtures) and communications systems of the Development;

(3) the cost of policing and supervising the security of the Development and of policing and supervising traffic to and from the Development even if such policing and supervising is performed by personnel stationed away from the Development;

(4) the cost of repairs, maintenance, renovations and replacements made from time to time by or on behalf of the Landlord to the Development and its appurtenances and equipment;

(5) depreciation or amortization of capital costs as determined in accordance with generally accepted accounting principles for:

(a) the cost of all maintenance and cleaning equipment and Landlord's utility meters;

(b) the costs incurred for all other fixtures, furniture, replacement of finishes in the Common Facilities, equipment and facilities serving the Development;

(c) the costs, together with interest at the Stipulated Rate of Interest plus 2% per annum, of equipment modification of the Development or improvements, properly charged to capital account which the Landlord determines may reduce Operating Costs, or which are necessary in order for the Landlord to comply with any law, by-law or regulation of any governmental authority, amortized over their useful life, as determined by the Landlord;

(d) the costs incurred by the Landlord pursuant to Section 7.01 hereof together with interest at the Stipulated Rate of Interest plus 2% percent per annum; and

(v) the HVAC Facilities and all other fixtures and equipment which by their nature require periodic replacement or substantial replacement.

(6) the cost of all Utilities for the Common Facilities, as determined or allocated by the Landlord;

(7) the cost of such Utilities for Retail Premises, as determined or allocated by the Landlord, as the Landlord shall not have charged under Section 6.02;

(8) remuneration (including all benefits) of on-site and off-site personnel to the extent that such personnel are engaged in operating, maintaining, administering and supervising the Development;

(9) the cost of professional and consulting fees including but not limited to audit fees, engineering fees, fees for determining of allocating the cost of HVAC or Utilities for the Development and legal fees reasonably attributable to the daily operation of the Development (excluding legal fees otherwise recoverable or for lease enforcement or leasing);

(10) other costs and expenses not otherwise expressly excluded hereunder attributable to the ownership, operation, maintenance, supervision and administration of the Development;

(11) any capital cost which is not greater than $5,000;

(12) Capital Tax for the Development;

(13) Business Taxes imposed on the Landlord or in respect of any business of the Landlord in, or use, enjoyment or occupancy by the Landlord of, the Development or any portion thereof;

(14) if the Landlord in its sole discretion elects or elected in any current or past Fiscal Period to amortize any of the above mentioned costs or expenses (other than depreciation), that portion of such cost or expense which the Landlord elects to recover in the current Fiscal Period together with interest at the Stipulated Rate of Interest plus 2% per annum on the unamortized portion of such costs or expenses from time to time; and

(15) an administration fee equal to 15% of all other costs and expenses incurred by the Landlord in owning, operating, maintaining, supervising and administering the Development, including but not limited to the costs enumerated in this Subsection 25, and expenses;

but shall exclude:

(1) any capital cost which is greater than $5,000 (other than depreciation charges included in subparagraph (5) above;

(2) the unamortized portion of any cost or expense amortized under subparagraph (14) above;

(3) Realty Taxes for the Development (the Tenant's payments of and contributions to which are made under Article 4);

(4) commissions, advertising costs or legal expenses in connection with leasing the Development or any part thereof; and

(5) interest and principal on mortgages and capital cost allowance on the Development;

and there shall be deducted:

(1) proceeds of insurance actually recovered by the Landlord applicable to damage, to the extent of the corresponding cost of repair which was included in Operating Costs; and

(2) all recoveries from tenants of expenses included in Operating Costs, other than:

(a) contributions thereto under Subsection 5.01 of this Lease; and

(b) contributions by any other tenant under comparable provisions of any other lease of Retail Premises.

The Landlord shall allocate Operating Costs to each Fiscal Period in accordance with generally accepted accounting practice, provided that the Landlord may allocate any prepaid expense to the Fiscal Period in which the expense is incurred.

26. **"party"** means any party to this Lease and **"parties"** means two or more parties;

27. **"Percentage Rent"** means the further rent, if any, payable under Section 3.09;

28. **"person"** means any individual, corporation, partnership, trust, other legal entity or other business association and includes a Government or subdivision thereof or a board or authority representing a Government;

29. **"Premises"** means the rentable premises in the Development containing approximately the Rentable Area set out in paragraph BLT (A) and shown coloured in yellow on Schedule "B", which premises shall include the inside surface of the walls surrounding the Premises, the exterior doors and windows and the Leasehold Improvements. The Premises shall also include the concrete floor finish and shall extend up to and include the underside finish of the concrete deck above the ceiling;

30. **"Proportionate Share"**, unless otherwise defined, shall mean a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the aggregate of all Rentable Area of all rentable Retail Premises within the Development including the Premises provided that until such time as all buildings in the Development have been constructed, the Tenant's Proportionate Share shall be calculated on the basis of all premises that are from time to time constructed in the Development and are capable of being occupied by a tenant. In no event shall the Tenant be responsible for the proportionate share of realty taxes, utility charges or Operating Costs for vacant premises that are capable of being occupied by a retail tenant;

31. **"Realty Taxes"** means all real property, municipal, school and local improvement taxes, assessments and rates and all taxes, assessments and rates of a like nature imposed in respect of real property from time to time by any governmental authority, including any costs and fees incurred by the Landlord in determining or verifying the propriety or reasonableness of or contesting any of the same in good faith, but excluding Capital Tax and income or profits taxes on the income of the Landlord, to the extent such taxes are not levied in lieu of taxes, assessments and rates against the Development or on the Landlord in respect thereof. As of the date of this Lease, Realty Taxes include the liability formerly designated as Business Taxes. If the system of real estate taxation shall be altered such that any new tax shall be levied or imposed on all or any portion of the Development or the revenues therefrom or on the Landlord in substitution for or in addition to Realty Taxes from time to time levied or imposed, then any such new tax or levy shall be deemed to be Realty Taxes or included in Realty Taxes;

32. **"Related Corporation"** means a holding corporation, subsidiary corporation or affiliate of the Tenant, as each of those terms are defined in the *Business Corporations Act*, R.S.O. 1990, c.B.16 or similar statute of the Province in which the Development is located;

33. **"Rent"** means Minimum Rent, Percentage Rent (if any) and Additional Rent;

34. **"Rentable Area"** means, in respect of any rentable Retail Premises, the area in square feet or, at the option of the Landlord, in square metres, calculated utilizing the Landlord's architectural drawings of the Premises or the Development or both of them, of all floor space on every floor or level therein measured from:

    (1) the exterior surface of all exterior walls;

    (2) the exterior surface of all interior walls separating the Premises from any portion of the Common Facilities; and

    (3) the centre line (determined without regard to any finished treatment on the wall) of all interior walls separating the Premises from adjacent rentable premises;

    but shall exclude any mezzanines located within premises in the Development 10,000 square feet or larger. No deductions shall be made for vestibules inside the standard storefront line or exterior building line, as the case may be, or for columns or projections necessary to the Development;

35. **"Retail Hours"** means the Business Days and hours from time to time established by the Landlord for the Development;

36. **"Retail Premises"** means rentable premises in the Development which, during any applicable time period, are either actually used and occupied or are intended by the Landlord to be used and occupied for the purpose of selling at retail goods or services, but excludes basement areas, premises used for recreational, community, day-care, office (other than retail storefront office space), and further excludes any rentable premises designated by the Landlord from time to time for the purpose of mechanical, storage, administrative or other similar uses;

37. **"Rules and Regulations"** means the rules and regulations adopted and promulgated by the Landlord from time to time acting reasonably and in such manner as would a prudent landlord of a similar development, including those as previously delivered to the Tenant;

38. **"Stipulated Rate of Interest"** means the prime lending rate published by the Bank of Nova Scotia at 1:00 p.m. local time on the date in question as its prime or reference interest rate then in effect for Canadian dollar demand loans to its most favoured commercial customers in Canada, from time to time, expressed as a rate per annum;

39. **"Taxpayer"** means the Landlord and each of the entities constituting the Landlord and each of the owners of the Development, as the case may be;

40. **"Tenant"** means the person defined as such on page 1 of the Lease and also includes all respective successors, heirs, legal personal representatives and permitted assigns;

41. **"Tenant's Property"** means all trade fixtures, furniture, equipment, inventory and such other property as may be present in or on the Premises from time to time;

42. **"Tenant's Work"** means all items of work to be performed by and at the expense of the Tenant, as set out in Schedule "C";

43. **"Term"** means the lease term set out in paragraph BLT (C);

44. **"Term Commencement Date"** means the date which is the earlier of:

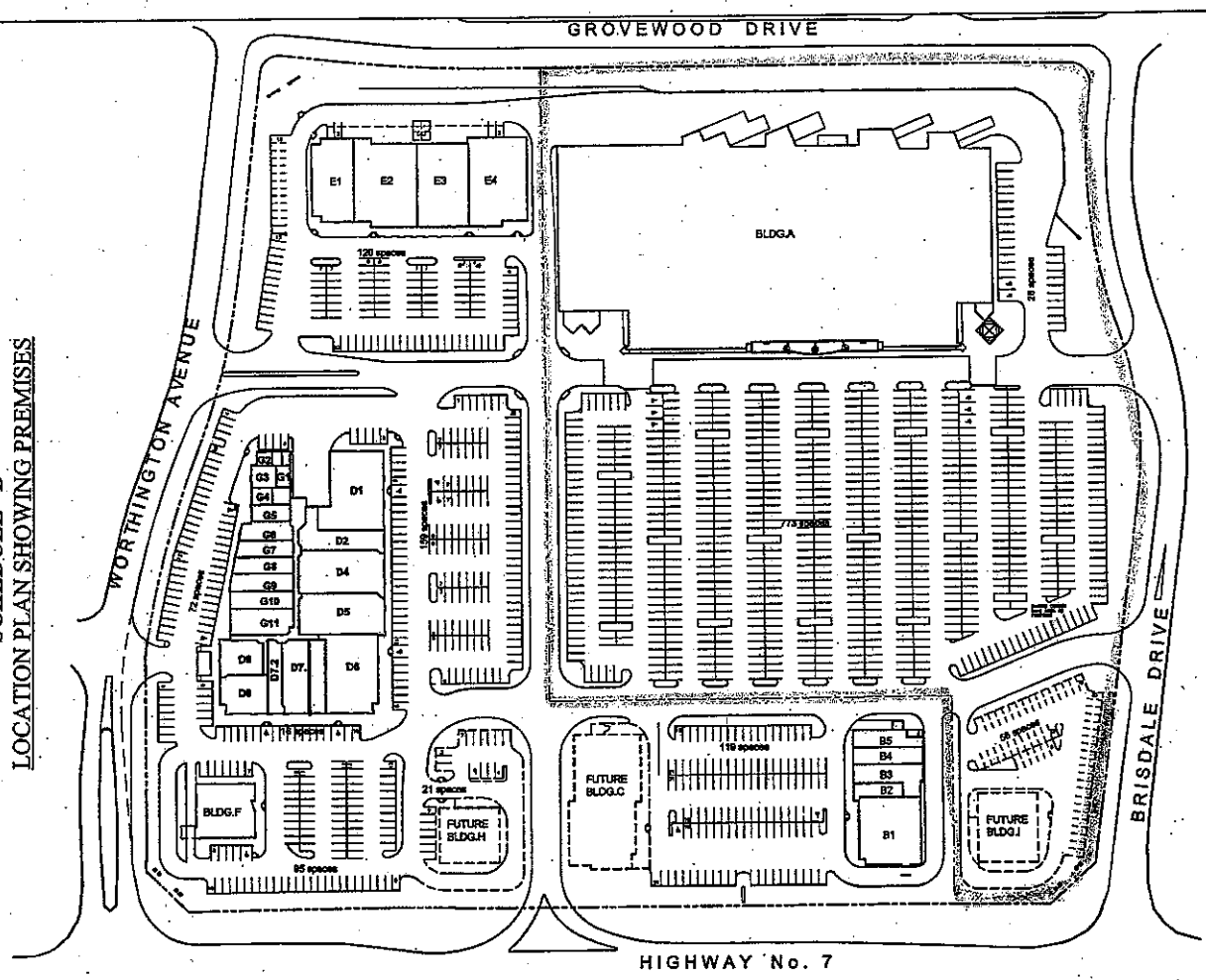
    (1) the date on which the Tenant commenced business on or from any portion of the Premises; and

    (2) the date on which the Fixturing Period shall have expired.

45. **"Unavoidable Circumstance"** means a fire, strike, lockout or other casualty or contingency, whether of the same or a different nature, beyond the reasonable control and not the fault of the party thereby affected, where the effects of such casualty or contingency are not avoidable by the exercise of reasonable effort or foresight by such party (but does not include insolvency, lack of funds or other financial casualty or contingency).

46. **"Utilities"** means water, fuel, electricity, steam, telephone or other utilities or any combination thereof other than HVAC.

SCHEDULE "B"
LOCATION PLAN SHOWING PREMISES



The purpose of this Location Plan is to identify the approximate location and configuration of the Premises. The Landlord reserves the right at any time and from time to time in its discretion to rearrange, alter or relocate all or any part of the building and the common facilities from that shown on this Location Plan.

First Gulf Development Corporation

FLETCHER'S MEADOW RETAIL CENTRE

BRAMPTON — ONTARIO

LEASING PLAN

Joseph Bogdan Associates Inc. Architects Urban Design Consultants

0 40m (1:2000 @ 8.5x14; 1:1000 @ 17X28)

Date Jan 20, 2004
Dwg. 00025-LS-019-12

SCHEDULE "C"

LANDLORD'S WORK AND TENANT'S WORK

Section I – Landlord's Work

1. It is expressly understood that the Tenant is accepting the Premises in a "shell" condition as follows:

   a) **Building "D"**
   All works related to the Development, inclusive of perimeter enclosing walls, roof, floor and structural framing as per Landlord's working drawings and specifications. The Premises shall have a clear height of 13'6" to underside of joist. Height to be verified on site by Tenant prior to entering into agreement to lease.

   b) **Concrete Floor**
   Concrete floor slab with a smooth trowelled finish designed to support a live load up to 100 pounds per square foot, uniformly distributed.

   c) **Walls**
   Exterior perimeter walls of metal studs and masonry base with stucco above (R8 value). Interior demising walls of metal studs covered by drywall, taped and sanded ready for paint.

   d) **Storefront**
   The Landlord will construct a standard storefront in accordance with Landlord's Design Criteria as shown on Landlord's base building drawings.

   e) **Electrical**
   The Landlord to supply *100 amp electrical service at 347/600 volt, 3-phase, 4-wire service complete with disconnect switch and splitter trough. (transformer not included).

   f) **Telephone**
   An empty conduit will be brought to a location within the Premises as designated by the Landlord. The Tenant is responsible to complete all required wiring.

   g) **Fire Protection**
   If required by The Ontario Building Code ("OBC"), a standard (ordinary Hazard Group 2) sprinkler system complete with brass upright sprinkler heads will be designed and provided by the Landlord based on an open concept interior layout (i.e. no partitions). If the sprinkler system is not required by the OBC and the Tenant still requires a sprinkler system the Landlord will design and provide the system as per the OBC and Tenant's requirements at the Tenant's cost. If a finished ceiling is to be provided for a portion of or the entire Premises and if interior partitions are added the Landlord will drop all required semi-recessed sprinkler heads to suit the proposed layout at the Tenant's cost.

   The Landlord shall not be responsible for the following items, which shall be at the Tenant's sole cost and expense:

   - fire extinguishers
   - smoke vents and curtains
   - fire hose cabinets
   - impact of racking on the base building sprinkler systems (i.e. ceiling density, in-rack sprinklers, column sprinklers and hose racks)

   h) **Heating, Ventilation and Air-conditioning**
   The Landlord will install 1 ton of heating and air conditioning per 300 sq. ft. in locations to be selected by the Landlord, complete with thermostats.

i) **Plumbing**
3/4" cold water supply and 2" plumbing vent capped in the ceiling space of the Premises and a 4"sanitary line capped above the floor to the Landlord's point of entry for one (1) location. Landlord will use reasonable efforts to locate the rough-in in accordance with the Tenant's plans, as long as it is within 10 feet of the rear wall.

j) **Roofing**
All modifications and reinforcement to the base-building roofing system and system and structure for the implementation of the Tenant's Work will be completed by the Landlord's base building contractors with associated design and engineering fees at the Tenant's cost.

k) **Garbage Enclosure (if required)**
The Tenant shall layout the Premises to include a garbage enclosure of sufficient size for the Tenant's use. The Tenant shall at all times during the Term of this Lease and any extensions or renewals thereof ensure that their garbage is kept within the Premises.

All materials are from Landlord's samples.

2. If the drawings and specifications required by the Landlord from the Tenant in order to complete the Landlord's Work are not received within a period of fifteen (15) days ("Tenant's Plans") after the date of acceptance of the agreement to lease, and if the Landlord does not elect to cancel this Lease, then the Landlord's Work will be deemed to be complete six (6) weeks after the later to occur of:

   (i) the due date for such drawings and specifications; or

   (ii) the date upon which the Landlord's Work, which is independent of the Tenant's Plans, has been completed, as verified by the Architect.

3. Any modification to the sprinkler system must be performed by the Landlord at the Tenant's cost. Landlord's work with regard to sprinklers, or any other mechanical systems, cannot be completed without the Tenant's Plans and specifications.

Section II- Tenant's Work

1. "Tenant's Work" shall mean all alterations, renovations, improvements and decorations of or to the Premises which are required in order to complete the Premises so that the Premises is able to be opened for business fully fixtured and stocked and shall include, without limitation, the following:

   a) Finish entire interior of the Premises suitable for Tenant's intended used, herein set forth, in accordance with all the municipal, fire and health regulations in a good and workmanlike manner and to the Landlord's satisfaction;

   b) Fire extinguishers and any other fire prevention and fire fighting equipment required by the local fire department and any other authority having jurisdiction;

   c) All roof openings to be done by Landlord at Tenant's expense; and

   d) All Tenant signage at Tenant's expense with Landlord's prior written approval.

2. All permits necessary for the installation of the Tenant's leasehold improvements and approval of plans must be obtained by the Tenant from the applicable authorities prior to the commencement of installations by the Tenant, at its expense.

3. The Tenant and its contractors are responsible to remove garbage and debris from the Premises and the Development daily and place same into garbage containers for that purpose as provided. All tenants will be assessed their proportionate share of the cost of providing empty garbage containers on the job site during the construction of their respective premises. Any of the Tenant' s garbage or debris removed by the Landlord's forces will be charged to the Tenant's account.

4. The Tenant shall not allow any liens or notices thereof to be placed against the Premises or the Development. Failure to discharge any liens or notices thereof within five (5) days of notice by the Landlord to do so, shall constitute a default under the Lease. .

5. **Exhaust and Odours**

(a) Objectionable odours from the Premises shall, at the Tenant's expense, be exhausted in such a manner as precludes their escaping into the Development or other premises, or short circuiting into any fresh-air vents. The Tenant specifically acknowledges and agrees that it shall be responsible for any costs, expenses or damages suffered or incurred by the Landlord as a result of claims by other tenants of the Development relating to objectionable odours or exhaust emanating from the Premises during the completion of the Tenant's Work or otherwise during the Term of the Lease or any renewal thereof. The Landlord shall be entitled to require the Tenant to suspend the Tenant's Work on twenty-four (24) hours prior written notice in the event that the Tenant fails to comply with its obligations contained herein.

(b) Where Tenant request a total exhaust rate greater than 200 CFM/bay, the Tenant shall provide a make-up air system in accordance with Landlord's specifications, sized in the amount of the excess and shall waive right to demand of the Landlord the ambient design conditions specified in the design package provided to the Tenant by the Landlord, if any.

(c) Tenant's air-handling equipment may not under any circumstances draw air from any enclosed common area or exhaust into it.

(d) Garbage refrigeration equipment must be installed in the Premises by the Tenant if perishable items are handled.

6. **Complete Drawings by Tenant (as applicable)**

The Tenant shall submit to the Landlord complete drawings and specifications for the Premises, to be prepared by qualified designers and confirming to each of good engineering practice, the outline drawings provided to the Tenant by the Landlord, if any, and the provisions of this Schedule "C".

Such complete drawings and specifications shall show at least the following:

STORE SUBMISSION REQUIREMENTS

The Tenant shall provide complete working plans and specifications in the following form:

(a) Floor plan to scale.

(b) Reflecting ceiling to scale.

(c) Storefront and show window elevation and sections to scale.

(d) Storefront and show window details to scale.

(e) Interior elevations to scale.

(f) Interior finishing schedule.

(g) Sign and related lighting and equipment as outlined in Landlord's standard sign criteria.

(h) Any other special facilities or installations that affect the building or Premises.

(i) Sprinkler and other fire protection devices.

(j) Underfloor electrical or plumbing.

(k) Electrical wiring plan.

(l) Ductwork for connection to Landlord's air conditioning system, toilet exhaust system and any other ventilation system required by the Tenant.

All required drawings and specifications shall be submitted for approval within a reasonable time and in any event within fifteen (15) days of waiver of all conditions of the agreement to lease unless the Tenant has been granted an extension in writing by the Landlord. No Tenant's Work may proceed prior to the Landlord's written approval, which will not be unreasonably withheld nor unduly delayed. In the event that the completion of the Landlord's Work and/or Tenant's Work is delayed as a result of the failure by the Tenant to comply with its obligations contained herein, the Fixturing Period shall be reduced by the length of delay caused or contributed to by the Tenant.

SCHEDULE "D"

ASSIGNMENT/SUBLEASE PROCEDURE

Fletcher's Meadow Retail Centre, Brampton, Ontario

The Procedure

1. The Landlord will execute its form of consent to assignment (the **"Consent"**) only.

2. Notwithstanding anything herein contained or contained in any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to withhold its consent to transfer if:

   (a) the nature or character of the proposed business of the proposed Assignee/Sublessee is such that it might harm the Landlord's business or reputation or reflect unfavourably on the Development, the Landlord, or other tenants of the Development, or the image of any of them, or is unethical, immoral or illegal;

   (b) the use of the Premises by the proposed Assignee/Sublessee could be incompatible with the other businesses or activities being carried on in the Development or could result in excessive demands being placed on the Common Facilities;

   (c) the proposed Assignee/Sublessee or any principal of the proposed Assignee/Sublessee or any principal shareholder of the proposed Assignee/Sublessee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with laws;

   (d) the Landlord at the time has, or will have in the next ensuing three month period, other premises in the Development suitable for leasing to the proposed Assignee/Sublessee;

   (e) the Minimum Rent and Additional Rent payable by the Assignee/Sublessee is less than the Minimum Rent and Additional Rent payable by the Tenant hereunder as at the effective date of the Assignment except in the case where the Landlord determines, in its sole discretion, that payment of lesser rent by the Assignee/Sublessee will not detrimentally affect the leasing program for the Development;

   (f) the proposed Assignment is to an existing tenant or occupant of the Development or of any other building owned or managed by the Landlord or any of its affiliates within the same market area as determined by the Landlord;

   (g) the proposed Assignee/Sublessee has not agreed with the Landlord in writing and on the Landlord's form, to assume and perform each of the covenants, obligations and agreements of the Assignor/Sublessor in this Lease;

   (h) such Assignment will result in a replacement tenant who is not suitable to the Landlord on the basis of the proposed Assignee/Sublessee 's business and personal characteristics, including its financial capacity, and its business history, experience, responsibility and standing and ability to operate the business required to be operated under this Lease;

   (i) the Tenant has breached any covenant or obligation during the Term, or any extension thereof, of this Lease;

(j) the net worth of the proposed Assignee/Sublessee is not greater or the same as the Tenant as of the Term Commencement Date of this Lease; or

(k) the proposed Assignee/Sublessee has not less than three (3) years experience in the same business as currently being operated by the Tenant.

Any Consent by the Landlord shall not constitute or be deemed to be a waiver of the necessity for consent to any subsequent Assignment.

3. The Consent must be executed by both the Assignor/Sublessor and Assignee/Sublessee who shall confirm:

(a) that the Assignor/Sublessor remains liable under the terms of the Lease;

(b) that the Assignee/Sublessee agrees to perform and be bound by all the covenants contained in the Lease;

(c) that the Assignor/Sublessor has no outstanding claims against the Landlord and releases the Landlord from any and all claims to the date of assignment.

4. The Consent will be effective only on:

(a) the Landlord approving the Assignee/Sublessee after reviewing Financial Statements/Net Worth Statement of the Assignee/Sublessee and any operator/manager/franchisee together with a summary of past experience (in similar businesses);

(b) all arrears of Rent, including Additional Rent, being paid to the date of assignment;

(c) post-dated cheques being delivered for the monthly Minimum Rent and Additional Rent (as estimated by the Landlord, if necessary) for the remainder of the current Lease year:

(d) the Landlord approving any refixturing, signage or renovations to be undertaken by the Assignee/Sublessee;

(e) the Assignee/Assignor paying the Landlord's administrative fee of $150.00 and the Landlord's legal expenses of $500.00, plus GST with respect to both of such fees;

(f) delivery of the Landlord's Consent duly executed by the Assignor/Sublessor and the Assignee/Sublessee:

(g) delivery of an executed copy of the Assignment/Sublease Agreement between the Assignor/Sublessor and the Assignee/Sublessee.

5. In order to commence processing of the request for Consent to the assignment the Landlord first requires the following:

(a) Name and address of the proposed Assignee/Sublessee;

(b) Name and address of any operator/manager/franchisee;

(c) Financial Statements/Net Worth Statement of the Assignee/Sublessee and operator/manager/ franchisee together with a summary of past experience (including names and addresses of past Landlords and details as to rent, term, etc.);

(d) Payment of the Landlord's administrative and legal fees of $650 plus GST payable to the Landlord;

(e) Delivery of any or all relevant Agreements of Purchase and Sale or like agreements between the parties confirming the consideration passing between the parties.

6. The determination of whether the foregoing requirements and criteria have been satisfied for any proposed Assignment shall be made by the Landlord in accordance with this Schedule "D" and the Landlord's standard procedure, within a reasonable time (usually within 15 days) from receipt of the Tenant's written request and the delivery to the Landlord of such information as is herein set forth and as the Landlord may require. If approved the Landlord will instruct its solicitor to prepare the required documents. The Consent documents must be executed by the Assignee/Sublessee and Assignor/Sublessor prior to execution by the Landlord. On satisfaction of the conditions of the Consent the Landlord will execute the Consent and make same available for pick-up by the Assignor/Sublessor. Prior to the Landlord considering any requested consent, the Tenant shall pay to the Landlord the Landlord's administrative and legal fees for each request by the Tenant for a consent to an Assignment which sum shall be applied against the Landlord's administrative fee and legal fees in processing the Tenant's request.

7. Requests for Consent should be delivered to the Landlord to the attention of Leasing Department.

SCHEDULE "E"

RULES AND REGULATIONS

In using, occupying and conducting business from the Premises, the Tenant shall observe the following:

1. the Tenant shall operate its business with due diligence, efficiency and in reputable manner, maintain an adequate sales force to serve properly all customers and carry a stock of merchandise of such size, character, quality and price so as to produce the greatest amount of Gross Revenue which may be reasonably produced therefrom consistent with good business practices and the Tenant's other covenants, obligations and agreements under this Lease;

2. the Tenant shall not allow or cause to exist or occur in the Premises anything which may be or result in a nuisance or annoyance to the Landlord or any customer or tenants of the Development, or which shall be in breach of any by-law or other legal requirement or any reasonable requirement of any insurer under any policy affecting the Landlord or any part of the Development;

3. the Tenant shall not allow or cause to be placed any signs either on the exterior walls or storefront of the Premises or elsewhere in the Development, or within the Premises so as to be visible outside the Premises, but excepting specifically a storefront identification sign which has received the prior written approval of the Landlord and signs, decorations, lettering or advertising matter which are in the normal course of the Tenant's business and in accordance with the Landlord's rules and regulations, and the Tenant shall remove, on the Landlord's request, any signs, decorations, lettering or advertising matter of any kind which are objectionable to the Landlord in its sole discretion;

4. the Tenant shall store or stock in the Premises only such merchandise as the Tenant intends to offer for sale in the Premises, and shall use for non-selling purposes only such minimum amount of space in the Premises as may reasonably be required for the conduct of the Tenant's business in the Premises;

5. the Tenant shall not allow or cause any machines selling merchandise or services, including vending machines and machines operated by coins, credit cards or otherwise, to be present in or adjacent to the sales or display area of the Premises;

6. the Tenant shall not allow or cause to be present in or adjacent to the Premises any machines providing entertainment, whether by coins, credit cards or otherwise;

7. the Tenant shall not allow or cause any act or omission to occur which may damage the Development or any business conducted therein, shall keep the Premises at all times orderly and tidy, with the merchandise properly displayed and with adequate customer aisles and entranceways for the free movement of customer traffic within and to and from the Premises, shall keep the Premises in a clean and sanitary condition, free from rubbish and dirt, shall store all trash and refuse only within the Premises (in refrigerated storage in the case of perishable goods) and shall arrange for the removal of such trash and refuse at regular times all at the Tenant's expense. The Tenant shall not dispose of any trash or refuse in or about the Premises or anywhere else in the Development or allow or cause any sounds or odours to emanate from the Premises which are objectionable or unusual in the Landlord's sole opinion;

8. the Tenant shall not allow or cause to be overloaded any floor in the Premises or any utility systems or any transmission equipment such as wiring, mains, pipes, conduits, valves and connections in or serving the Premises or any other fixtures or equipment, or allow or make any use of any of them such as to constitute a hazard;

9. the Tenant shall from time to time make only such renovations and replacements to and of the improvements fixtures, furnishings, chattels and decorations in and of the Premises as may be necessary in order that same will be of first-class quality and the Premises shall always be suitable for the proper operation of the business required to be carried on

therein, and in so doing shall obtain the consent of the Landlord wherever required under this Lease;

10. the Tenant shall keep the display windows of the Premises and the interior of the Premises suitably illuminated during the Retail Hours established by the Landlord from time to time, and shall also keep the display windows of the Premises suitably illuminated during such other hours as the Landlord may reasonably determine, but no storefront lighting not approved by the Landlord shall be allowed. If the Premises have a recessed storefront, the Landlord shall have the right to control the types, or prohibit altogether, displays outside the storefront, and the Tenant shall promptly comply with any directions of the Landlord pertaining to such displays;

11. the Tenant and the Tenant's employees and agents shall not solicit business in any of the Common Facilities nor in or about any other portion of the Development nor shall the Tenant display any merchandise outside the Premises, at any time, without the prior written consent of the Landlord, nor shall the Tenant use any portion of the parking areas of the Development for "sidewalk sales" without the Landlord's prior written consent, which may in the circumstances be unreasonably withheld;

12. the Tenant shall not use the name of the Landlord in any promotion or advertising conducted by the Tenant without the prior written consent of the Landlord, which consent may be unreasonably and arbitrarily withheld.

SCHEDULE "F"

SPECIAL PROVISIONS

The following are additional terms and provisions which form part of this Lease, which provisions are personal to the Tenant and without the express written consent of the Landlord, are not capable of being assigned by the Tenant to any person, firm or corporation and are not capable of being assigned by a bankruptcy trustee or other legal representative of the Tenant:

1. **Extension of Term**

If:

(a) the Tenant pays the Rent as and when due and punctually observes and performs its covenants, obligations and agreements under and in accordance with the terms of this Lease;

(b) the Tenant is not in breach or default under the terms of this Lease, or the Tenant is not in on-going default under this Lease, and the applicable time period for remedying such default has not expired;

(c) the Tenant gives the Landlord not more than twelve (12) months nor less than nine (9) months notice prior to the expiry of the initial Term of its intention to extend the Term; and

(d) the Tenant, or a permitted assignee or subtenant is in occupation of and conducting business in the whole of the Premises;

then the Tenant will have the right to extend the Term on the expiry of the initial Term for a further period of five (5) years (the **"Extended Term"**) on the same terms and conditions as are set out in this Lease, except that:

(e) intentionally deleted;

(f) any Fixturing Period, or requirement on the Landlord's part to do any Landlord's Work or pay to the Tenant any construction allowance, inducement, loan or other amount in connection with this Lease or improvements installed in the Premises, set out in this Lease, shall not apply to the Extended Term;

(g) if the Landlord requires, the Tenant will promptly (i) execute a new net lease for the Premises for the Extended Term on the Landlord's then current standard form of net lease for the Development, which form may include the then current definitions and formulae for the sharing of Operating Costs, the allocation of Taxes and the other costs and charges relating to the operation of the Development, or (ii) execute an extension agreement prepared by the Landlord at the Tenant's expense, giving effect to the Extended Term; and

(h) the annual Minimum Rent shall be based on an annual rate of $31.00 per square foot of the Rentable Area the Premises plus Percentage Rent payable pursuant to the Lease during the Extended Term.

If the Tenant fails to exercise the foregoing option to extend the Term in accordance with this Section 1 of Schedule "F", or if the other conditions set out in this Section 1 of Schedule "F" are not satisfied, this option to extend shall be null and void.

Should the Tenant exercise its option to extend, the Landlord may require, at its option, that the Tenant undertake, at the Tenant's cost, renovation work to replace and/or upgrade the finishes of the Premises, including, without limitation, the lighting, floor finishes, wall finishes, ceiling, storefront, materials, etc.

2. **Second Extension of Term**

If:

(a) the Tenant pays the Rent as and when due and punctually observes and performs its covenants, obligations and agreements under and in accordance with the terms of this Lease;

(b) the Tenant is not in breach or default under the terms of this Lease, or the Tenant is not in on-going default under this Lease, and the applicable time period for remedying such default has not expired;

(c) the Tenant gives the Landlord not more than twelve (12) months nor less than nine (9) months notice prior to the expiry of the initial Term of its intention to extend the Term; and

(d) the Tenant, or a permitted assignee or subtenant is in occupation of and conducting business in the whole of the Premises and has paid Percentage Rent for the last two years of the Term or first Extended Term, as the case may be;

then the Tenant will have the right to extend the Term on the expiry of the initial Term or first Extended Term, as the case may be, for a further period of five (5) years (the **"Extended Term"**) on the same terms and conditions as are set out in this Lease, except that:

(e) following the second Extended Term, there will be no further right to extend the Term;

(f) any Fixturing Period, or requirement on the Landlord's part to do any Landlord's Work or pay to the Tenant any construction allowance, inducement, loan or other amount in connection with this Lease or improvements installed in the Premises, set out in this Lease, shall not apply to the Extended Term;

(g) if the Landlord requires, the Tenant will promptly (i) execute a new net lease for the Premises for the Extended Term on the Landlord's then current standard form of net lease for the Development, which form may include the then current definitions and formulae for the sharing of Operating Costs, the allocation of Taxes and the other costs and charges relating to the operation of the Development, or (ii) execute an extension agreement prepared by the Landlord at the Tenant's expense, giving effect to the Extended Term;

(h) the annual Minimum Rent shall be based on an annual rate of $33.00 per square foot of the Rentable Area the Premises plus Percentage Rent payable pursuant to the Lease during the Extended Term; and

(i) on the exercise by the Tenant of either of the options to extend in this Section, the Landlord may at its option require that the Tenant undertake, at the Tenant's sole cost and expense, renovation work to replace and/or upgrade the finishes of the Premises, including, without limitation, the lighting, floor finishes, wall finishes, ceiling, storefront, materials and the like.

If the Tenant fails to exercise each of the foregoing options to extend the Term in accordance with this Section 2 of Schedule "F"; or if the other conditions set out in this Section 2 of Schedule "F" are not satisfied, this option to extend shall be null and void.

3. **Exclusive Rights**

Provided the Tenant (i) is SHS Optical Ltd. operating as "Great Glasses", or a permitted assignee or subtenant, (ii) is not in default under the Lease, (iii) is conducting business in the whole of the Premises, in accordance with the use set out in this Lease, and (iv) has not downsized the Premises from the original area leased, the Landlord shall not lease or license any premises in the Development to any tenant, whose principal business is an optical store, or that of an optometrist. The Tenant acknowledges and agrees that the aforesaid restriction, as outlined in this paragraph, shall not apply or be enforceable to

any existing tenant of the Development who, as of the date of this Lease, is permitted by its tenancy agreement with the Landlord to operate and carry on any such business within the Development.

4. **Radius Clause**

The Tenant will not engage in nor will it permit any person under its control or affiliated with it, whether as partner, shareholder, lender, employee or otherwise, to engage, directly or indirectly, in any business which is the same as or similar to, or in competition with the Tenant's business in the Premises within any building or building complex, any part of which is within a radius of two and one-half (2 ½) miles from the perimeter of the Development. This restriction does not apply, however, to any existing business or store of the Tenant that is in operation within that radius as of the date of the Agreement to Lease so long as the size of that business or store is not increased. If the Tenant breaches this covenant, the Landlord may require that Gross Revenue (calculated in the same manner as Gross Revenue under this Lease) from the business, the conduct of which breached this covenant, be included in Gross Revenue under this Lease, and the Landlord will have the same rights of inspection and audit with respect to the Gross Revenue of that other business as it has with respect to Gross Revenue under this Lease.

5. **Tenant Improvement Allowance**

Provided the Tenant is not in default under this Lease, the Landlord shall give the Tenant a one-time only allowance of $15.00 per square foot of Rentable Area of the Premises, plus Goods and Services Tax (the **"Allowance"**), in respect of all costs of every nature and kind whatsoever incurred by the Tenant in constructing the Premises. Payment of the Allowance will be made on satisfaction of the following conditions:

(a) provision by the Tenant of a statutory declaration (the **"Declaration"**): (i) stating that the Tenant's Work has been performed in accordance with all of the provisions of the Tenant's approved plans and specifications and that all deficiencies (if any) which the Landlord has brought to the Tenant's attention have been corrected; (ii) stating that there are no construction, or Worker's Compensation or other liens or encumbrances affecting the Premises in respect to work, services or materials relating to the Tenant's Work; and that all accounts for work, services and materials have been paid in full with respect to all of the Tenant's Work; and (iii) confirming the date on which the last such work was performed and materials were supplied;

(b) provision by the Tenant of satisfactory evidence, including, if required by the Landlord, a statutory declaration of the Tenant's general contractor that full payment has been made of all invoices for services, materials and equipment rendered in respect of the making of the improvements;

(c) delivery to the Landlord of a clearance certificate issued under the *Workplace Safety and Insurance Act (Ontario)* in respect of each contractor and sub-contractor listed on the Declaration;

(d) the expiry of any applicable periods of time during which a valid lien may be registered against the title to the Tenant's leasehold estate by reason of the making of the improvements;

(e) the opening for business of the Tenant in the whole of the Premises;

(f) execution of this Lease by all parties hereto and execution by the Tenant of any estoppel certificate required by the Lease; and

(g) payment by the Tenant of all Rent and other amounts due to the Landlord under the Lease.

If this Lease is terminated for any reason whatsoever, whether or not due to the default of the Tenant, prior to the expiry of the Term, the Tenant and the Indemnifier shall pay to the Landlord on demand the unamortized portion of the Allowance, including interest at Bank of Nova Scotia annual prime plus 2%, for the period from the date of the initial

default by the Tenant until the end of the Term or the then current period of extension, as the case may be.

SCHEDULE "G"

RESTRICTED AND PROHIBITED USES FOR FLETCHER'S MEADOW RETAIL CENTRE

Prohibited Use Restrictions

Notwithstanding anything to the contrary in this Lease, Tenant covenants and agrees to and with the Landlord that, without the Landlord's prior written consent, which the Landlord may arbitrarily or unreasonably withhold for any reason whatsoever, the Premises will not be used for any one or more of the following uses or in violation of any one or more of the following provisions:

1. a supermarket or food store or other business which contravenes the "SUPERMARKET PROVISIONS", set out in Schedule "H" hereto;
2. funeral establishment;
3. automobile sales, leasing or display establishment or used car lot, including body repair facilities;
4. auction or bankruptcy sale (unless required by law);
5. pawn shop;
6. flea market;
7. circus or other similar entertainment;
8. outdoor meeting;
9. pool or billiard establishment, including without limitation the provision of pool or billiard tables within another use;
10. bowling alley;
11. shooting gallery;
12. refinery;
13. adult bookstore or facility principally selling or displaying pornographic books, literature, videotapes (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality);
14. any residential use, including but not limited to living quarters, sleeping apartments or lodging rooms;
15. a theatre and auditorium for presentation of motion pictures, telecasts and other audio-visual presentations, and for meetings and other public presentations and entertainment;
16. auditorium;
17. meeting or banquet hall;
18. school;
19. gymnasium, health club or exercise or dance studio;
20. massage parlour;
21. dance hall;

22. banquet hall, cocktail lounge, bar, night club, disco or similar facility (unless same is primarily a restaurant), adult entertainment club (including, but not limited to a club providing any of strip-tease, exotic or topless dancing, topless waitresses or lapdancing);

23. bingo or similar games of chance;

24. skating or roller rink;

25. car wash, car repair or car rental agency;

26. any other use which does not as its primary objective service or sell to the general public;

27. the business of a bar/restaurant/tavern/discotheque with or without live/recorded entertainment;

28. the sale at retail or wholesale of second hand merchandise;

29. the sale and rental of prerecorded audio and/or video products, including, but not limited to, video and audio tapes, CDs and DVDs, audio and/or video software, including, but not limited to, CD-I, and CD-ROM, laser discs, video games and/or other home entertainment, educational and business software, the sale and rental of video and/or audio equipment (including VCR's, DVD players and video game equipment) and other electronic equipment; the sale and/or rental of any substitutes for, or items which are a technological evolution of, any of the foregoing items; the sale and rental of related accessories; the sale of any BLOCKBUSTER movie and other programming related promotional products; the sale of general merchandise consistent with entertainment or informational programming; the sale of related books and magazines; the sale of snack foods and food products that are normally sold in BLOCKBUSTER locations in the Province of Ontario; the promotion and sale of on-line services and/or related applications; the use of the premises as a location for personal video conferencing; as well as all uses incidental to the foregoing;

30. sell, rent and/or distribute prerecorded video cassettes, video tapes, video discs, laser discs, video games, DVDs or other video software (including CD-ROM) and/or any substitutes for, or items which are a technological evolution of, the foregoing items;

31. a dollar store offering for sale, at retail, a variety of general merchandise such as by way of example; novelties, games, toys, hair care products, soaps, paper products, glasses, cups, kitchen gadgets, kitchenware, housewares, giftware, health and beauty aids, party supplies, stationary, pre-packaged or pre-wrapped confectionary items and snacks and individual servings of soft drinks and juices in bottles or cans;

32. a convenience store selling milk, prepackaged bread, personal care products, cigarettes and other tobacco products, newspapers, magazines, soft drinks (can, bottled, fountain dispensed and other non-alcoholic beverages), confectionary foods (such as potato chips, chocolate bars, chewing gum, candles and frozen treats), lottery tickets (or lottery ticket validation services) and dairy products (including milk, butter, cheese and yogurts), by way of example, "Mac's" or "Beckers";

33. operate a Canada Post approved postal outlet;

34. general dentistry and dental hygiene including an in-house dental laboratory;

35. the business of a bank, including, without limitation, the provision of financial and trust services, providing investment counselling services, portfolio management services, telephone banking services, operation of automated banking machines and any business ancillary thereto;

36. a dry cleaning outlet;

37. the fast-food sale of pizza;

38. a fresh flower store and gift store selling gift items such as plush toys, candles, decorative home décor items, garden accessories, silk flower arrangements, gift baskets, cards and balloons;

39. a general medical practice;

40. a high end full service unisex hairdressing salon offering hair cutting and styling services and as ancillary to such principal use, the sale of hair grooming products and esthetic services including pedicures, manicures, facials and waxing;

41. a home furnishings store selling bedroom furniture sold in pieces or sets, kitchen tables and chairs, dining room sets, sofas, love seats and loungers, floor and table lamps and mattresses;

42. a store selling beverage alcohol or related products, excluding all restaurants or fast food establishments;

43. a fast food sub shop selling submarine style sandwiches;

44. a business offering value-priced unisex haircutting and, as ancillary to such principal use, selling related beauty products and services typically associated with the hair care business;

45. a business selling pet food, pet toys, pet accessories and a pet grooming facility, as well as a training facility for pets, a veterinary clinic and other pet related business;

46. the business of a beer store; and

47. the business of a McDonald's Restaurant.

SCHEDULE "H"

SUPERMARKET PROVISIONS

1. The buildings and improvements, including signage, shall be designed and constructed on the respective lands in a manner which they are architecturally, structurally and aesthetically compatible and harmonious, including, without limitation, all exterior facades and colour designs, canopies, elevations, signage and all common areas, entranceways and accesses.

2. The rules and regulations for both the Development and the Adjacent Land shall provide for the orderly operation of the buildings and improvements on both properties, consistent with the operation of the buildings and improvements on the other properties as a first class retail shopping centre.

3. The occupants, customers, employees, servants, agents, invitees and licensees of the Development shall have the following easements and rights with respect to the Adjacent Land:

   (a) an easement in perpetuity over all portions of the Adjacent Land (except that portion on which there is from time to time constructed buildings or other above ground improvements) for the reasonable passage and repassage of motor vehicles and pedestrians over the Adjacent Land to and from the Development and adjacent streets.

   (b) a right in the nature of a license through the Adjacent User's building entrances and over the internal pedestrian walkways within the Adjacent User's buildings as they may exist from time to time for reasonable passage and repassage of pedestrians between the Development and the Adjacent User's building.

   (c) an easement for the purpose of parking automobiles on those portions of the Adjacent Land which are designated from time to time for automobile parking purposes, together with a right of reasonable access thereto over, along and upon all driveways and vehicular passageways and entrances and exits, as they exist from time to time upon the Adjacent Land.

   (d) an easement and right (but not the obligation) in, on, over, along, under and through the Adjacent Land (except that portion upon which there is from time to time constructed buildings or other above-ground improvements), upon written notice and its sole cost, to enter, construct, maintain inspect, alter, repair, remove, replace, reconstruct, and enlarge the Development services. The Adjacent User shall not suffer, permit, or cause any interruption, blockage, obstruction, stoppage, delay or cessation of all or any of the Development services.

   Notwithstanding the foregoing or any other provision hereof, it is acknowledged that the Adjacent User shall be entitled to operate a seasonal garden centre on the Adjacent Land within specified areas determined by the Adjacent User and the Landlord.

4. The occupants, customers, employees, servants, agents, invitees and licensees of the Adjacent Land shall have the following easements and rights with respect to the Development:

   (a) an easement over all portions of the Development (except that portion on which there is from time to time constructed buildings or other above ground improvements) for the reasonable passage and repassage of motor vehicles and pedestrians over the Development to and from the Adjacent Land and adjacent streets;

   (b) a right in the nature of a license through the Development entrances and over the

internal pedestrian walkways within the Development as they may exist from time to time for reasonable passage and repassage of pedestrians between the Development and the Adjacent User's building.

(c) an easement for the purpose of parking automobiles on those portions of the Development which are designated from time to time for automobile parking purposes, together with a right of reasonable access thereto over, along and upon all driveways and vehicular passageways and entrances and exits, as they exist from time to time upon the Development.

(d) an easement and right (but not the obligation) in, on, over, along, under and through the Development(except that portion upon which there is from time to time constructed buildings or other above-ground improvements), upon written notice and its sole cost, to enter, construct, maintain inspect, alter, repair, remove, replace, reconstruct, and enlarge the Adjacent Land services. The Landlord shall not suffer, permit, or cause any interruption, blockage, obstruction, stoppage, delay or cessation of all or any of the Adjacent Land services.

5. Except in the case of emergencies or causes beyond the control of the Landlord or the Adjacent User, no construction or installation will be carried out by or on behalf of the other of them during the months of November and December.

6. The Adjacent User shall at all times provide on the Adjacent Land and maintain from time to time a minimum number of parking spaces to satisfy a parking ratio equal to the greater of: the municipal parking ratio required, and five (5) full sized parking spaces per 1,000 square feet of Gross Leasable Area on the Adjacent Land. The Landlord shall at all times provide on the Development and maintain from time to time a minimum number of parking spaces to satisfy a parking ratio equal to the greater of: the municipal parking ratio required, and five (5) full sized parking spaces per 1,000 square feet of Gross Leasable Area on the Development. Subject to the agreement between the Landlord and the Adjacent User with respect to "no build" areas within the Development and the Adjacent Land, the Landlord shall be entitled at any time and from time to time to eliminate or relocate parking spaces and to construct buildings or other structures on lands designated for parking.

7. The Landlord and the Adjacent User shall not construct, install, erect, or affix or permit to be constructed, installed, erected or affixed any fence, wall, barrier fixture, or other material obstruction whatsoever in, on, or between the parking areas on the Adjacent Land and the parking areas on the Development, nor make any changes to the grade of the parking areas on the Adjacent Land or the parking areas on the Development, as the case may be, which would in either instance unreasonably inhibit or prevent passage, ingress and egress of pedestrians or vehicles between the parking areas on the Adjacent Land and the parking areas on the Development or be inconsistent with the continued existence and use of the parking areas in accordance with the easements referred to in paragraphs 3 and 4 above. This restriction shall not apply to temporary interruptions of use for the purpose of making repairs or the laying of, or making repairs to underground services or as otherwise specifically permitted by the Landlord or the Adjacent User. In making the aforesaid repairs, the Landlord and the Adjacent User shall make reasonable efforts to minimize disruption for users of the parking areas. The Landlord and the Adjacent User will not impose or permit the imposition of charges for parking in the parking areas on the Adjacent Land and the Development.

8. Neither the Landlord nor the Adjacent User shall relocate or make any variations or changes (without the prior written consent of the other, which consent shall not be unreasonably withheld or unduly delayed) to the access ways to and from the adjacent public streets and highways, except to the extent any such relocation, variations, or changes are required by any governmental authorities.

9. The Landlord shall use its best efforts to prohibit its employees and, if applicable, its tenants' employees from parking in the areas on the Adjacent Land and from parking on the Development in close proximity to the store entrances to the Development.

10. The Landlord shall not use or permit any part of the Development to be used in such a manner as to create a nuisance, nor shall the Landlord allow or permit any noises, water,

vapours, steam, odours, vibrations, or other undesirable effects to emanate from the Development or any part thereof or from any equipment or installation therein which in the reasonable option of the Adjacent User is objectionable or causes any interference with the safety, comfort or convenience to the building on the Adjacent Land.

11. The Premises will not be used, whether by the Tenant, subtenant, assignee, concessionaire, franchisee, licensee or otherwise, for any one or more of the following uses or in violation of any one or more of the following provisions: (a) the operation of a food supermarket or retail store which carries on directly or indirectly in its premises the business of a grocer selling meats, fruits, any groceries, bulk foods, vegetables, fish, poultry, bakery or delicatessen products, or (b) a drug store or pharmacy. provided that with the Landlord's prior written consent, which may be unreasonably or arbitrarily withheld, and specifically subject to the provisions of BLT (D) and Section 2.03, space within the Development may be used for one or more of the following:

(a) a health food store: one (1) permitted, not to exceed 2,000 square feet;

(b) restaurants: any number of restaurants not to exceed 20,000 square feet in the aggregate combined Gross Leasable Area, and none to be located more than 200 feet from any exterior wall of the building constructed by the Adjacent User on the Adjacent Land;

(c) a Gourmet coffee shop: one (1) permitted not to exceed 3,500 square feet (by way of example only, such as "Starbucks" or "Second Cup");

(d) a Donut/Muffin shop: one (1) permitted not to exceed 3,000 square feet;

(e) a Convenience/Variety store: one (1) permitted not to exceed 2,500 square feet;

(f) an Ice Cream/Yogurt store: one (1) permitted not to exceed 3,500 square feet;

(g) a Dollar store: one (1) permitted, and which shall be restricted in its sale of food products to the sale of shelf stable food products from an area not larger than 500 square feet.

The uses in subparagraphs (a), (e) and (g) above shall not be operated as an integrated unit having the appearance of a market or food store.

APPENDIX 1

INDEMNIFIER PROVISIONS

1. **Indemnifier**

In consideration of the Landlord entering into this Lease, the Indemnifier covenants with the Landlord that:

(a) the Tenant will duly perform and observe all of its covenants obligations and agreements under this Lease;

(b) if the Tenant shall default in the performance or observance of any of its covenants, obligations or agreements under this Lease, the Indemnifier shall, on the demand of Landlord, perform, observe or cause to be performed or observed such covenant, obligation or agreement;

(c) the Indemnifier shall indemnify and hold harmless the Landlord from any loss, damage or injury, including legal costs on a substantial indemnity basis, arising out of or in connection with any default of the Tenant under this Lease;

(d) the Indemnifier's obligations contained in this Lease is that of a principal obligor and not a mere guarantor or surety, and the Indemnifier shall be jointly and severally liable with the Tenant to the Landlord for the due performance of all the Tenant's covenants, obligations and agreements under this Lease, and the Indemnifier expressly waives any benefits of division and discussion which it may have;

(e) if the Tenant shall default in the performance or observance of any of its covenants, obligations or agreements under this Lease, the Landlord shall not be required to proceed against the Tenant or any other person, or to have recourse to or exhaust any security from time to time held by it for the performance or observance of such covenant, obligation or agreement, or to pursue any other remedy which may be available to it before proceeding against the Indemnifier but shall be entitled to all of the benefits in this Lease contained as soon as such default occurs and may proceed against the Indemnifier as if the Indemnifier were the Tenant under this Lease;

(f) the covenants, obligations and agreements of the Indemnifier under this Lease shall in no way be limited or released and the rights of the Landlord under this Lease shall in no way be prejudiced or impaired by any act, omission or thing, including but not limited to:

(A) any neglect, delay or forbearance of the Landlord in demanding, requiring or enforcing performance or observance of any of the Tenant's or Indemnifier's covenants, obligations or agreements under this Lease,

(B) granting any extension of time for performance or observance,

(C) waiving any performance or observance (except as to the particular performance or observance which has been waived),

(D) permitting or consenting to any occupancy transaction under Section 10.04,

(E) the dissolution of the Tenant,

(F) any release or discharge of the Tenant in any receivership, bankruptcy, winding-up or other creditor's proceedings,

(G) the rejection, disaffirmation or disclaimer of this Lease in any such proceeding (and for greater certainty, the covenants, obligations and agreements of the Indemnifier and these Indemnifier Provisions shall continue with respect to the periods prior thereto and thereafter as if this Lease had not been rejected, disaffirmed or disclaimed),

(H) any other occurrence which would have the effect at law of terminating the existence or obligations of the Tenant prior to the expiration of the Term (except by the voluntary acceptance by the Landlord of a surrender of this Lease),

(I) any agreements between the Landlord and the Tenant affecting this Lease or the obligations of the Tenant hereunder,

(J) any sale, assignment or transfer of this Lease by the Landlord, whether by contract, operation of law or otherwise,

(K) any change in identity of the Landlord, whether by amalgamation, operation of law or otherwise, or

(L) any lack or deficiency of notice by the Landlord to the Indemnifier of any default of the Tenant.

On the occurrence or alleged occurrence of anything contemplated in this Lease, the Indemnifier shall, if required by the Landlord, enter in to a new lease with the Landlord for the balance of the Term and otherwise on the same terms and conditions as are contained in this Lease, *mutatis mutandis*; and

(g) the Indemnifier shall be liable under this provision throughout the Term and any overholding thereafter and any renewal of this Lease or extension of the Term.

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CENTRE:	IMPERIAL SQUARE 455-475 WOODLAWN ROAD WEST GUELPH, ONTARIO
LANDLORD:	IMPERIAL SQUARE G.P. LTD.
TENANT:	SHS OPTICAL LTD. trading as "Great Glasses"
TENANT'S ADDRESS:	455 Woodlawn Road West Unit #3 Guelph, ONTARIO N1K 1E9
INDEMNIFIER:	N/A
STORE NO.:	20
AREA:	APPROXIMATELY 1,629 SQUARE FEET
TERM OF LEASE:	TEN (10) YEARS
FROM:	AUGUST 1, 2007
TO:	JULY 31, 2017
RENTAL/SQ.FT.RATE:	Years 1 – 5: $20.00 per square foot per annum Years 6 – 8: $21.00 per square foot per annum Years 9 – 10: $22.00 per square foot per annum
% RATE:	N/A
OPTIONS:	Two further periods of 5 years each
EXCLUSIVE:	N/A

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THIS INDENTURE made this 16th day of May, 2007.

BETWEEN:

IMPERIAL SQUARE G.P. LTD.
(herein called the "Landlord")

OF THE FIRST PART

- and -

SHS OPTICAL LTD.
Trading as Great Glasses

(herein called the "Tenant")

OF THE SECOND PART

WITNESSETH THAT:

ARTICLE I
DEFINITIONS

1.01 Definitions

In this lease:

(a) "Additional Rent" means any and all sums of money or charges required to be paid by the Tenant under or pursuant to the terms of this Lease, save only for Minimum Rent ~~and Percentage Rent,~~ whether or not the same are designated "Additional Rent" and whether or not the same are payable to the Landlord, or otherwise, and all such sums are payable in lawful money of Canada without any set-off. Additional Rent is due and payable with the next monthly instalment of Minimum Rent unless otherwise provided, but in any event is not payable as part of Minimum Rent. Additional Rent may be estimated by the Landlord from time to time and such estimated amount is payable in monthly instalments in advance with annual adjustments and all Additional Rent is deemed to be accruing due on a day to day basis.

(b) "Architect" shall mean the architect from time to time named by the Landlord or at the option of the Landlord, the Landlord's general contractor. Any certificate provided by the Architect and called for by the terms of this Lease shall be final and binding on the parties hereto.

(c) "Commencement Date" means a date determined in accordance with the provisions of Section 2.03.

(d) "Common Areas" means those areas, facilities, utilities, improvements, equipment and installations in the Shopping Centre which from time to time are not designated or intended by the Landlord to be leased to tenants of the Shopping Centre, and those areas, facilities, utilities, improvements, equipment and installations which serve or are for the benefit of the Shopping Centre whether or not located in, adjacent to or near the Shopping Centre and which are designated from time to time by the Landlord as part of the Common Areas. Without limiting the generality of the foregoing, Common Areas includes all parking areas and parking garages, all entrances and exits thereto and all structural elements thereof, employee parking areas, access roads, truck courts, driveways, truckways, delivery passages, the roof, exterior weather walls, exterior and interior structural elements and bearing walls in the building and improvements comprising the Shopping Centre, package pick-up stations, loading and related areas, pedestrian sidewalks, landscaped and planted areas, bus kiosks, if any, roadways and stops, signs, equipment and fixtures, stairways, ramps, electrical, telephone, meter, valve, mechanical, mail storage service and janitor rooms and galleries, fire prevention, security and communication systems, columns, pipes, electrical, plumbing, drainage, any central system for the provision of heating, ventilating or air conditioning to leasable premises or any enclosed Common Areas and all other installations, equipment or services located therein or related thereto as well as the structures housing the same. Common Areas further include any such interior areas, facilities, utilities, improvements, equipment and installations, including but not limited to all open and enclosed malls, courts and arcades, public seating and service areas, corridors, furniture, first aid and/or information stations, auditoria, conference rooms, nurseries, childcare play areas and related kitchen and storage facilities, escalators, elevators, public washrooms, music systems and any Food Court.

(e) "C.P.I." means the Consumer Price Index (All Items) for Canada (or any index published in substitution for the Consumer Price Index or any other replacement index reasonably designated by the Landlord, if it is no longer published) published by Statistics Canada (or by any successor thereof or any other governmental agency, including a provincial agency).

(f) "Food Court" means those portions of the Common Areas designated by the Landlord from time to time for use in support of the operations of any group of premises providing quick food service to customers of the Shopping Centre and includes, without limiting the generality of the foregoing, public table and seating areas, waste collection facilities and other areas, facilities and equipment intended for such use.

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(g) "Gross Receipts" means the total of all gross sales and receipts from all business conducted upon or from the Leased Premises, whether or not by the Tenant, and whether for cash, cheques, credit, charge account, exchange or otherwise, and shall include, but not be limited to, amounts received or receivable from the sale of goods or services and the amount of all orders taken or received at the Leased Premises regardless of where they are filled, whether such sales be made at a sales desk or counter, over the telephone or by any vending device. Interest, instalment, finance charges and deposits will be included, and bank or collection agency charges and uncollectible amounts or bad debts will not be deducted. A credit or instalment sale will be considered as a sale for the full price in the month in which it takes place. Gross Receipts shall not include:

(i) sales for which the customer has received a refund, provided that the original sale was included in Gross Receipts;

(ii) sales of merchandise in exchange for returned merchandise, but only to the extent the original sale of the returned merchandise was included in Gross Receipts;

(iii) GST and any other sales, use, excise or gross receipts tax directly on sales and collected from customers at the point of sale, provided that the amount thereof is added to the selling price and shown and/or collected as a separate item, and paid by the Tenant to such governmental authority;

(iv) delivery charges;

(v) transfers of merchandise between stores of the Tenant or returned to suppliers of the Tenant, but only if such transfer or return is not for the purpose of reducing Gross Receipts.

(h) "GST" means goods and services taxes, value-added taxes, multi-stage taxes, business transfer taxes or other similar taxes however they are characterized.

(i) "Hazardous Substances" means any contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substances or materials that are declared or defined to be hazardous, toxic, contaminants or pollutants in or pursuant to any applicable federal, provincial or municipal statute, by-law or regulation.

~~(j) "Indemnifier" means a person who has executed or agreed to execute the Indemnity Agreement that is attached to this Lease as Appendix "A".~~

(k) "Landlord" includes the Landlord and its successors and assigns.

(l) "Lease" means this indenture of lease and includes any riders and schedules hereto and shall also include any agreements entered into which have the effect of amending this indenture from time to time.

(m) "Leased Premises" means the premises leased to the Tenant as referred to and described in Section 2.01 hereof. Save as mentioned below, the boundaries of the Leased Premises shall extend from the top surface of the structural subfloor to the bottom surface of the structural ceiling. If the Leased Premises have no ceiling abutting the demising walls, but rather are open to the ceiling of the Shopping Centre building, the boundaries of the Leased Premises extend from the top surface of the structural subfloor to the height of the demising walls.

(n) "Lease Year" shall mean a period of time, the first Lease Year commencing on the Commencement Date and ending on the 31st day of December in the calendar year of the Commencement Date. Thereafter Lease Years shall consist of consecutive periods of twelve calendar months ending in each case on December 31st, save for the last Lease Year of the Term which shall terminate upon the expiration or earlier termination of this Lease, as the case may be.

(o) "Minimum Rent" means the annual minimum rent payable by the Tenant pursuant to Section 3.01.

(p) "Mortgagee" means any mortgagee, chargee or hypothecary creditor (including any trustee for bondholders) of the Shopping Centre or any part thereof.

(q) "Operating Costs" means the total cost and expense incurred in owning, operating, maintaining, managing and administering the Shopping Centre and the Common Areas, excluding only the original acquisition costs and financing and mortgage charges, but specifically including without limiting the generality of the foregoing, all Taxes not recovered from tenants of the Shopping Centre; gardening and landscaping charges and seasonal decorations; the cost and expenses of taking out the insurance described in Section 10.03; cleaning, snow removal, garbage and waste collection and disposal; a rental charge imposed by the Landlord, in its sole discretion, for the non-leasable service areas serving the Shopping Centre, including any enclosed garbage, utility, transformer, electrical, telephone or storage room or rooms; lighting, electricity, public utilities, loud speakers, public address and musical broadcasting systems and any telephone answering service used in or serving the Shopping Centre, and the cost of electricity and maintenance for any signs designated by the Landlord as part of the Common Areas; policing, security, supervision and traffic control; salaries and benefits of all supervisory and other personnel employed in connection with the Shopping Centre and management office rent imputed to the Shopping Centre by the Landlord; the cost of providing additional parking or other Common Areas for the benefit of the Shopping Centre, whether such costs be land rent, Taxes or other type of costs; the costs and expenses of

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environmental site reviews and investigations, removal and/or clean-up of Hazardous Substances from the Common Areas; the cost of the rental of any equipment and signs and the cost of supplies used in the maintenance and operation of the Shopping Centre and the Common Areas; accounting and audit fees incurred in the preparation of the statements required to be prepared and supplied by the Landlord under the terms of this Lease; heating, ventilating and air conditioning of the Common Areas; all repairs and replacements to and maintenance and operation of the Shopping Centre and the Common Areas; depreciation or amortization of the costs, including repair and replacement, of all maintenance and cleaning equipment, master utility meters, and all other fixtures, equipment, and facilities serving or comprising the Shopping Centre or the Common Areas, which are not charged fully in the Lease Year in which they are incurred, from the earlier of the date when the cost was incurred or the Commencement Date, at rates on the various items determined from time to time by the Landlord in accordance with sound accounting principles; interest calculated at three (3%) percentage points above the Prime Rate upon the undepreciated or unamortized portion of the costs referred to above; and an administration and management fee of fifteen percent (15%) of the total of all of the above costs.

(r) ~~"Percentage Rent" means the rent payable by the Tenant pursuant to Section 3.02.~~

(s) "Prime Rate" means the annual rate of interest from time to time publicly quoted by any Canadian chartered bank designated by the Landlord as its reference rate of interest for determining rates of interest chargeable in Toronto on Canadian dollar demand loans to commercial customers.

(t) "Proportionate Share" means a fraction, the numerator of which is the Rentable Area of the Leased Premises and the denominator of which is the Rentable Area of the Shopping Centre.

(u) "Rent" means all Minimum Rent, ~~Percentage Rent~~ and Additional Rent payable pursuant to the terms of this Lease.

(v) "Rentable Area of the Leased Premises" means the area expressed in square feet of all floors of the Leased Premises measured from:

(i) the exterior face of all exterior walls, doors and windows;

(ii) the exterior face of all interior walls, doors and windows separating the Leased Premises from Common Areas, if any; and

(iii) the centre line of all interior walls separating the Leased Premises from adjoining leasable premises.

The Rentable Area of the Leased Premises includes all interior space whether or not occupied by projections, structures or columns, structural or non-structural, and if the store front is recessed from the lease line, the area of such recess for all purposes lies within the Rentable Area of the Leased Premises. Provided, however, that:

(1) if the Leased Premises are a kiosk, then for the purposes of determining the fraction that is the Tenant's Proportionate Share, the Rentable Area of the Leased Premises shall be multiplied by a factor of 2; and

(2) if the Leased Premises are storage premises, then for the purposes of determining the fraction that is the Tenant's Proportionate Share, the Rentable Area of the Leased Premises shall be multiplied by a factor of 1/2.

(w) "Rentable Area of the Shopping Centre" means the area in square feet of all rentable premises in the Shopping Centre set aside for leasing by the Landlord from time to time, except for any store occupying an area in excess of 15,000 square feet, any theatre, kiosks, gas bar, library, post office or other governmental agency or office, any premises located on a floor generally designated by the Landlord for use or occupancy by office tenants or for office purposes (whether or not such premises are in fact used by an office tenant or for office purposes), any premises not fronting on or having access to the enclosed mall (if any), and any basements or mezzanines, storage areas or free-standing buildings. Provided however that the Landlord shall credit to Operating Costs any contributions received in respect of such Operating Costs from the occupants of any of the areas excluded from the Rentable Area of the Shopping Centre in accordance with this definition. Provided further that in determining the fraction that is the Tenant's Proportionate Share, if the Leased Premises consists of any of the foregoing excluded categories, the Rentable Area of that category will be included in the Rentable Area of the Shopping Centre.

(x) "Rules and Regulations" means the rules and regulations adopted and promulgated by the Landlord from time to time acting reasonably and in such manner as would a prudent landlord of a reasonably similar shopping centre, including those listed on Schedule "D".

(y) "Shopping Centre" means the lands and premises described in Schedule "A" attached hereto as such lands and premises may be altered, expanded or reduced from time to time and the buildings, improvements, equipment and facilities erected thereon or situate from time to time therein.

(z) "Taxes" means all duties, real property taxes, charges, assessments and payments, from time to time levied, assessed or imposed upon the Shopping Centre or any part thereof or upon the Landlord by reason of its ownership of the Shopping Centre, by any taxing authority. Taxes shall also include any penalties, late payment or interest charges imposed by any

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municipality or other taxing authority as a result of the Tenant's late payments of any taxes or instalments thereof.

(aa) "Tenant" means the party named as Tenant in this Lease.

(bb) "Term" means the period referred to in Section 2.03.

ARTICLE II
GRANT, TERM AND INTENT

2.01 Leased Premises

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant leases from the Landlord, the Leased Premises. The Leased Premises are presently designated as **Unit No. 3**, are shown outlined in red on Schedule "B" attached hereto and contain a Rentable Area of approximately **one thousand, six hundred and twenty-nine (1,629)** square feet.

2.02 Use of Common Areas

The use and occupation by the Tenant of the Leased Premises shall entitle the Tenant to the use in common with all others entitled thereto of the Common Areas, subject however, to the terms and conditions of this Lease and to reasonable rules and regulations for the use thereof as prescribed from time to time by the Landlord.

2.03 Term of Lease

TO HAVE AND TO HOLD the Leased Premises for and during the term of **ten (10)** years, to be computed from the **1st** day of **August, 2007**, (the "**Commencement Date**") and fully to be completed and ended on the **31st** day of **July, 2017**, save as hereinafter provided for earlier termination.

IN THE EVENT the Tenant fails to take possession of and to open the Leased Premises for business fully fixtured, stocked and staffed within sixty (60) days following the Commencement Date, then the Landlord shall have the right, in addition to any and all remedies herein provided, the option to terminate this Lease with five (5) days written notice to the Tenant and to recover from the Tenant the cost of all work done by the Landlord, if any, pursuant to Schedule "C" hereof.

FURTHER PROVIDED THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY, if the Landlord is unable to deliver vacant possession of the Leased Premises to the Tenant for any reason, including but not limited to the holding over or retention of possession of any other tenant or occupant, or the lack of completion of any repairs, improvements or alterations required to be completed before the Tenant's occupancy of the Leased Premises, then the time for commencement of the Term shall be extended to correspond with the period of delay and the Tenant shall not be entitled to any abatement or diminution of Rent (except that Rent shall not commence to be payable until possession of the Leased Premises is given by the Landlord to the Tenant) nor shall the validity of this Lease or the parties' respective obligations hereunder be affected. However, if the Landlord does not give vacant possession of the Leased Premises to the Tenant within six (6) months of the date of this Lease, then the Landlord may, at its option, terminate this Lease by written notice to the Tenant and in such event this Lease shall be null and void and of no effect whatsoever. Any deposit paid by the Tenant to the Landlord shall be returned without interest or deduction, and neither party shall have any further liability to the other.

Forthwith upon the Commencement Date being determined in accordance with the foregoing, the Tenant shall execute an acknowledgment of same on Landlord's usual form.

The Tenant shall pay all Minimum Rent, ~~Percentage Rent~~ and Additional Rent calculated on a per diem basis, from the Commencement Date to the last day of the month in which the Commencement Date occurs and thereafter all payments of Rent shall be made on the first day of each month throughout the Term unless otherwise specified herein.

2.04 Net Lease Intent

The Tenant acknowledges and agrees that it is intended that this Lease is a completely carefree net lease to the Landlord, except as expressly herein set out, that the Landlord is not responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased Premises, or the use and occupancy thereof, or the contents thereof, or the business carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Leased Premises except as expressly herein set out.

2.05 Option to Extend

Subject to the following, the Tenant shall be granted the option to extend the Term of the Lease for **two further periods of five (5)** years each (commencing on the day after the expiry date of the Lease), provided that, as preconditions to the Tenant exercising such right, the Tenant shall:

(a) have duly and regularly performed all of the covenants, terms and conditions on its part to be performed in the Lease; and

(b) have given written notice to the Landlord of the exercise of this option **at least three hundred and sixty (360) days prior to the expiry** of the original Term; AND FOR THE RENTS TO BE NEGOTIATED AT LEAST 180 DAYS PRIOR TO THE EXPIRY OF THE ORIGINAL TERM

~~(c) have paid Percentage Rent in at least the last two (2) years of the original Term of the Lease;~~

The said extended term shall be on the terms and conditions set out in the Lease, save and except that:

(i) the Leased Premises shall be taken on an "as is" basis and there shall be no inducements, allowances, rent free, or fixturing periods;

(ii) notwithstanding any rights herein contained, there shall be no further rights of extension or renewal;

(iii) **the Minimum Rent payable during such extension terms shall be mutually agreed between the parties and if mutual agreement cannot be reached** prior to the Commencement Date of such extension term, then the Minimum Rent shall be negotiated under the Arbitration Act of Ontario. In any event, the Minimum Rent during any extension period shall be no less than such rent payable during the final year of the preceding term.

(iv) the Tenant shall enter into an agreement prepared by the Landlord at the Tenant's expense to give effect to the terms of the extension.

ARTICLE III
RENT AND DEPOSIT

3.01 (a) Minimum Rent

The Tenant covenants and agrees to pay to the Landlord from and after the Commencement Date a **Minimum Rent** for the Leased Premises payable in equal consecutive monthly instalments in advance on or before the first day of each month, without any prior demand therefor and without any deduction, abatement or set-off whatsoever from and including the **Commencement Date** to and including **the 31st day of July, 2017** the Minimum Rent shall be calculated on the basis of the Leased Premises having a Rentable Area of approximately **1,629** square feet at an annual charge per square foot as follows:

Years	Minimum Rent Period	Per Sq.Ft.	Annum	Month
1 to 5	August 1, 2007 to July 31, 2012	$20.00	$32,580.00	$2,715.00
6 to 8	August 1, 2012 to July 31, 2015	$21.00	$34,209.00	$2,850.75
9 to 10	August 1, 2015 to July 31, 2017	$22.00	$35,838.00	$2,986.50

Subject to the Landlord's delivery of its **Architect's certificate** establishing such Rentable Area, the Minimum Rent and Additional Rent hereunder shall be adjusted accordingly.

3.01 (b) **Free Rent**

Notwithstanding anything hereinabove, during the first month of the Term, being the period **August 1st, 2007 to and including August 31st, 2007**, the Tenant shall not be responsible for the payment of Minimum Rent. Additional Rent and any other costs or charges reasonably attributable to the Tenant under the Lease shall remain payable.

3.02 **Percentage Rent** – Intentionally Deleted.

3.03 **Reports by Tenant**

The Tenant shall submit to the Landlord on a monthly basis during the Term, at the place then fixed for the payment of Rent, a written statement signed by the Tenant and certified by it to be true and correct, showing **the amount of Gross Receipts** for the preceding month.

3.04 **Tenant's Records** – Intentionally Deleted.

3.05 **Right to Examine Books** – Intentionally Deleted.

3.06 **Audit** – Intentionally Deleted.

3.07 **Rent Past Due**

If the Tenant fails to pay, when the same is due and payable, any Minimum Rent, ~~Percentage Rent,~~ Additional Rent or other amount payable by the Tenant under this Lease, such unpaid amounts shall bear interest from the due date thereof to the date of payment, compounded monthly at the rate equal to three (3) percentage points in excess of the Prime Rate, or at the Landlord's option, at the maximum annual rate permitted by law.

3.08 **Deposit**

The Landlord acknowledges receipt of a cheque in the amount of **Five Thousand, Nine Hundred and Seventy-Three Dollars and Zero Cents ($5,973.00)** which amount shall be held in trust pending execution of the Lease and following such execution, shall be **applied in equal portions towards the rents first payable** under the Lease and **the balance shall be held as security** as compensation for any loss or damage arising from the breach by the Tenant of any provision of this Lease. This right will not be construed to limit the Landlord's other rights under this Lease or at law or to limit the amount recoverable by the Landlord for damages in respect of breaches by

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the Tenant of this Lease. If the Landlord uses all or part of the deposit for the last month's Minimum Rent as provided above, the Tenant will, upon notification by the Landlord, pay to the Landlord the amount required to reimburse it for the amounts so applied. The Landlord will not be required to pay interest to the Tenant on any of the amounts paid to the Landlord or retained by it under this Section. The Landlord may deliver the aforesaid deposit to any purchaser of the Landlord's interest in the Shopping Centre or any part thereof, whereupon the Landlord will be immediately discharged from any further liability with respect to the deposit. The Tenant will not assign or encumber its interest in the deposit except in connection with a permitted Transfer, in which case the Tenant's interest in the deposit will be deemed to have been assigned to the permitted Transferee as of the date of the Transfer.

3.09 Pre-Authorized Payments/Post-dated Cheques

The Tenant shall participate in a pre-authorized payment plan whereby the Landlord will be authorized to debit the Tenant's bank account each month or from time to time during each Lease Year in an amount equal to the Minimum Rent and Additional Rent payable on a monthly basis, and, if applicable, generally any amount payable provisionally pursuant to the provisions of this Lease on an estimated basis. The Tenant shall sign the Landlord's form of application to give full force and effect to the foregoing within five (5) days of presentation.

In lieu of the pre-authorized payment plan referred to above, the Landlord shall be entitled to require the Tenant to present at the beginning of each Lease Year a series of monthly post-dated cheques for each such Lease Year for the aggregate of the monthly payments of Minimum Rent and Additional Rent payable on a monthly basis, and, if applicable, generally any amount payable provisionally pursuant to the provisions of this Lease on an estimated basis.

ARTICLE IV
TAXES

4.01 Taxes Payable by Landlord

The Landlord shall pay all Taxes which are levied, rated, charged or assessed against the Shopping Centre or any part thereof subject always to the provisions of this Lease regarding payment of Taxes by the Tenant. However, the Landlord may defer payment of any such Taxes or defer compliance with any statute, law, by-law, regulation or ordinance in connection with the levying of any such Taxes in each case to the fullest extent permitted by law, so long as it diligently prosecutes any contest or appeal of any such Taxes.

4.02 Taxes Payable by Tenant

(a) The Tenant shall during the Term pay, as Additional Rent, all Taxes levied, laid or assessed on or against the Leased Premises. In addition to and without any duplication of the Taxes levied or assessed against the Leased Premises, the Tenant shall also pay a share of all Taxes levied, rated, charged or assessed from time to time against the Common Areas.

(b) In the event that a separate tax bill is issued by any lawful taxing authority, then the Taxes payable by the Tenant in respect of the Leased Premises (and, if set out in such separate tax bill, the Common Areas) will be determined on the basis of such separate tax bill. If there is no such separate tax bill, then at the Landlord's option (i) the Taxes payable by the Tenant in respect of the Leased Premises shall be calculated on the basis of the assessed value of the Leased Premises, and the Taxes payable by the Tenant in respect of the Common Areas shall be the Tenant's Proportionate Share of all Taxes in respect of the Common Areas, or (ii) if the Landlord elects or is not able to charge on the basis of assessed value, then the Tenant shall pay in lieu thereof its Proportionate Share of all Taxes levied, rated, charged or assessed from time to time against the Shopping Centre, including the Common Areas.

(c) All Taxes shall be paid by the Tenant to the Landlord upon receipt of an invoice for the Taxes from the Landlord or the taxing authority having jurisdiction.

(d) In the case of assessments for local improvements or betterments which are assessed or imposed during the Term and which may by law be payable in instalments, the Tenant shall only be obligated to pay such instalments as same fall due during the Term, together with interest on deferred payments, on condition that the Tenant shall take such steps as may be prescribed by law to convert the payment of the assessment into instalment payments. Such payments of instalments and any interest thereon shall be made before any fine, penalty, interest or cost may be added thereto for non-payment of any instalment or interest thereon.

(e) In any suit or proceeding of any kind or nature arising or growing out of the failure of the Tenant to keep any covenant contained in this Article, the certificate or receipt of the department, officer or bureau charged with collection of the Taxes, showing that the tax, assessment or other charge affecting the Leased Premises is due and payable or has been paid, shall be prima facie evidence that such tax, assessment or other charge was due and payable as a lien or charge against the Leased Premises or that it has been paid as such by the Landlord.

(f) The Tenant shall have the right to contest or review by legal proceedings or in such manner as the Tenant in its opinion shall deem advisable (which proceedings or other

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steps taken by the Tenant shall be conducted diligently at its own expense and free of expense to the Landlord) any and all Taxes levied, assessed or imposed upon or against the Leased Premises or Taxes in lieu thereof required to be paid by the Tenant hereunder. No such contest shall defer or suspend the Tenant's obligations to pay the Taxes as herein provided pending the contest, but if by law it is necessary that such payment be suspended to preserve or perfect the Tenant's contest, then the contest shall not be undertaken without there being first deposited with the Landlord a sum of money equal to twice the amount of the Taxes that are the subject of the contest, to be held by the Landlord as an indemnity to pay such Taxes upon conclusion of the contest and all costs thereof that may be imposed upon the Landlord or the Leased Premises.

(g) The Tenant upon request of the Landlord will promptly exhibit to the Landlord all paid bills for Taxes, which bills after inspection by the Landlord shall be returned to the Tenant.

(h) Any Taxes relating to a fiscal period of the taxing authority, a part of which is within the Term and a part of which is prior to the commencement of the Term or subsequent to the expiration or earlier termination of the Term, shall, whether or not such Taxes shall be assessed, levied, imposed or become a lien upon the Leased Premises, or shall become payable during the Term, be apportioned and adjusted between the Landlord and the Tenant as of the date of commencement, expiration or termination of the Term, as the case may be.

(i) If the Tenant designates that Taxes go to support separate schools, the Tenant shall pay the difference, if any, between the rate for separate and public schools to the Landlord, together with any other payment pursuant to this Section 4.02.

(j) Notwithstanding any other provisions of this Section 4.02, the Landlord may, at its option, estimate the amount of Taxes payable by the Tenant during a particular Lease Year and the Tenant shall, at the request of the Landlord, pay one-twelfth of such estimate to the Landlord together with the monthly payment of Minimum Rent, with appropriate adjustments to be made between the Landlord and the Tenant within one hundred and twenty (120) days after the end of each Lease Year.

4.03 GST Payable by Tenant

The Tenant shall pay to the Landlord all GST on Rent and any other GST imposed by the applicable legislation on the Landlord or Tenant with respect to this Lease, in the manner and at the times required by the applicable legislation. Such amounts are not consideration for the rental of space or the provision by the Landlord of any service under this Lease, but shall be deemed to be Rent and the Landlord shall have all of the same remedies for and rights of recovery of such amounts as it has for recovery of Rent under this Lease. If a deposit is forfeited to the Landlord, or an amount becomes payable to the Landlord due to a default or as consideration for a modification of this Lease, and the applicable legislation deems a part of the deposit or amount to include GST, the deposit or amount will be increased and the increase paid by the Tenant so that the Landlord will receive the full amount of the forfeited deposit or other amount payable without encroachment by any deemed GST portion.

4.04 Business Taxes and Other Taxes of Tenant

The Tenant shall pay as Additional Rent to the lawful taxing authorities or to the Landlord, as it may direct, and shall discharge in each Lease Year, when the same becomes due and payable:

(a) all taxes, rates, duties, assessments and other charges that are levied, rated, charged or assessed against or in respect of: (i) all improvements, equipment and facilities of the Tenant on or in the Leased Premises or the Shopping Centre or any part or parts thereof or (ii) the Landlord on account of its ownership of or interest in the items referred to in subparagraph (i); and

(b) every tax and license fee which is levied, rated, charged or assessed against or in respect of: (i) any business carried on in the Leased Premises or in respect of the use or occupancy thereof or any other part of the Shopping Centre by the Tenant and any subtenant, licensee, or other occupant of the Leased Premises, or (ii) the Landlord on account of its ownership thereof or interest therein, in respect of any business referred to in subparagraph (i);

whether in any case any such taxes, rates, duties, assessments or license fees are rated, charged or assessed by any federal, provincial, municipal or other body. If there are not separate tax bills provided for such taxes, the Landlord is entitled to allocate them to the Tenant using the methods referred to in subsection 4.02(b).

ARTICLE V
OPERATING COSTS, MANAGEMENT FEE, HVAC AND UTILITIES

5.01 Operating Costs Payable by Tenant

(a) In each Lease Year, the Tenant shall pay to the Landlord, as Additional Rent, its Proportionate Share of the Operating Costs incurred by the Landlord during such Lease Year. The Tenant agrees that such Operating Costs include but are not limited to costs

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and expenses incurred by the Landlord in maintaining, operating, cleaning, insuring and repairing the Shopping Centre. The Tenant acknowledges that Operating Costs may be allocated or attributed by the Landlord directly to or between the various components of the Shopping Centre including the retail, office and storage areas, as well as to the enclosed mall and the other buildings, if any, comprising part of the Shopping Centre and that the Landlord may adjust Operating Costs and/or the Tenant's Proportionate Share fraction in accordance with practices relevant to multi-use commercial developments on a basis consistent with the benefits derived by the tenants of each component of the Shopping Centre and having regard to the nature of the particular costs and expenses being allocated.

(b) The Additional Rent to be paid under this Section 5.01 shall be paid by monthly instalments in advance on the first day of each and every month throughout the Term in an amount to be reasonably fixed from time to time by the Landlord as an estimate of actual expenses. The Landlord has estimated the **Additional Rent payable for the year 2007 at the rate of $11.42 per square foot** of Rentable Area and such shall be calculated on the basis basis of the Leased Premises having a Rentable Area of approximately **1,629** square feet.

(c) The Landlord shall within one hundred and twenty (120) days of the end of each Lease Year submit to the Tenant a certified statement, signed by a senior financial officer of the Landlord, setting out the Operating Costs and the Tenant's Proportionate Share thereof. To the extent that the Tenant's Proportionate Share is greater than the amount actually paid by it, the Tenant shall forthwith upon receipt of the said statement pay such difference to the Landlord. In the event that the Tenant's Proportionate Share is less than the amount actually paid, such excess payment shall at the option of the Landlord, be retained by the Landlord to be applied to the next succeeding instalment or instalments of Additional Rent due or may be refunded by the Landlord to the Tenant.

5.02 Management Fee

The Tenant shall pay to the Landlord, as Additional Rent, **an annual property management fee in the amount of Five (5%) percent of the total annual Minimum Rent, ~~Percentage Rent~~ and Additional Rent** payable by the Tenant to the Landlord under this Lease, at the times and in the manner described in Section 5.01(b), mutatis mutandis.

5.03 Heating, Ventilating and Air Conditioning

In the event that the Landlord elects to maintain, repair and replace the heating, ventilating and/or air conditioning system and equipment serving the Leased Premises (which election the Landlord shall be entitled to make at any time throughout the Term) then the Tenant shall pay monthly in advance, as Additional Rent, the Landlord's costs and expenses of all repairs, replacements to and maintenance and operation of the heating, ventilating and air conditioning equipment and systems which serve the Leased Premises. Such costs and expenses shall, without limitation, include depreciation or amortization on such equipment and facilities and all repairs and replacements thereto, the cost of which is not charged in full in the year in which the cost is incurred, interest or carrying charges calculated at three (3%) percentage points above the Prime Rate on the undepreciated or unamortized portion of the costs of such equipment and facilities, repairs and replacements and an administration fee of fifteen percent (15%) of all of the foregoing costs. If the Leased Premises are served by a heating, ventilating and air conditioning system which serves more than one premises in the Shopping Centre, then the Tenant shall be obligated to pay a share only of the foregoing costs and expenses. The Tenant's share of all such costs and expenses shall be equitably determined by the Landlord upon the advice of a qualified engineer and such costs or expenses shall be allocated amongst the tenants served by the said heating, ventilating and air conditioning equipment and facilities. The foregoing costs and expenses shall exclude the cost of fuel and electricity consumed by the use of such equipment to the extent only that such costs and expenses are charged separately to and paid by the Tenant pursuant to other provisions of this Lease.

5.04 Utilities

The **Tenant shall be solely responsible for and promptly pay all charges for heat, water, gas, electricity or any other utility used or consumed in the Leased Premises** on the basis of separate meters, if available. If there are no separate meters, the Tenant shall pay: (a) all charges for heat, water, gas, electricity or any other utility used or consumed in the Leased Premises on the basis of an equitable allocation as determined by the Landlord; (b) the Landlord's costs of determining the Tenant's share of the costs of all utilities including, but not limited to, professional, engineering and consulting fees; and (c) **an administration fee of fifteen percent (15%)** of the total of (a) and (b). If so required by the Landlord or by the utility company, separate meters shall be installed in the Leased Premises at the Tenant's expense.

ARTICLE VI
PROMOTION FUND AND ADVERTISING – Intentionally deleted

~~**6.01 Opening Promotion**~~

~~The Tenant shall pay to the Landlord as Additional Rent and within ten (10) days after the demand therefore a once only opening promotion charge in an amount equal to One ($1.00) Dollar per square foot of the Rentable Area of the Leased Premises. The said monies shall be used by the Landlord for the promotion and advertising of any grand opening or re-opening of the Shopping Centre.~~

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~~6.02 Promotion Fund~~

~~If the Landlord requires, the Tenant shall pay to the Landlord, as Additional Rent, in each Lease Year, for the purpose of the creation and maintenance of a common fund (the "Promotion Fund") for the promotion or benefit of the Shopping Centre an annual payment (payable in equal monthly instalments in such manner as may be stipulated by the Landlord from time to time) of a sum equal to the greatest of:~~

~~(a) One Dollar and Twenty Five Cents ($1.25) per square foot of the Rentable Area of the Leased Premises; or~~

~~(b) Five percent (5%) of the aggregate sum payable on account of Minimum Rent and Percentage Rent for such Lease Year; or~~

~~(c) One Thousand Dollars ($1,000.00).~~

~~In the event that the sum payable in respect of a particular Lease Year (other than the first Lease Year during the Term) shall be the sum stipulated by subparagraphs (a) or (c) above, then such sum shall be increased for each subsequent Lease Year by the percentage increase in the C.P.I. between the month in which the Commencement Date occurs and the last month of the particular Lease Year in question.~~

~~The Promotion Fund shall be used by the Landlord for the promotion or benefit of the Shopping Centre in such manner as the Landlord may from time to time decide. However, the Landlord may pay all or any part of the Promotion Fund to any association which has been or may be formed by the tenants of the Shopping Centre and any such payment shall be a good and sufficient discharge of the Landlord's obligation in respect of the amount so paid. It is understood and agreed that if any such monies paid by the Tenant to the Landlord under this provision are paid by the Landlord to any such association, such payment to the association shall be in payment or in part payment of any assessment levied by such association upon the Tenant. It is understood and agreed that any and all amounts paid to the Landlord under this Section 6.02 are not deemed income of the Landlord but shall be expended by it as provided in this Section.~~

~~6.03 Merchants' Association~~

~~If and when an association or corporation of merchants or tenants (the "Association") is formed comprising tenants of the Shopping Centre, the Tenant shall forthwith become a member of such Association or if such an Association has already been formed, the Tenant shall forthwith become a member thereof and the Tenant shall retain its membership in such Association during the entire Term and shall abide by all rules, regulations, by-laws, decisions, directions, dues and assessments of the Association. Such Association shall in no way affect the rights of the Landlord and any by-laws, rules and regulations of such Association shall at all times be subject to the prior approval of the Landlord.~~

~~6.04 Advertising~~

~~The Tenant shall participate in any cooperative advertising initiated by the Landlord in connection with the Shopping Centre, which participation shall be on not less than three (3) occasions in each calendar year, with the aggregate cost to the Tenant of such participation in each calendar year being at least equal to the aggregate of the charges payable by the Tenant pursuant to Section 6.02.~~

~~6.05 Special Promotion Fund~~

~~The Tenant shall pay to the Landlord in each Lease Year within ten (10) days after demand, as Additional Rent, an amount equal to Twenty Five Cents ($0.25) per square foot of Rentable Area of the Leased Premises, or such lesser amount in a particular Lease Year as is determined in the discretion of the Landlord, as a special charge for the purchase, maintenance and replacement of holiday decorations. Any payment made as required under this section shall be expended by the Landlord as required under this section.~~

ARTICLE VII
CONDUCT OF BUSINESS BY TENANT

7.01 Use of Leased Premises

The Leased Premises shall be used continuously, actively and diligently for the sole purpose of the **sale, at retail, of eyeglasses, contact lenses and ancillary items as may be available for sale in first class shopping centres in the City of Guelph.**

The Tenant will not use or permit or suffer the use of the Leased Premises or any part thereof for any other business or purpose. In connection with the business to be conducted by the Tenant on the Leased Premises, the **Tenant shall only use the advertised name "Great Glasses"** and will not change the advertised name of the business to be operated in the Leased Premises without the prior written consent of the Landlord.

The Landlord covenants with the Tenant that during the Term herein or any renewals thereof, it shall not lease to or permit any other premises in the Shopping Centre to be used for the purpose of conducting as its principal business that of an optical store or that of an optometrist accordingly the Tenant shall not introduce new product lines, or offer new services to its customers without first obtaining the written consent of the Landlord. The Tenant acknowledges that it would be reasonable for the Landlord to withhold its consent if the introduction by the Tenant of such product line or service would compete with the business of other tenants in the Shopping Centre or infringe upon exclusive covenants already granted by the Landlord.

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7.02 Conduct and Operation of Business

The Tenant shall occupy the Leased Premises from and after the Commencement Date and thereafter shall conduct continuously and actively the business set out in Section 7.01, in the whole of the Leased Premises. In the conduct of the Tenant's business pursuant to this Lease the Tenant shall:

(a) operate its business with due diligence and efficiency and maintain an adequate staff to properly serve all customers; own, install and keep in good order and condition free from liens or rights of third parties, fixtures and equipment of first class quality; and carry at all times such stock of goods and merchandise of such size, character and quality as will produce the maximum volume of sales from the Leased Premises consistent with good business practices;

(b) conduct its business in the Leased Premises during such hours and on such days as the Landlord from time to time requires or permits and at no other time. However the Tenant is not required or permitted to carry on its business during any period prohibited by any law regulating the hours of business. If the Tenant fails to open on the Commencement Date or during the days and/or hours required by the Landlord, then in addition to all other amounts of Rent payable under this Lease the Tenant shall pay as Additional Rent to the Landlord upon demand as liquidated damages and not as a penalty, an amount equal to two hundred dollars ($200.00) per day for each and every day that the Tenant is in default;

(c) keep displays of merchandise in the display windows (if any) of the Leased Premises, and keep the display windows and signs (if any) in the Leased Premises well-lit during the hours the Landlord designates from time to time;

(d) stock in the Leased Premises only merchandise the Tenant intends to offer for retail sale from the Leased Premises, and not use any portion of the Leased Premises for office, clerical or other non-selling purposes except minor parts reasonably required for the Tenant's business in the Leased Premises;

(e) abide by all rules and regulations and general policies formulated by the Landlord from time to time relating to the delivery of goods to the Leased Premises;

(f) not allow or cause to be committed any waste upon or damage to the Leased Premises or any nuisance or other act or thing which disturbs the quiet enjoyment of any other tenant in the Shopping Centre or which unreasonably disturbs or interferes with or annoys any third party, or which may damage the Shopping Centre;

(g) not allow or cause to be done any act in or about the Common Areas or the Shopping Centre which in the Landlord's opinion hinders or interrupts the Shopping Centre's flow of traffic in any way obstructs the free movement of parties doing business in the Shopping Centre;

(h) not allow or cause business to be solicited in any part of the Shopping Centre other than the Leased Premises, nor display any merchandise outside the Leased Premises at any time without the prior written consent of the Landlord;

(i) use the name designated for the Shopping Centre by the Landlord from time to time and all insignia or other identifying names and marks designated by the Landlord in connection with the advertising of the business conducted in the Leased Premises. Notwithstanding the foregoing the Tenant will not acquire any rights in such names, marks or insignia and upon the Landlord's request the Tenant will abandon or assign to the Landlord any such rights which the Tenant may acquire by operation of law and will promptly execute any documents required by the Landlord to give effect to this subparagraph (i);

(j) not install or allow in the Leased Premises any transmitting device nor erect any aerial on the roof of any building forming part of the Shopping Centre or on any exterior walls of the Leased Premises or in any of the Common Areas. Any such installation shall be subject to removal by the Landlord without notice at any time and such removal shall be done and all damage as a result thereof shall be made good, in each case, at the cost of the Tenant, payable as Additional Rent on demand;

(k) not use any travelling or flashing lights or signs or any loudspeakers, television, phonograph, radio or other audiovisual or mechanical devices in a manner so that they can be heard or seen outside of the Leased Premises, without the prior written consent of the Landlord. If the Tenant uses any such equipment without receiving the prior written consent of the Landlord, the Landlord shall be entitled to remove such equipment without notice at any time and such removal shall be done and all damage as a result thereof shall be made good, in each case, at the cost of the Tenant, payable as Additional Rent on demand;

(l) not install or allow in the Leased Premises any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Leased Premises or of which the Landlord has not approved. If the Tenant requires additional utility, electrical or mechanical facilities, the Landlord may in its sole discretion if they are available elect to install them at the Tenant's expense and in accordance with plans and specifications to be approved in advance in writing by the Landlord;

(m) not bring upon the Leased Premises any machinery, equipment, article or thing that by

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reason of its weight, size or use, might in the opinion of the Landlord damage the Leased Premises or overload the floors of the Leased Premises. Any such machinery, equipment, article or thing shall be subject to removal by the Landlord without notice at any time and such removal shall be done and all damage as a result thereof shall be made good, in each case, at the cost of the Tenant, payable as Additional Rent on demand;

(n) observe and comply with all federal, provincial or municipal laws pertaining to or affecting the Leased Premises, the Tenant's use of the Leased Premises or the conduct of any business in the Leased Premises, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Leased Premises, and the regulations of any insurance underwriters in respect of the insurance maintained by the Landlord in respect of the Shopping Centre, and carry out all modifications to the Leased Premises and the Tenant's conduct of business in or use of the Leased Premises which may be required by any such authorities.

7.03 Prohibited Activities

(a) The Tenant acknowledges that it is only one of many tenants in the Shopping Centre and that therefore the Tenant shall conduct its business in the Leased Premises in a manner consistent with the best interests of the Shopping Centre as a whole.

(b) The Landlord shall have the right to cause the Tenant to discontinue and the Tenant shall thereupon forthwith discontinue the sale of any item, merchandise, commodity or the supply of any service or the carrying on of any business, any of which is either prohibited by this Section 7.03 or which the Landlord determines is not directly related to the business set out in Section 7.01. The Tenant will not allow or cause the use of any part of the Leased Premises for any of the following businesses or activities:

(i) the sale of second hand goods or surplus articles, insurance salvage stock, fire sale stock or bankruptcy stock;

(ii) the sale of food, except as may be specifically permitted by the provisions of Section 7.01;

(iii) an auction, bulk sale (other than a bulk sale made to an assignee or sublessee pursuant to a permitted assignment or subletting hereunder), liquidation sale, "going out of business" or bankruptcy sale, or warehouse sale;

(iv) any advertising or selling procedures which would, or any sale or business conduct or practice which would, because of the merchandising methods or quality of operation likely to be used, in either case in the Landlord's opinion, tend to lower the character of the Shopping Centre or harm or tend to harm the business or reputation of the Landlord or reflect unfavourably on the Shopping Centre, the Landlord or other tenants in the Shopping Centre or tend to confuse, deceive, mislead or be fraudulent to the public; or

(v) a mail order business or a department store, junior department store or variety store.

7.04 Intentionally Deleted.

7.05 Radius Clause

The Tenant shall not itself or through any third party under its control or in any way connected or affiliated with it, whether as partner, shareholder, lender, employee or otherwise, directly or indirectly allow or cause any business which is the same as or similar to or in competition with the Tenant's business in the Leased Premises to be engaged in within any building or building complex, any portion of which is located within a radius of **three (3) kilometres from any point on the Shopping Centre**, except for any such business which is in operation and disclosed to the Landlord as at the Commencement Date. If the Tenant breaches this covenant, the Landlord may require that gross receipts (calculated in the same manner as Gross Receipts) from the other business be included in Gross Receipts, and the Landlord will have the same rights of inspection and audit with respect to the gross receipts of the other business as it has under this Lease with respect to Gross Receipts.

7.06 Hazardous Substances

The Tenant covenants and agrees to utilize the Leased Premises and operate its business in a manner so that no part of the Leased Premises or surrounding lands are used to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any Hazardous Substances, except in strict compliance with all applicable federal, provincial and municipal statutes, by-laws and regulations, including, without limitation, environmental, land use and occupational and health and safety laws, regulations, requirements, permits, statutes, by-laws and regulations. Further the Tenant hereby covenants and agrees to indemnify and save harmless the Landlord and those for whom the Landlord is in law responsible from any and all losses, costs, claims, damages, liabilities, expenses or injuries caused or contributed to by any Hazardous Substances which are at any time located, stored or incorporated in any part of the Leased Premises. The Tenant hereby agrees that the Landlord or its authorized representatives shall have the right at the Tenant's expense, payable as Additional Rent within fifteen (15) days of receipt of an invoice therefore, to conduct such environmental site reviews and investigations as it may deem necessary for the purposes of ensuring compliance with this Section 7.06. The Tenant's obligations pursuant to this Section 7.06 shall survive the expiration or earlier termination of the Term.

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ARTICLE VIII
FOOD COURT

8.01 Provisions Applicable to Tenant

If at any time during the Term, there is a Food Court in the Shopping Centre and the Leased Premises or any part thereof, has been designated as a Fast Food Area by the Landlord then, and only in such event, shall the provision of this Article VIII apply to the Tenant.

8.02 Definitions

Each of the following words or expressions have for the purposes of this Article VIII and for the purpose of this Lease the meaning hereinafter set forth:

(a) "Fast Food Area" means that portion of the Leased Premises as designated or determined from time to time by the Landlord, in which the Tenant intends or is permitted to prepare merchandise and sell those fast food items specifically permitted to be sold by the Tenant pursuant to the provisions of this Lease;

(b) "Food Court Tenant" means a tenant, the whole or part of whose leased premises is designated from time to time by the Landlord as a Fast Food Area;

(c) "Food Court Proportionate Share" means a fraction, the numerator of which is that portion of the Leased Premised designated as Fast Food Area and the denominator of which is the total area of all Fast Food Areas designated by the Landlord in the Shopping Centre from time to time (all calculations of area shall be made in accordance with the guidelines and provisions set forth in Sections 1.01(v) and (w) of this Lease).

(d) "Food Court Costs" means those costs and expenses specifically and exclusively incurred as a result of the maintenance and operation of the Food Court as such as opposed to the maintenance and operation of such area as part of the Common Areas. Such costs and expenses shall include, without limiting the generality of the foregoing:

(i) salaries, wages and benefits and other costs of bus boys and other personnel employed for cleaning and servicing the Food Court;

(ii) garbage and waste collection and disposal;

(iii) rental of equipment and signs;

(iv) costs of repairs or replacements to, and maintenance and operation of, the furniture, fixtures and furnishings in or servicing the Food Court;

(v) depreciation or amortization and interest in the manner provided for in Section 1.01(q) with respect to any repairs or replacements included in Section 8.02(d)(iv), the cost of which is not charged in full in the Lease Year in which it is incurred;

(vi) the cost of additional security, policing and supervision for the Food Court;

(vii) an administration fee of fifteen (15%) percent of the total annual cost specifically and exclusively incurred in the maintenance and operation of the Food Court as set out in this subparagraph (d), except for interest on undepreciated or unamortized costs.

8.03 Tenant's Contribution to Food Court

(a) In each Lease Year, the Tenant shall pay to the Landlord, in addition to all other payments required to be made by the Tenant pursuant to the terms of this Lease, as Additional Rent, the Tenant's Food Court Costs. The Tenant's Food Court Proportionate Share applies only to Food Court Tenants and for the purposes of this Section 8.03, such Food Court tenants will be the only tenants in the Shopping Centre responsible for the payment of Food Court Costs. The Tenant shall pay the Tenant's Food Court Proportionate Share of the Food Court Costs by monthly instalments in advance on the first day of each and every month throughout the Term in an amount reasonably fixed from time to time by the Landlord as an estimate of actual expenses. The Landlord shall within one hundred and twenty (120) days of the end of each Lease Year submit to the Tenant a statement setting out the Food Court Costs and the Tenant's Food Court Proportionate Share. To the extent that the Tenant's Food Court Proportionate Share is greater than the amount actually paid by it, the Tenant shall forthwith upon receipt of the said statement pay such difference to the Landlord. In the event that the Tenant's Food Court Proportionate Share is less than the amount actually paid, such excess payments shall, at the option of the Landlord, be retained by the Landlord to be applied to the next succeeding instalment or instalments of Additional Rent due, or may be refunded by the Landlord to the Tenant.

(b) The Tenant shall pay to the Landlord on demand as Additional Rent the sum of N/A ($ N/A) Dollars towards the Landlord's capital costs of constructing the Food Court.

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8.04 Control by Landlord

The Landlord shall have the right from time to time to relocate or rearrange the Food Court and to extend or expand the Food Court and the Fast Food Areas, including designating other portions of the Common Areas immediately adjacent to the Food Court as part of the Food Court. In addition, the Landlord shall have the right to designate other portions of the Shopping Centre as food court and fast food areas, whether as part of the Food Court and Fast Food Areas or as a separate and distinct food court and fast food areas, and to make rules and regulations and policies, standards and directions governing the overall operations of such food court and fast food areas.

8.05 Policies, Rules and Regulations

The Tenant acknowledges and agrees that the Landlord reserves the right to formulate, determine and enforce such policies, standards and practices for the Food Court and Fast Food Areas as the Landlord determines necessary or advisable in the best interest of the overall operations of the Food Court and Fast Food Areas and the Shopping Centre and for the more efficient and proper operation of the Food Court and Fast Food Areas and the Shopping Centre as a whole, and the Tenant agrees to be bound by such policies, standard and practices.

Without limiting the generality of the foregoing, the Tenant shall at all times during the Term, in the operation of its business, refer to the Food Court by such name or names as the Landlord directs from time to time and abide by all rules and regulations of the Landlord relating to the health and sanitary conditions of the Leased Premises, the Food Court and employees of the Tenant in the Food Court, standards and quality of merchandise; customer relations and resolution of complaints of customers and such other matters as the Landlord determines applicable from time to time with respect to the operation of the Food Court and the Fast Food Areas.

ARTICLE IX
FIXTURES, ALTERATIONS AND REPAIRS AND LANDLORD'S CONTROL OF SHOPPING CENTRE

9.01 Installations by the Tenant

All equipment, fixtures and improvements installed by the Tenant in the Leased Premises shall be new or completely reconditioned. The Tenant shall not make any alterations, additions or improvements or install or cause to be installed any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades or awnings or make any changes to the store front without first obtaining the Landlord's written approval and consent. The Tenant shall present to the Landlord plans and specifications in form, content and such detail as the Landlord may reasonably require for such work at the time approval is sought. The Tenant covenants that any work that may be done in respect of the Leased Premises by or on behalf of the Tenant shall be done in such a manner as not to conflict or interfere with any work being done or about to be done by the Landlord in or about the Shopping Centre, whether such conflict or interference shall arise in relation to labour unions or otherwise and the Tenant shall obtain all requisite permits, licences and inspections in respect of any such work done by or on the Tenant's behalf. Notwithstanding anything herein contained, the Tenant shall make no alterations, additions or improvements that are of a structural nature or that would lessen the value or Rentable Area of the Leased Premises or the Shopping Centre, or would interfere with the usage of the Common Areas.

All alterations, decorations, additions and improvements made by the Tenant or made by the Landlord on the Tenant's behalf by agreement under this Lease shall remain the property of the Tenant throughout the Term. Such alterations, decorations, additions and improvements shall not be removed from the Leased Premises without prior consent in writing from the Landlord. Upon expiration of this Lease, the Tenant shall, at the option of the Landlord, remove all such alterations, decorations, additions and improvements and restore the Leased Premises as provided in Section 9.04. If the Tenant fails or is not required by the Landlord to remove such alterations, decorations, additions and improvements and to restore the Leased Premises, then upon the expiration of this Lease, all such alterations, decorations, additions and improvements shall at the option of the Landlord become the property of the Landlord or shall be removed by the Landlord at the expense of the Tenant.

9.02 Maintenance and Repair by the Tenant

The Tenant will at all times keep the Leased Premises (including exterior entrances and all glass and show windows) and all partitions, doors, fixtures, equipment and appurtenances thereof (including lighting, heating and plumbing fixtures, and the electrical and mechanical systems) in good order, condition and repair (including periodic painting or redecorating and preventative maintenance as determined by the Landlord and including such repairs or replacements as are required to keep the Leased Premises in good repair and condition). All aforesaid maintenance, repairs, restorations and replacements shall be in quality and class equal to the original work or installations.

The Tenant shall, subject to Section 5.03, throughout the Term, operate, maintain, repair, replace when necessary and regulate the heating, ventilating and air conditioning equipment within or installed by or on behalf of the Tenant for the Leased Premises in such a manner as to maintain such reasonable conditions of temperature and humidity within the Leased Premises as are determined by the Landlord or its Architect so that no direct or indirect appropriation of the heating, ventilating or air conditioning from the Common Areas shall occur. The Tenant shall comply with such stipulations and with all rules and regulations of the Landlord pertaining to the maintenance and operation of such equipment.

9.03 Signs, Awnings, Canopies

The Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the Leased Premises any sign, awning or canopy or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Leased Premises

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without first obtaining the Landlord's written approval and consent. The Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times; and in addition to the foregoing, the Tenant shall maintain any displays of its goods or wares which may be seen from the exterior of the Leased Premises in a manner which is in keeping with the character of the Shopping Centre of which the Leased Premises form a part and which is designed to enhance the business of the Tenant.

The Tenant shall be entitled to the use of two small sign spaces located directly below the existing "Subway" sign on the Shopping Centre existing pylon sign located on Woodlawn Road as shown on Schedule "D" attached hereto. Prior to the Commencement Date of the Lease, the Tenant shall provide the Landlord with its cheque representing a one-time payment for the use of such pylon sign in the amount off Two Thousand and Two Hundred Dollars **($2,400.00)** plus applicable taxes. **All costs and expenses incurred in the preparation and installation of such signs shall be the Tenant's sole responsibility.**

9.04 Surrender of Leased Premises

Subject to Article XI, the Tenant will leave the Leased Premises in good repair, reasonable wear and tear only excepted. Without limiting the generality of the foregoing, at the expiration or earlier termination of the Term the Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were in upon delivery of possession thereto under this Lease, reasonable wear and tear only excepted, and shall surrender all keys for the Leased Premises to the Landlord at the place then fixed for the payment of Rent and shall inform the Landlord of all combinations on locks, safes and vaults, if any, in the Leased Premises. The Tenant's obligations to observe or perform this covenant shall survive the expiration or earlier termination of the Term of this Lease.

9.05 Tenant to Discharge all Liens

The Tenant will ensure that no construction or other lien or charge, or notice thereof, is registered or filed against:

(a) the Shopping Centre or any part of it;

(b) any interest in all or part of the Shopping Centre of the Landlord, the Mortgagee or any owner of the Shopping Centre; or

(c) the Tenant's interest in the Leased Premises or any of the leasehold improvements in the Leased Premises;

by any person claiming by, through, under or against the Tenant or its contractors or subcontractors. If such a lien or charge or notice thereof is registered or filed and the Tenant fails to discharge it within five (5) days after written notice from the Landlord, the Landlord may discharge it by paying the amount claimed to be due into court or directly to the claimant and the Tenant will pay to the Landlord as Additional Rent on demand all costs (including legal fees) incurred by the Landlord in connection therewith, together with an administrative overhead charge of fifteen percent (15%) thereon.

9.06 Rules and Regulations

The Tenant will comply with the Rules and Regulations. Landlord reserves the right from time to time to amend or supplement the Rules and Regulations. Notice of such amendments and supplements, if any, shall be given to the Tenant, and the Tenant agrees thereupon to comply with and observe all such amendments and supplements, provided that no Rule or Regulation shall contradict any provision of this Lease. The Landlord shall not be responsible to the Tenant for non-observance or violation of any of the provisions of such Rules and Regulations by any other tenant of the Shopping Centre or of the terms of any other lease of premises in the Shopping Centre and the Landlord shall be under no obligation to enforce any such provisions. All Rules and Regulations shall be enforced against the Tenant in a nondiscriminatory manner.

9.07 Maintenance and Repair by the Landlord

The Landlord shall, subject to the other provisions of this Lease, maintain and repair or cause to be maintained and repaired, the structure of the Shopping Centre, including without limitation, the foundations, exterior weather walls, subfloor, roof, bearing walls and structural columns and beams of the Shopping Centre. If, however, the Landlord is required to maintain or repair any structural portions or any other portion of the Leased Premises or the Shopping Centre by reason of the negligent acts or omissions of the Tenant, its employees, agents, invitees, suppliers, agents and servants of suppliers, licensees, concessionaires or subtenants, the Tenant shall pay on demand as Additional Rent, the Landlord's costs for making such maintenance or repairs, together with an **administrative fee of fifteen percent (15%)** of such costs.

The Landlord shall also be entitled, at its option, to do the maintenance, repair and replacement, or cause to be maintained, repaired and replaced, the heating, ventilating and air conditioning systems and equipment serving the Leased Premises, in which case and only in which case, the Tenant shall pay to the Landlord, as Additional Rent, the costs so incurred by the Landlord, all in accordance with the provisions of Section 5.03.

9.08 Operation and Control of Shopping Centre by Landlord

The Landlord shall operate the Shopping Centre in such manner as the Landlord determines from time to time, and in a first class and reputable manner as would a prudent landlord of a similar shopping centre having regard to size, age and location.

The Shopping Centre and the Common Areas are at all times subject to the exclusive control and management of the Landlord. Without limiting the generality of the foregoing, the Landlord has the right in its control, management and operation of the Shopping Centre and by the establishment of rules and regulations and general policies with respect to the operation of the Shopping Centre or any part thereof at all times throughout the Term to construct, maintain and operate lighting facilities and heating, ventilating and air conditioning systems; provide supervision and policing services for the Shopping Centre; close all or any portion of the Shopping Centre to such

extent as may in the opinion of the Landlord's counsel be legally sufficient to prevent a dedication thereof or the accrual of any rights to any third party or the public; grant, modify and terminate easements or other agreements pertaining to the use and maintenance of all or any part of the Shopping Centre; obstruct or close off all or any part of the Shopping Centre for the purpose of maintenance, repair or construction; employ all personnel, including supervisory personnel and managers necessary for the operation, maintenance and control of the Shopping Centre; use any part of the Common Areas from time to time for merchandising, display, decorations, entertainment and structures designed for retail selling or special features or promotional activities; designate the areas and entrances and the times in, through and at which loading and unloading of goods shall be carried out; control, supervise and generally regulate the delivery or shipping of merchandise, supplies and fixtures to and from the Leased Premises and other portions of the Shopping Centre; designate and specify the kind of container to be used for garbage and refuse in the manner and the times and places at which same is to be placed for collection (if the Landlord for the more efficient and proper operation of the Shopping Centre provides or designates a commercial service for the pickup and disposal of refuse and garbage instead of or in addition to the service provided by the municipality, the Tenant shall use same at the Tenant's cost); designate areas where the Tenant and its employees may park in the Shopping Centre and impose reasonable rules and regulations to enforce such limits on parking; from time to time change the area, level, location, arrangement or use of the Shopping Centre or any part thereof; construct other buildings or improvements in the Shopping Centre and make changes to any part of the Shopping Centre; and do and perform such other acts in and to the Shopping Centre as in the use of good business judgment the Landlord determines to be advisable for the more efficient and proper operation of the Shopping Centre.

Notwithstanding anything to the contrary, if as a result of the exercise by the Landlord of any of its rights as set out in this Section 9.08, the Common Areas are diminished or altered in any manner whatsoever, the Landlord is not subject to any liability nor is the Tenant entitled to any compensation or diminution or abatement of Rent nor is any alteration or diminution of the Common Areas deemed constructive or actual eviction, or a breach of any covenant for quiet enjoyment contained in this Lease.

9.09 Right to Relocate

The purpose of the site plan attached hereto as Schedule "B" is to show the approximate location of the Leased Premises only. The Landlord reserves the right to relocate the Leased Premises in the Shopping Centre if in the Landlord's opinion such relocation would be for the betterment of the Shopping Centre having regard to the establishment of new tenancies in the Shopping Centre or having regard to the expansion or renovation of the Shopping Centre. In the event that the Landlord elects to relocate the Leased Premises for any reason, then the Landlord shall pay the reasonable costs of such relocation, including reimbursing the Tenant for its fixtures and improvements in the Leased Premises on the basis of their undepreciated capital cost at the time of relocation provided that there shall not be any payment required on account of goodwill, loss of profits or loss of business.

9.10 Landlord's Right to Enter Leased Premises

(a) It is not a re-entry or a breach of quiet enjoyment if the Landlord or its authorized representatives enter the Leased Premises at reasonable times to:

(i) examine them;

(ii) make permitted or required repairs, alterations, improvements or additions to the Leased Premises (including the pipes, conduits, wiring, ducts, columns and other installations in the Leased Premises) or the Shopping Centre or adjacent property; or

(iii) excavate land adjacent or subjacent to the Leased Premises;

in each case (to the extent reasonably possible in the circumstances) without unreasonably interfering with the Tenant's business operations in the Leased Premises, and the Landlord may take material into and on the Leased Premises for those purposes. Rent will not abate or be reduced while the repairs, alterations, improvements or additions are being made. The Landlord will take reasonable steps to minimize any interruption of business resulting from any entry.

(b) During the six (6) months prior to the expiration of the term of this Lease, the Landlord may exhibit the Leased Premises to prospective tenants or purchasers and place upon the Leased Premises the usual notices "To Let" or "For Sale" which notices the Tenant shall permit to remain where placed without molestation.

(c) If the Tenant shall not be personally present to open and permit an entry into the Leased Premises, at any time, when for any reason an entry therein shall be necessary or permissible, the Landlord or the Landlord's agents may enter the same by a master key, or may forcibly enter the same, without rendering the Landlord or such agents liable therefor, and without in any manner affecting the obligations and covenants of this Lease.

(d) Nothing in this Section 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 Shopping Centre or any part thereof, except as otherwise in this Lease specifically provided.

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ARTICLE X
INSURANCE AND INDEMNITY

10.01 Tenant's Insurance

(a) The Tenant shall throughout the Term, at its own cost and expense, take out and keep in full force and effect and in the names of the Tenant, the Landlord and the property manager herein, and the Mortgagee as their respective interests may appear, the following insurance:

(i) all-risks (including flood and earthquake) insurance upon property of every description and kind owned by the Tenant or for which the Tenant is legally liable (including, without limitation, signs and plate glass) and which is located within the Shopping Centre in an amount of not less than ninety percent (90%) of the full replacement cost thereof;

(ii) broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in the amount of not less than the replacement cost of all leasehold improvements and of all boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Leased Premises;

(iii) business interruption insurance in such amounts as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against by the Tenant hereunder;

(iv) public liability and property damage insurance including personal injury liability, tenant legal liability, contractual liability and owners' protective insurance coverage with respect to the Leased Premises and the Tenant's use of the Common Areas. Such policies shall be written on a comprehensive basis within inclusive limits of not less than Five Million Dollars **($5,000,000)** or such higher limits as the Landlord or the Mortgagee may reasonably require from time to time;

(v) any other form of insurance as the Tenant or the Landlord or the Mortgagee may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure.

(b) All policies required to be written on behalf of the Tenant pursuant to this Section 10.01 shall contain the Mortgagee's standard mortgage clause, if required by the Mortgagee, and shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and against those for whom the Landlord is in law responsible, whether any such damage is caused by the act, omission or negligence of the Landlord or those for whom the Landlord is in law responsible.

(c) All policies shall be taken out with insurers acceptable to the Landlord and shall be in a form satisfactory from time to time to the Landlord. The Tenant agrees that certificates of insurance on the Landlord's standard form or if required by the Landlord or the Mortgagee certified copies of each such insurance policy will be delivered to the Landlord as soon as practicable after the placing of the required insurance. All policies shall contain an undertaking by the insurers to notify the Landlord and the Mortgagee in writing not less than thirty (30) days prior to any material change, cancellation or, termination or non-placement thereof.

(d) The Tenant agrees that if the Tenant fails to take out or keep in force any such insurance referred to in this Section 10.01, or should any such insurance not be approved by either the Landlord or the Mortgagee and should the Tenant not rectify the situation immediately after written notice by the Landlord to the Tenant, the Landlord has the right without assuming any obligation in connection therewith to effect such insurance at the sole cost of the Tenant and all outlays by the Landlord shall be immediately paid by the Tenant to the Landlord as Additional Rent without prejudice to any other rights and remedies of the Landlord under this Lease.

10.02 Increase in Insurance Premium

The Tenant will not allow or cause anything to occur in the Leased Premises which shall cause any increase of premium for any insurance on the Leased Premises or the Shopping Centre or any part thereof above the rate for the least hazardous type of occupancy legally permitted in the Leased Premises. If the Tenant is in default under this Section 10.02 the Tenant shall pay any resulting additional premium on any insurance policies taken out or maintained by the Landlord, including any additional premium on any rental income insurance policy that may be carried by the Landlord. If notice of cancellation shall be given respecting any insurance policy or if any insurance policy upon the Leased Premises or the Shopping Centre or any part thereof shall be cancelled or refused to be renewed by an insurer by reason of the use or occupation of the Leased Premises or any part thereof or the acts or omissions of the Tenant, the Tenant shall forthwith remedy or rectify such use or occupation upon request to do so in writing by the Landlord, and if the Tenant shall fail to do so within twenty-four (24) hours of such written request, the Landlord shall have the right to enter the Leased Premises and rectify the situation, without liability to the Tenant for any loss or damage occasioned by such entry and rectification, or shall be entitled to hold the Tenant liable for any damage or loss resulting from such cancellation or refusal, or the Landlord may at its option determine this Lease forthwith by leaving upon the Leased Premises notice in writing of its intention to do so, and thereupon Rent and any other payments for which the Tenant is liable under this Lease shall be apportioned and paid in full to the date of such

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determination of the Lease, and together with an amount equal to the Minimum Rent payable for a period of one (1) year as liquidated damages, and the Tenant shall immediately deliver up possession of the Leased Premises to the Landlord. In determining whether increased premiums are the result of the Tenant's use of the Leased Premises, a schedule issued by the organization making the insurance rate on the Leased Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make the fire insurance rate of the Leased Premises. Bills for such additional premiums shall be rendered by the Landlord to the Tenant at such times as the Landlord may elect, and shall be due from and payable by the Tenant when rendered, and the amount thereof shall be deemed to be and be paid as Additional Rent.

10.03 Landlord's Insurance

The Landlord shall at all times throughout the Term carry: (a) insurance on the Shopping Centre (including the footings, foundations and equipment used for the maintenance and operation of the Shopping Centre) and the machinery, boilers and equipment contained therein and owned by the Landlord or for which the Landlord has assumed responsibility; and (b) public liability and property damage insurance with respect to the Landlord's operations in the Shopping Centre; against such perils, in such reasonable amounts and with such reasonable deductibles as would be carried by a prudent owner of a reasonably similar shopping centre, having regard to size, age and location, as determined by the Landlord from time to time, and shall also carry such other form or forms of insurance as the Landlord or the Mortgagee reasonably considers advisable including but not limited to rental income insurance.

Notwithstanding the Landlord's covenant herein and the Tenant's contribution to the cost of the Landlord's insurance premiums: (i) the Tenant is not relieved of any liability arising from or contributed to by its negligence or its wilful acts or omissions; (ii) no insurable interest or other benefit (including an implied waiver of subrogation from the Landlord's insurers) is conferred upon the Tenant under the Landlord's insurance policies; and (iii) the Tenant has no right to receive proceeds from the Landlord's insurance policies.

10.04 Loss or Damage

The Landlord shall not be liable for any death or injury arising from or out of any occurrence in, upon, at or relating to the Shopping Centre, or damage to property of the Tenant or of others located on the Leased Premises, nor shall it be responsible for any loss of or damage to any property of the Tenant or others from any cause whatsoever, whether or not any such death, injury, loss or damage results from the negligence of the Landlord, its agents, servants or employees or other persons for whom the Landlord is in law responsible. Without limiting the generality of the foregoing, the Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Leased Premises or from the pipes, appliances, plumbing works, roof or subsurface of any floor or ceiling or from the street or any other place or by dampness or by any other cause whatsoever. The Landlord shall not be liable for any such damage caused by other tenants or persons in the Shopping Centre or by occupants of adjacent property thereto, or the public, or caused by construction or by any private, public or quasi-public work. All property of the Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of the Tenant only and the Tenant shall indemnify the Landlord and save it harmless from any claims arising out of any damages to the same, including, without limitation, any subrogation claims by the Tenant's insurers. In no event shall the Landlord be liable for any injury to the Tenant, its servants, agents, employees, customers and invitees or for any injury or damage to the Leased Premises or to any property of the Tenant, or to any property of any other person, firm or corporation on or about the Leased Premises caused by an interruption, suspension or failure in the supply of any utilities to the Leased Premises.

10.05 Indemnification of the Landlord

The Tenant will indemnify the Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Leased Premises, the occupancy or use by the Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, servants, licensees, or concessionaires or invitees. In case the Landlord shall, without fault on its part, be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect and hold the Landlord harmless and shall pay all costs, expenses and solicitors' and counsel fees on a solicitor and client basis incurred or paid by the Landlord in connection with such litigation.

ARTICLE XI
DAMAGE, DESTRUCTION AND EXPROPRIATION

11.01 Total or Partial Destruction of Leased Premises

If, during the Term, the Leased Premises are expropriated or totally or partially destroyed or damaged by any cause in respect of which the Landlord is insured, the following provisions shall have effect:

(a) if the Leased Premises are rendered partially unfit for occupancy by the Tenant, Minimum Rent only shall abate in part only, in the proportion that the part of the Leased Premises rendered unfit for occupancy by the Tenant bears to the whole of the Leased Premises or if the Leased Premises are rendered wholly unfit for occupancy by the Tenant the Rent hereby reserved shall be suspended in each case until the Leased Premises have been rebuilt and/or repaired or restored;

(b) notwithstanding the provisions of subparagraph (a), if the Leased Premises in the opinion of the Architect shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within 365 days of the happening of such destruction or damage, then either the Landlord or the Tenant may at its option terminate this Lease by notice in writing to the other given within thirty (30) days of the date of such destruction or damage and in the event of such notice being so given this Lease shall cease and become null and void

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from the date of such destruction or damage and the Tenant shall immediately surrender the Leased Premises and all interest therein to the Landlord and the Rent shall be apportioned and shall be payable by the Tenant only to the date of such destruction or damage and the Landlord may re-enter and repossess the Leased Premises discharged of this Lease but if within the said period of thirty (30) days neither the Tenant nor the Landlord shall give notice terminating this Lease as aforesaid or if within the said period the Landlord and the Tenant shall agree not to give such notice then upon the expiration of the said period of thirty (30) days or upon the Landlord and the Tenant having agreed as aforesaid, whichever shall be the sooner, the Landlord shall with reasonable promptitude proceed to rebuild and/or repair or restore the Leased Premises; and

(c) if the Leased Premises shall be capable with reasonable diligence of being rebuilt and/or repaired or restored within 365 days of the happening of such destruction or damage then the Landlord shall rebuild and/or repair or restore the Leased Premises with all speed within the aforesaid 365 days.

The certificate of the Architect shall bind the parties as to the: (i) extent to which the Leased Premises are unfit for occupancy; (ii) time required to rebuild and/or repair or restore the Leased Premises; and (iii) due completion of repairs.

11.02 **Total or Partial Destruction of Shopping Centre**

In the event that fifty percent (50%) or more of the gross floor area of the Shopping Centre shall be expropriated or damaged or destroyed by fire or other cause, notwithstanding that the Leased Premises may be unaffected, the Landlord shall have the right, to be exercised by notice in writing delivered to the Tenant within sixty (60) days from and after said occurrence, to elect to cancel and terminate this Lease. Upon the giving of such notice to the Tenant, the Term of this Lease shall expire upon the thirtieth (30th) day after such notice is given, and the Tenant shall vacate the Leased Premises and surrender the same to the Landlord.

11.03 **Abatement of Rent**

Notwithstanding anything hereinbefore contained, all abatements of Rent set out in this Article XI shall be limited to an amount equal to the amount which the Landlord collects under any rental income insurance.

11.04 **Expropriation Awards**

The Landlord and the Tenant will co-operate with each other if there is an expropriation of all or part of the Leased Premises or the Shopping Centre, so that each may receive the maximum award that it is entitled to at law. To the extent, however, that a part of the Shopping Centre, other than the Leased Premises, is expropriated, the full proceeds that are paid or awarded as a result, will belong solely to the Landlord, and the Tenant will assign to the Landlord any rights that it may have or acquire in respect of the proceeds or awards and will execute the documents that the Landlord reasonably requires in order to give effect to this intention.

ARTICLE XII
STATUS STATEMENT, SUBORDINATION AND ATTORNMENT

12.01 **Status Statement**

Within five (5) days after request, the Tenant will sign and deliver to the Landlord or anyone with or proposing to take an interest in all or part of the Shopping Centre, a status statement or certificate, stating that this Lease is in full force and effect, any modifications to this Lease, the commencement and expiry dates of this Lease, the date to which Rent has been paid, the amount of any prepaid Rent or deposits held by the Landlord, whether there is any existing default and the particulars, and any other information reasonably required by the party requesting it.

12.02 **Subordination and Attornment**

This Lease is subordinate to every existing and future ground lease, mortgage, charge, trust deed, financing, refinancing or collateral financing against the Leased Premises or the Shopping Centre and to the instruments of, as well as the charge or lien resulting from any of them and any renewals or extensions of or advances under them (collectively, "encumbrances"). The Tenant will, on request, attorn to and recognize as landlord the holder of any such encumbrance or any transferee or disposee of the Shopping Centre or of an ownership or equity interest in the Shopping Centre. The Tenant will, within five (5) days after request, sign and deliver any reasonably requested document confirming the subordination or the attornment. The form and content of the document will be determined by the party requesting it.

12.03 **Power of Attorney**

The Tenant hereby irrevocably appoints the Landlord as the attorney for the Tenant with full power and authority to execute and deliver in the name of the Tenant any instruments or certificates required to carry out the intent of Sections 12.01 and 12.02 which the Tenant shall have failed to sign and deliver within five (5) days after the date of a written request by the Landlord to execute such instruments.

12.04 **Sale by Landlord**

If the Landlord transfers or disposes of all or any part of the Shopping Centre or the Landlord's interest under this Lease, then to the extent that the transferee or disposee agrees with the Landlord to assume its obligations under this Lease, the Landlord will be released from them, except for existing defaults as of the date of the transfer or disposition.

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12.05 **REIT Clause** – Intentionally deleted

The Tenant acknowledges, covenants and agrees:

(a) that the Landlord may, in the future, assign this Lease to an entity who will be a nominee for a Real Estate Investment Trust or may be a Real Estate Investment Trust or may, itself, become a nominee for a Real Estate Investment Trust (the "Trust"); and

(b) in the event that an event described in (a) above occurs, the obligations being created by the Lease and any liabilities arising in any manner whatsoever out of or in connection with the Lease, after such date, will not be personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of:

(i) the unit holders of the Trust;
(ii) annuitants under a plan of which a unit holder of the Trust acts as trustee or carrier; and
(iii) the officers, trustees, employees or agents of the Trust.

12.06 **Financial Information**

The Tenant shall, upon request, provide the Landlord with such information as to the Tenant's or any Indemnifier's financial standing and corporate organization as the Landlord or Mortgagee may require from time to time.

ARTICLE XIII
TRANSFERS BY TENANT

13.01 **Transfer Defined**

"Transfer" means: (i) an assignment, sale, conveyance, sublease, or other disposition of this Lease or the Leased Premises, or any part of them or any interest in this Lease (whether by operation of law or otherwise), or in a partnership that is a Tenant under this Lease; (ii) a mortgage, charge or debenture (floating or otherwise) or other encumbrance of this Lease or the Leased Premises or any part of them, or of any interest in this Lease or of a partnership, or partnership interest, where the partnership is a Tenant under this Lease; (iii) a parting with or sharing of possession of all or part of the Leased Premises; and (iv) a transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Tenant or an "affiliate" (as that term is defined on the date of this Lease under the Canada Business Corporations Act) of the Tenant which results in a change in the effective voting control of the Tenant. "Transferor" and "Transferee" have meanings corresponding to the definition of "Transfer" set out above, (it being understood that for a Transfer described in clause (iv) the Transferor is the person that has effective voting control before the Transfer and the Transferee is the person that has effective voting control after the Transfer).

13.02 **Consent Required**

The Tenant will not allow or cause a Transfer, without the prior written consent of the Landlord in each instance which consent may be unreasonably withheld, notwithstanding any statutory provision to the contrary, in the event of any request for consent to a Transfer within twenty-four (24) months of the Commencement Date or if the length of time since the previous Transfer is less than twenty-four (24) months, and in all other instances may not be unreasonably withheld, subject however to the provisions of Section 13.04. Without limiting the generality of the foregoing, no Transfer shall be effective and no consent shall be given unless the following provisions have been complied with:

(i) there is no default of the obligations of the Tenant under this Lease;

(ii) the Tenant shall have given at least thirty (30) days' prior written notice of the proposed Transfer and the effective date thereof to the Landlord;

(iii) a duplicate original of the documents affecting the Transfer shall be given to the Landlord within thirty (30) days after the execution and delivery thereof;

(iv) the Transferee, except in the case of a Transfer described in Section 13.01(iv), shall have assumed in writing with the Landlord the due and punctual performance and observance of all the agreements, provisions, covenants and conditions hereof on the Tenant's part to be performed or observed from and after the effective date of the Transfer.

The Tenant acknowledges that the factors governing the granting of the Landlord's consent to any Transfer may include, without limitation, the restrictive clauses entered into with other tenants by the Landlord, the financial background, business history and the capability of the proposed Transferee in the Tenant's line of business, and the nature of the business practices of the proposed Transferee. In particular, consideration shall be given as to whether the proposed Transferee will operate as a "cut-rate" bargain or discount store, or a business of an obnoxious nature which may tend to lessen traffic or lower the reputation or merchandising image of the Shopping Centre or its tenants. The consent by the Landlord to any Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. If a Transfer takes place, the Landlord may collect rent from the Transferee, and apply the net amount collected to the Rent herein reserved, but no such action shall be deemed a waiver of the requirement to obtain consent or the acceptance of the Transferee as tenant, or a release of the Tenant or any Indemnifier from the further performance by the Tenant of covenants on the part of the Tenant herein contained. Notwithstanding any Transfer, the Tenant shall remain fully liable under this Lease and shall not be released from performing any of the obligations of the Tenant under this Lease.

Landlord Tenant

Any Transfer, if consented to by the Landlord, may at the Landlord's option be documented by the Landlord or its solicitors, and any and all legal costs and the Landlord's then-standard fee with respect thereto or to any documents reflecting the Landlord's consent to the Transfer shall be payable by the Tenant on demand as Additional Rent.

13.03 **Conditions of Consent**

If the Tenant receives consent under Section 13.02, it shall be subject to the following conditions:

(a) at the Landlord's option, the annual Minimum Rent will be increased as of the effective date of the Transfer by an amount (the "Excess Amount") equal to: the greater of:

(i) the amount by which the annual Minimum Rent that pertains on the day before the effective date of the Transfer (the "Current Minimum Rent") is exceeded by the average annual total of Minimum Rent and Percentage Rent payable by the Tenant for the last two (2) Lease Years that precede the effective date of the Transfer or (if less than two (2) such Lease Years precede the effective date of the Transfer), the highest annual total of Minimum Rent and Percentage Rent payable by the Tenant since the Commencement Date; or

(ii) the Current Minimum Rent multiplied by the percentage increase in the C.P.I. between the month in which the Commencement Date occurs and the month immediately preceding the month in which the effective date of the Transfer occurs.

If it is stated in Section 3.01 of this Lease that the annual Minimum Rent is to increase at specified times, the Excess Amount will be added to such increased annual Minimum Rent. Further, the Tenant and the Transferee shall promptly execute an agreement prepared by the Landlord or its solicitors amending Section 3.01 in order to provide for the payment of the revised annual Minimum Rent during the remainder of the Term and all costs with respect thereto shall be paid by the Tenant to the Landlord as Additional Rent on demand. All of the other terms, covenants and conditions of this Lease shall remain as herein specified;

(b) if the Tenant shall receive from any Transferee of this Lease, either directly or indirectly, any consideration for the Transfer of this Lease, either in the form of cash, goods or services, the Tenant shall forthwith pay an amount equal to such consideration to the Landlord as Additional Rent forthwith upon receipt of same; and

(c) in the event of any Transfer by virtue of which the Tenant receives a rent in the form of cash, goods or services which is higher than the Rent payable hereunder to the Landlord for the portion of the Leased Premises so Transferred, the Tenant shall pay any such excess rent to the Landlord as Additional Rent forthwith upon receipt of same.

If this Lease is disaffirmed, disclaimed, repudiated, rejected or terminated as a result of court proceedings or otherwise, in connection with the insolvency or bankruptcy of any Transferee, then at the Landlord's option the original Tenant named in this Lease will enter into a lease (the "Remainder Period Lease") with the Landlord, containing the same terms and conditions as this Lease modified, however, by increasing the Minimum Rent based on the formula in this Section 13.03 and by changing the Term of the Remainder Period Lease so that it commences on the date of the disaffirmation, disclaimer, repudiation, rejection or termination, and expires on the date on which this Lease would have expired had the disaffirmation, disclaimer, repudiation, rejection or termination not occurred.

13.04 **Landlord's Option**

If the Tenant requests that Landlord's consent to a Transfer, then notwithstanding anything in this Lease or any statute or law to the contrary, the Landlord shall always have the option to cancel this Lease by written notice given to the Tenant within sixty (60) days following receipt by it of the Tenant's request for the Landlord's consent to the Transfer. The Landlord's notice of termination shall specify the date of termination which shall be not earlier than thirty (30) days after the date the Landlord's notice is given, and the Tenant shall deliver up possession of the Leased Premises to the Landlord on such date leaving same in the state of repair required pursuant to this Lease.

13.05 **No Advertising of Leased Premises**

The Tenant shall not print, publish, post, display or broadcast any notice or advertisement to the effect that the Leased Premises are for lease or for sale or otherwise advertise the proposed sale or lease of the whole or any part of the Leased Premises and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer is first approved in writing by the Landlord. Without in any way restricting or limiting the Landlord's right to refuse any text or format on other grounds, any text or format proposed by the Tenant shall not contain any reference to the rental rate of the Leased Premises.

ARTICLE XIV
DEFAULT OF TENANT

14.01 **Right to Re-Enter**

When:

(a) the Tenant shall be in default in the payment of any Rent whether lawfully demanded or not and such default shall continue for a period of five (5) consecutive days; or

Landlord Tenant

(b) the Tenant shall be in default of any of its covenants, obligations or agreements under this Lease or of any term or condition of this Lease (other than its covenant to pay Rent) and such default shall continue for a period of fifteen (15) consecutive days after written notice by the Landlord to the Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied;

then and in any of such cases the then current month's Rent, together with the Rent for the three (3) months next ensuing shall immediately become due and payable, and at the option of the Landlord, the Term shall become forfeited and void, and the Landlord may without notice or any form of legal process whatsoever forthwith re-enter upon the Leased Premises or any part thereof in the name of the whole and repossess and enjoy the same as of its former estate, anything contained in any statute or law to the contrary notwithstanding, provided, however, that such forfeiture shall be wholly without prejudice to the right of the Landlord to recover arrears of rent or damages for any antecedent default by the Tenant of its covenants, obligations or agreements under this Lease or any term or condition of this Lease and provided further that notwithstanding any such forfeiture the Landlord may subsequently recover from the Tenant damages for loss of Rent suffered by reason of this Lease having been prematurely determined.

14.02 **Right to Relet**

Should the Landlord elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Leased Premises, and relet the Leased Premises or any part thereof as agent for the Tenant for such term or terms (which may be for a term extending beyond the Term of this Lease) and at such rental or rentals and upon such other terms and conditions as the Landlord in its sole discretion may deem advisable; upon each reletting all rentals received by the Landlord from such reletting shall be applied; first, to the payment of any indebtedness other than rent due hereunder from the Tenant to the Landlord; second, to the repayment of any costs and expenses of such reletting, including brokerage fees and solicitors' fees and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder, and the residue, if any, shall be held by the Landlord and applied in payment of future Rent as the same may become due and payable hereunder. If such Rent received from such reletting during any month be less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency to the Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Leased Premises by the Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to the Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, the Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should the Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased Premises, and including the worth at the time of such 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 hereof over the then reasonable rental value of the Leased Premises for the remainder of the Term hereof, all of which amounts shall be immediately due and payable from the Tenant to the Landlord. In determining the Rent which would be payable by the Tenant hereunder, subsequent to default, the annual Rent for each year of the unexpired Term shall be equal to the average annual Minimum Rent and ~~Percentage Rent~~ payable by the Tenant from the Commencement Date to the time of default or during the preceding three (3) full calendar years, whichever period is shorter, together with all Additional Rent which would have been payable during the calendar year in which this Lease was terminated, pro-rated over a full calendar year, if required.

14.03 **Legal Expenses**

In case suit shall be brought for recovery of possession of the Leased Premises, for the recovery of Rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of the Tenant to be kept or performed and a breach shall be established, the Tenant shall pay to the Landlord all expenses incurred therefor, including reasonable solicitors' and counsel fees on a solicitor and his client basis.

14.04 **Bankruptcy**

The Tenant covenants and agrees that if the Term or any of the goods and chattels of the Tenant on the Leased Premises shall be at any time during the Term seized or taken in execution or attachment by any creditor of the Tenant or if a receiver, interim receiver or receiver and manager is appointed for the assets or business of the Tenant or if the Tenant shall make any assignment for the benefit of creditors or any bulk sale or, becoming bankrupt or insolvent, shall take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or if any order shall be made for the winding up of the Tenant, or if the Leased Premises shall without the written consent of the Landlord become and remain vacant for a period of fifteen (15) days, or be used by any other persons than such as are entitled to use them under the terms of this Lease, or if the Tenant shall without the written consent of the Landlord abandon or attempt to abandon the Leased Premises or to sell or dispose of goods or chattels of the Tenant or to remove them or any of them from the Leased Premises so that there would not in the event of such abandonment, sale or disposal be sufficient goods on the Leased Premises subject to distress to satisfy the Rent above due or accruing due, then and in every such case the then current month's Rent and the next ensuing three (3) months' Rent shall immediately become due and be paid and the Landlord may re-enter and take possession of the Leased Premises as though the Tenant or the servants of the Tenant or any other occupant of the Leased Premises were holding over after the expiration of the Term and the Term shall, at the option of the Landlord, immediately without any notice or opportunity for cure provided to the Tenant, become forfeited and determined, and in every one of the cases above such accelerated Rent shall be recoverable by the Landlord in the same manner as the Rent hereby reserved and as if Rent were in arrears and the said option shall be deemed to have been exercised if the Landlord or its agents given notice to the Tenant as provided for herein.

Landlord Tenant

14.05 **Landlord May Perform Tenant's Covenants**

If the Tenant shall fail to perform any of its covenants or obligations under or in respect of this Lease, the Landlord may from time to time at its discretion, perform or cause to be performed any of such covenants or obligations, or any part thereof, and for such purpose may do such things upon or in respect of the Leased Premises or any part thereof as the Landlord may consider requisite or necessary.

All expenses incurred and expenditures made by or on behalf of the Landlord under this Section, together with an administrative fee equal to fifteen (15%) percent thereon, shall be forthwith paid by the Tenant to the Landlord on demand as Additional Rent.

14.06 **Waiver of Exemptions from Distress**

Despite the Commercial Tenancies Act, as amended, or any other applicable Act, legislation, or any legal or equitable rule of law: (a) none of the inventory, furniture, equipment or other property at any time owned by the Tenant is exempt from distress; and (b) no lack of compliance with any requirement concerning the day of the week, time of day or night, method of entry, giving of notice, appraising of goods, or anything else, will render any distress unlawful where the Tenant owes arrears of Rent at the time of the distress.

14.07 **General Security Agreement**

The Tenant hereby grants to the Landlord a security interest (the "Security Interest") in all inventory, fixtures, equipment, furniture and chattels of the Tenant situate on or about the Leased Premises from time to time (the "Collateral") to secure the payment of all Rent payable pursuant to this Lease and the fulfillment of the other obligations of the Tenant under this Lease. The Tenant confirms and agrees that the Security Interest is complete and valid without the necessity of any other or further documentation in respect thereof and is intended to constitute a security agreement as defined in the Personal Property Security Act R.S.O. 1990, c.P. 10, as amended from time to time (the "Act"). This security agreement is separate from and shall survive the termination, expiry, repudiation, disaffirmance or disclaimer of this Lease. Upon default by the Tenant of its obligations pursuant to this Lease, the Landlord shall be entitled at its sole option (and without any obligation so to do), to exercise any remedies available to it as a secured party under the Act in respect of the Collateral. The Security Interest is given in addition to, and not as an alternative to, and the rights and remedies afforded to the Landlord thereunder may be exercised by the Landlord without prejudice to any of the Landlord's other rights and remedies under this Lease and at law including, without limitation, the Landlord's right of distress. The Tenant covenants and agrees that all Collateral located on the Leased Premises from time to time shall be owned by the Tenant and except in the ordinary course of the Tenant's business, the Tenant shall not at any time without the proper written consent of the Landlord, such consent not to be unreasonably withheld, dispose of all or any part of the Collateral.

ARTICLE XV
MISCELLANEOUS

15.01 **Overholding**

If the Tenant remains in possession of the Leased Premises after the end of the Term and without the execution and delivery of a new lease, there shall be no tacit renewal of this Lease and the Term hereby granted, and the Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to month at monthly rent payable in advance on the first day of each month equal to the sum of:

(i) **one and one-half (1-1/2) times the Minimum Rent** payable during the last month of the Term; and

(ii) **one-twelfth (1/12th) of the Additional Rent** payable by the Tenant for the Lease Year immediately preceding the last Lease Year of the Term;

and otherwise upon the same terms and conditions as are set forth in this Lease, except as to duration of Term, mutatis mutandis.

15.02 **Successors**

This Lease applies to the successors and assigns of the Landlord and, if Article XIII is complied with, the heirs, executors, administrators and permitted successors and permitted assigns of the Tenant. If there is more than one party named as Tenant, they are jointly and severally liable under this Lease.

15.03 **Waiver**

Failure by the Landlord to require performance of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No covenant, term or condition of this Lease shall be deemed to have been waived by the Landlord, unless such waiver is in writing by the Landlord.

Landlord Tenant

15.04 **Accord and Satisfaction**

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement or any cheque or any letter accompanying any cheque or payment as Rent be deemed an accord and satisfaction, and the Landlord may accept such cheque or payment without prejudice to the Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease provided.

15.05 **Entire Agreement**

This Lease sets forth all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or representations, either oral or written, between them other than are herein and in the said schedules and rider, if any, set forth. 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.

15.06 **No Partnership**

The Landlord does not, in any way or for any purpose, become a partner of the Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with the Tenant.

15.07 **Force Majeure**

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder 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, 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. Notwithstanding anything herein contained, the provisions of this Section 15.07 shall not operate to excuse the Tenant from the prompt payment of Minimum Rent, Percentage Rent and Additional Rent or any other payments required by the terms of this Lease, nor entitle the Tenant to compensation for any inconvenience, nuisance or discomfort thereby occasioned.

15.08 **Notices**

Any notice herein provided or permitted to be given by the Tenant to the Landlord shall be sufficiently given if mailed in Canada, registered and postage prepaid, addressed to the **Landlord at c/o Darton Property Advisors, Suite 400, 257 Adelaide Street West, Toronto, Ontario M5H 1X9** and any notice herein provided or permitted to be given by the Landlord to the Tenant shall be sufficiently given if mailed in Canada, registered and postage prepaid, addressed to the **Tenant at 286 York Road, Dundas, Ontario L9H 6L8**. Any such notice given as aforesaid shall be conclusively deemed to have been given on the day on which such notice is delivered or on the third day that there is postal delivery following the day on which such notice is mailed, as the case may be. 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. The word "notice" in this paragraph shall be deemed to include any request, statement or other writing in this Lease provided or permitted to be given by the Landlord to the Tenant or by the Tenant to the Landlord. If there is more than one party named as Tenant, notice to one shall be deemed sufficient as notice to all.

15.09 **Place for Payment of Rent**

The Tenant shall pay the Rent, including all Additional Rent, at the office of the Landlord specified in Section 15.08, or at such place or places as the Landlord may designate from time to time by notice in writing.

15.10 **Approval in Writing**

Wherever the Landlord's consent is required to be given hereunder or wherever the Landlord must approve any act or performance by the Tenant, such consent or approval, as the case may be, shall be given in writing by the Landlord before same shall be deemed to be effective.

15.11 **Registration**

The Tenant shall not register this Lease without the written consent of the Landlord. However, upon the request of either party hereto the other party shall join in the execution of a memorandum or so called "short form" of this Lease for the purpose of registration. Said memorandum or short form of this Lease shall describe the parties, the Leased Premises and the Term and shall be prepared and registered at the expense of the Tenant.

15.12 **Governing Law**

The Lease is to be governed by and construed according to the laws of the Province of Ontario.

15.13 **Captions and Section Numbers**

The captions, section numbers and article numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles or of this Lease, nor in any way affect this Lease.

15.14 **Brokerage Commissions**

Any brokerage commission with respect to this lease transaction shall be borne exclusively by the

Landlord Tenant

Tenant and the Tenant shall indemnify and hold harmless the Landlord from any and all claims with respect thereto save only where the Landlord has specifically retained a broker or agent to represent it in respect of this transaction.

15.15 **Partial Invalidity**

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

15.16 **No Option**

The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises and this Lease becomes effective as a Lease only upon execution and delivery thereof by the Landlord and the Tenant.

15.17 **Time To Be of the Essence**

Time shall be of the essence of this Lease.

15.18 **Quiet Enjoyment**

The Landlord covenants with the Tenant for quiet enjoyment.

15.20 **Schedules**

Schedules "A", "B", "C", "D" and "E" attached hereto form part of this Lease.

IN WITNESS WHEREOF the Landlord and the Tenant have signed and sealed this Lease as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

SUSAN RUSSELL

J. Berger

IMPERIAL SQUARE G.P. LTD.
Dorton Property Advisors Manager Inc. (Landlord) as Authorized Agent for Imperial Square GP Ltd.

Per: _____

Name: Gary Hudson / Steve Harris
Please print

Title: President / Senior Vice President
Please print

I have the authority to bind the Corporation

SHS OPTICAL LTD. (Tenant)

Per: _____ c/s

Name: BRUCE BERGER
Please print

Title: C.F.O.
Please print

Per: _____ c/s
Please print

Name: _____
Please print

Title: _____
Please print

I/We have authority to bind the Corporation.

Landlord Tenant

SCHEDULE "A"

LEGAL DESCRIPTION

PIN: 71360 0078 (LT)
71360 0077 (LT)

Lots 5, 6, 7, 8 and 9, Plan 753, City of Guelph, County of Wellington, subject to an easement in favour of the Board of Light and Heat Commissioners of the City of Guelph Hydro, over Parts 8 and 9, on Reference Plan 61R-3751 save and except for the lands being conveyed for a service centre at the northwest corner of Woodlawn and Imperial, containing approximately two acres.

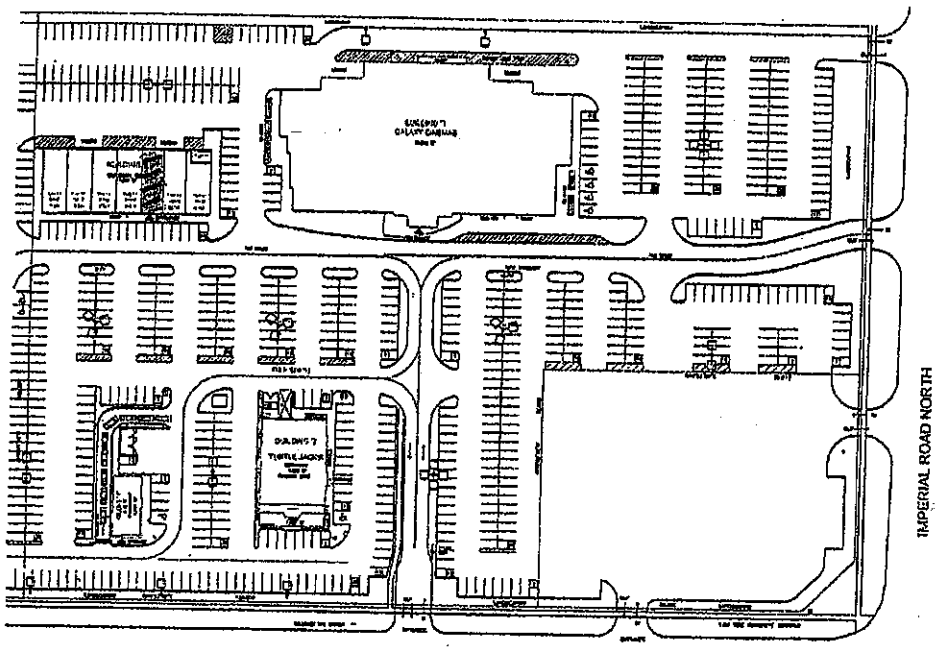
Landlord Tenant

SCHEDULE "B"

LOCATION OF LEASED PREMISES IN THE SHOPPING CENTRE

SHS OPTICAL LTD. trading as
GREAT GLASSES
Unit 3
455 Woodlawn Road West
Guelph, Ontario

Floor plan for location identification only.



IMPERIAL SQUARE
455–565 WOODLAWN ROAD WEST, GUELPH, ONTARIO

Landlord Tenant

SCHEDULE "C"

LANDLORD'S AND TENANT'S WORK

Landlord's Work

It is agreed that the Tenant accepts the Leased Premises on a strictly "as is" basis. Further, Tenant acknowledges that the Landlord has no obligation whatsoever to perform any work or improvements within or around the Leased Premises.

Leasehold Improvement Allowance

Notwithstanding the Rent Free period described in Section 3.01 (b) herein, the Tenant and the Landlord acknowledge that there shall be no Leasehold Improvement Allowance paid by the Landlord to the Tenant under this Lease.

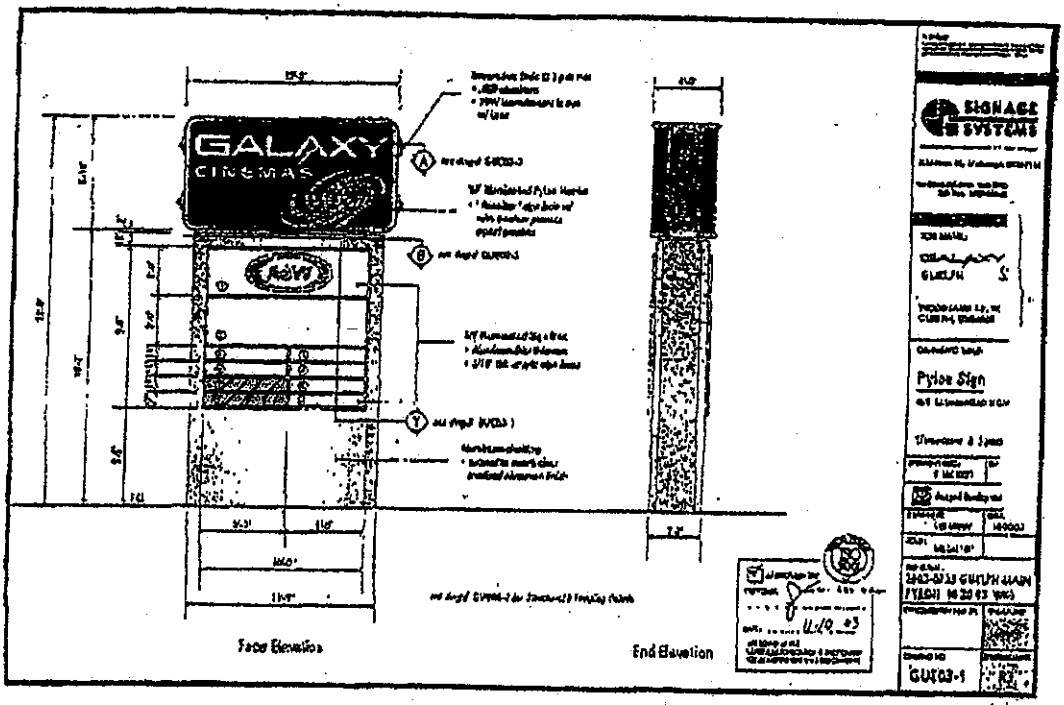
Tenant's Work

The Tenant agrees to comply with the Landlord's designated fascia sign construction standards and further agrees that all costs and expenses respecting such fascia signage, including all frames, shall be the sole responsibility of the Tenant.

Landlord Tenant

SCHEDULE "D"

PYLON SIGN ELEVATION



Landlord Tenant

SCHEDULE "E"

RULES AND REGULATIONS

1. All loading and unloading of goods shall be done only at such times, in the areas, and through the entrances, designated for such purposes by the Landlord.

2. The delivery or shipping of merchandise, supplies and fixtures to and from the Leased Premises shall be subject to such controls as in the judgment of the Landlord are necessary for the proper operation of the Leased Premises and/or the Shopping Centre.

3. All garbage and refuse shall be kept in the kind of containers specified by the Landlord and shall not be burned in or about the Leased Premises.

4. No radio, television, telegraphic or telephone or similar device and no water pipe, gas pipe or electric wire shall be installed or connected without obtaining in each instance the written consent of the Landlord. All such connections shall be installed in accordance with the Landlord's direction and without such direction no boring or cutting for wires or pipes shall be permitted.

5. The Tenant and its employees, suppliers and other persons not customers having business with the Tenant, shall park their cars only in those portions of the parking area designated for that purpose by the Landlord. Within five (5) days after taking possession of the Leased Premises the Tenant shall furnish the Landlord with the automobile license numbers of the Tenant and its employees and shall thereafter notify the Landlord of any changes within five (5) days after such changes occur. Should the Tenant, its employees, suppliers and other persons not customers having business with the Tenant park vehicles in areas not allocated for that purpose, the Landlord shall have the right to remove the said trespassing vehicles and the Tenant shall save harmless the Landlord from any and all damages therefrom and the Tenant shall pay the costs of such removal.

6. The plumbing facilities shall not be used for any other purpose than that for which they are intended, 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 shall be borne by the Tenant.

7. The Tenant shall use at the cost of the Tenant such pest extermination contractor as the Landlord may direct and at such intervals as the Landlord may require.

8. The Tenant, its employees or agents, shall not mark, paint, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or iron without the written consent of the Landlord.

9. Except as permitted in the lease to which these rules and regulations are annexed, the Tenant shall not permit any cooking in the Leased Premises without the written consent of the Landlord.

10. No mall, sidewalk, entry, passageway, elevator or staircase shall be obstructed or used by the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees for any purpose other than ingress to and egress from the Leased Premises.

11. The Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees shall not bring in or take out, position, construct, install or move any safe or other heavy equipment or furniture without first obtaining the consent in writing of the Landlord. In giving such consent, the Landlord shall have the right in its sole discretion, to prescribe the weight permitted and the position thereof, and the use and design of planks, skids or platforms to distribute the weight thereof. All damage done to the Shopping Centre by moving or using any such safe, heavy equipment or furniture shall be repaired at the expense of the Tenant. The moving of all equipment and furniture shall occur only during those hours when the Shopping Centre shall not be open for business or any other time consented to by the Landlord and the persons employed to move the same in and out of the Leased Premises shall be acceptable to the Landlord.

12. All persons entering and leaving the building in which the Leased Premises are situated at any time other than during normal business hours shall register in the books kept by the Landlord and the Landlord will have the right to prevent any person from entering or leaving such building unless provided with a key to the premises to which such person seeks entrance or a pass in a form to be approved by the Landlord. Any persons without such key or passes will be subject to the surveillance of the employees and agents of the Landlord. The Landlord shall be under no responsibility for failure to enforce this rule.

13. The Tenant shall not place or cause to be placed any additional locks upon any doors of the Leased Premises without the approval of the Landlord and subject to any conditions imposed by the Landlord.

14. No one shall use the Leased Premises for sleeping apartments or residential purposes, or for the storage of personal effects or articles other than those required for the purposes permitted by the lease to which these rules and regulations are annexed.

15. The Tenant shall permit window cleaners to clean the windows of the Leased Premises from time to time and at reasonable times.

16. Any hand trucks, carryalls or similar appliances used in any building in the Shopping Centre shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.

17. No animals or birds shall be brought into the Leased Premises except as permitted by the lease to which these rules and regulations are annexed.

Landlord Tenant

18. Except as permitted in the lease to which these rules and regulations are annexed, the Tenant shall not permit the delivery of any food or beverage to the Leased Premises without the approval of the Landlord.

19. The Tenant shall not solicit business in the common areas or distribute any handbills or other advertising matter in the common areas or in automobiles parked in the parking areas.

20. The Tenant shall keep the Leased Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.

21. The Tenant shall not keep or display any merchandise on or otherwise obstruct the common areas adjacent to the Leased Premises.

22. The Tenant shall not use or permit any part of the Leased Premises to be used in such a manner as to cause annoying noises or vibrations or offensive odours.

23. The Tenant shall keep its display windows and signs lit in a manner satisfactory to the Landlord until 11:00 p.m. local time, on each evening except if prevented by reasons beyond the control of the Tenant or unless otherwise approved by the Landlord.

Page 3 added ✓

Landlord Tenant

Kim Smith

From: Kim Smith
Sent: Tuesday, June 05, 2007 11:32 AM
To: sloan@gsnh.com
Cc: Gary Hudson
Subject: FW: SHS Optical Ltd. Lease - Executed by Tenant

Howard,
Further to Richard Crenian's email below, could you please contact Gary Hudson at 416-343-0078 ext. 229, to discuss if Gary can legally bind Imperial Square to a lease.
Thank you, Kim

Howard indicated that Darton can sign lease as Agent for Imperial Square GP Ltd with the power granted by this email.

June 5/07

-----Original Message-----
From: Richard Crenian [mailto:rcrenian@gmail.com]
Sent: Tuesday, June 05, 2007 10:20 AM
To: Kim Smith
Subject: Re: SHS Optical Ltd. Lease - Executed by Tenant

Have gary sign as agennt pls

Regards, Richard Crenian, rcrenian@gmail.com, Ph 4164607779, Fax 4163527591, Ontario, Canada
STE 1600-480 University Ave, Toronto, M5G2V5

-----Original Message-----
From: "Kim Smith" <ksmith@dartonproperty.com>

Date: Tue, 5 Jun 2007 10:16:18
To:"Richard Crenian (E-mail 2)" <rcrenian@gmail.com> Cc:"Gary Hudson" <ghudson@dartonproperty.com>
Subject: SHS Optical Ltd. Lease - Executed by Tenant

Richard,

On behalf of Gary, please see attached a copy of the SHS Optical Ltd. Lease that has been executed on behalf of the Tenant, for your review. If satisfactory, we ask that you please sign, and initial each page of the lease, and return a fully executed copy via email.

I will also arrange to have a courier deliver an original Lease to your attention for execution and initialing. Richard, can you please advise which address you would like me to send the lease to.

Also, please note that the Tenant has made one minor change to the lease on page 4.

The credit check is currently being finalized.

Regards, Kim.
Kim Smith
Darton Property Advisors & Managers Inc.
257 Adelaide Street West, Suite 400
Toronto, ON M5H 1X9
Tel: (416) 343-0078 ext. 264
Fax: (416) 343-8716
<blocked::mailto:ksmith@dartonproperty.com> ksmith@dartonproperty.com / www.dartonproperty.com
This E-mail is confidential and is intended for the sole use of the recipient or authorized representative of the recipient. Any person who receives this E-mail by mistake shall immediately notify the sender and destroy it. Any other use of the information therein is strictly prohibited. The integrity of the transmitted information in the E-mail is not guaranteed by Darton which accepts no liability for any damage caused by its fraudulent alteration.

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Fax 522274

OFFER TO LEASE

THIS AGREEMENT made as of the 16th day of February 2001.

TO: **ROSART PROPERTIES INC. (hereinafter referred to as the "Landlord")**

I the undersigned, Bruce Bergez, for a company to be incorporated (hereinafter referred to as the "Tenant") and Bruce Bergez (hereinafter referred to as the "Indemnifier"), having inspected the premises (hereinafter referred to as the "Premises" or "Leased Premises"), hereby offer to lease from the Landlord the Premises, in the retail commercial area of the development owned by the Landlord and known as **South Hamilton Square** (hereinafter referred to as the "Shopping Centre"), known municipally as **1550 Upper James Street**, in the City of **Hamilton**, in the Province of Ontario, and consisting of approximately **One Thousand Six Hundred and Eighty (1,680)** square feet, as such Premises are more particularly outlined on the sketch of site plan attached hereto as Schedule "B", for a term (hereinafter referred to as the "Term") of **Ten (10)** year(s), which is anticipated to commence on **September 1, 2001** and expire on **August 31, 2011.**

It is understood and agreed that should the Premises not be available to the Tenant for possession on **June 1, 2001** for any reason beyond its control, the Term and rent (hereinafter referred to as the "Rent") shall commence on the first to occur of the following dates:

A. The opening by the Tenant to the public of its business in the Leased Premises; or

B. **Ninety (90)** days have expired after the Tenant has been notified of the substantial completion of the landlord's work (hereinafter referred to as the "Landlord's Work"), as same is further described in this Offer; or

ANNUAL RENTS The Tenant shall pay to the Landlord an annual Minimum Rent as detailed below, via post-dated cheques or electronic debit:

Year One (1) Thirty Three Thousand Six Hundred Dollars ($33,600.00) per annum, plus applicable G.S.T., payable in advance in equal instalments of **Two Thousand Eight Hundred Dollars ($2,800.00)** per month plus applicable G.S.T. based on the rate of **Twenty Dollars ($20.00)** per square foot per annum.

Year Two (2) Thirty Six Thousand Nine Hundred Sixty Dollars ($36,960.00) per annum, plus applicable G.S.T., payable in advance in equal instalments of **Three Thousand and Eighty Dollars ($3,080.00)** per month plus applicable G.S.T. based on the rate of **Twenty Two Dollars ($22.00)** per square foot per annum

Year Three (3) Forty Thousand Three Hundred and Twenty Dollars ($40,320.00) per annum, plus applicable G.S.T., payable in advance in equal instalments of **Three Thousand Three Hundred and Sixty Dollars ($3,360.00)** per month plus applicable G.S.T. based on the rate of **Twenty Four Dollars ($24.00)** per square foot per annum

Year Four (4) Forty Three Thousand Six Hundred and Eighty Dollars ($43,680.00) per annum, plus applicable G.S.T., payable in advance in equal instalments of **Three Thousand Six Hundred and Forty Dollars ($3,640.00)** per month plus applicable G.S.T. based on the rate of **Twenty Six Dollars ($26.00)** per square foot per annum

Year Five (5) Forty Three Thousand Six Hundred and Eighty Dollars ($43,680.00) per annum, plus applicable G.S.T., payable in advance in equal instalments of **Three Thousand Six Hundred and Forty Dollars ($3,640.00)** per month plus applicable G.S.T. based on the rate of **Twenty Six Dollars ($26.00)** per square foot per annum.

Year Six (6) through Ten (10) Forty Five Thousand Three Hundred and Sixty Dollars ($45,360.00) per annum, plus applicable G.S.T., payable in advance in equal instalments of **Three Thousand and Seven Hundred Eighty Dollars ($3,780.00)** per month plus applicable G.S.T. based on the rate of **Twenty Seven Dollars ($27.00)** per square foot per annum

DEPOSIT - A deposit cheque payable to the Landlord, in the amount of **Two Thousand Eight Hundred Dollars ($2,800.00), plus applicable G.S.T. of One Hundred Ninety Six Dollars ($196.00)**, is attached hereto to be applied toward the first month's rent and to be returned without interest or deduction if this Offer is rejected. The Landlord's G.S.T. Registration Number is 89937 0530 RT.

USE OF PREMISES - The Premises are to be used only for the sale at retail of eyeglasses, contact lenses and related eye merchandise.

TRADE NAME - Under the name and style of to be determined.

EXCLUSIVE USE – The Landlord covenants and agrees to and with the Tenant that, during the Lease Term and any extension(s) thereof, the Landlord shall not suffer or permit any other premises in the Shopping Centre to be used for the purpose of conducting the principal business of an optical store, or that of an optometrist. Such restriction and covenant on the part of the Landlord shall not apply to any other tenant of

the Shopping Centre as at the date of this Offer to Lease, or their permitted assigns whose use clause in its lease with the landlord would permit such primary use.

This Offer to Lease is made on the following terms:

1. **NET LEASE** - It is agreed and understood by the parties hereto that the Lease is a net Lease for the Landlord and the Tenant agrees to pay the following, including but without limitation:

   A) **PROPORTIONATE SHARE** - Its equitable proportionate share of the operating costs and expenses of the common areas and facilities, but excluding any store(s) in the Shopping Centre having a Gross Leasable Area in excess of 20,000 square feet.

   B) **OPERATING COSTS** - All operating costs, taxes, charges, administration fees, licenses, insurance, utility charges and deposits, plus applicable G.S.T., in regards to and allocated to the Premises.

2. **NON-ASSIGNABLE, NON-TRANSFERABLE** - This Offer shall not be assignable or transferable by the Tenant.

3. **FORM OF LEASE** - The form of Lease referred to in this Offer shall be the standard form of Lease utilized by the Landlord in leasing store premises in the Shopping Centre. Such form shall have terms consistent with the terms of this Offer and shall contain such additional terms as would ordinarily be imposed by a prudent landlord, of a first class retail shopping centre. The Tenant shall execute the Lease prior to the Landlord commencing its Work as hereinafter detailed, failing which the Landlord shall not be obligated to commence the Landlord's Work or at its option, may elect to cancel this Agreement.

4. **SUBSTANTIAL COMPLETION** - The Leased Premises shall be considered substantially completed when the Landlord's Work is advanced to an extent sufficient that the Tenant can commence performance of the Tenant's Work and the Tenant has been given notice of such substantial completion.

5. **CAUSES BEYOND CONTROL** - Whenever and to the extent that the Landlord shall be unable to fulfil or shall be delayed or restricted in the fulfilment of any obligation hereunder in respect of the supply or provision of any service or utility or labour required to enable it to fulfil such obligation or by reason of any statute, law, order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administration, 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 shall be relieved from the fulfilment of such obligation and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned.

6. **NO OFFER** - The Landlord shall not be deemed to have made an Offer to the Tenant by furnishing to the Tenant a copy of this Offer with blanks completed.

7. **RIGHT TO EXTEND** - Providing the Tenant is not in default, the Tenant shall have the right to extend its Lease to rent the Premises for **One (1)** further Term(s) of **Ten (10)** years (each) at terms to be mutually agreed upon by the parties at least One year prior to the expiry of the initial Term, and failing such mutual agreement the said right to extend shall be null and void. In the case of any such extension, the Rental rate is to be negotiated but in no event will it be less than the total effective Rent, i.e. Minimum Rent plus Percentage Rent, if any, paid during the last year of the initial Term.

8. **OVER-HOLDING** - Any holding over after the expiration of the Term hereof, with the consent of the Landlord, shall be construed to be a tenancy from month to month at double the rates herein specified (pro-rated on a monthly basis) and shall otherwise be on the same terms and conditions as specified within the Lease, in so far as same are applicable.

9. **NOTHING UNWRITTEN** - There are no covenants, representations, agreements, warranties or conditions in any way relating to the subject matter of this Offer, whether expressed or implied, collateral or otherwise, except those set forth in this Offer to Lease.

10. **AREA OF THE LEASED PREMISES** - The area of the Leased Premises shall be measured in square feet from the exterior face of all exterior doors, walls and windows comprising the boundaries of such Premises and, in the case of walls separating the Leased Premises from any other rentable premises, measured from the centre line of such walls.

11. **NO ENCUMBRANCES** - The Tenant covenants that it will not allow any liens, judgements or encumbrances to be registered against the Shopping Centre. In the event of registration of any lien or other encumbrance by a contractor or subcontractor of the Tenant, the Tenant shall, at its own expense, immediately cause the same to be discharged. In the event same is/are not discharged, this Offer to Lease will be terminated at the sole option of the Landlord.

12. **TENANTS CHATTELS** – As long as the Tenant is not in default the Tenants' Chattels will remain the property of the Tenant.

13. **INDEMNIFICATION** – If the Tenant is not in default, the indemnification will expire the one year from commencement of the Term.

14. **IRREVOCABLE OFFER** - This Offer shall be irrevocable by the Tenant and shall be open for acceptance by the Landlord until 5:00 P.M., Oakville time, on the _____day of _____ 2001, after which time, if not accepted, this Offer shall be null and void.

Attachments:

- Schedule "A" the legal description of the property, is attached to and shall form part of this Agreement.
- Schedule "B" the site plan of the Shopping Centre, is attached to and shall form part of this Agreement.
- Schedule "C" Landlord's and Tenant's Work, is attached to and shall form part of this Agreement.

BEING IN AGREEMENT with the above, we hereby affix our signature(s) and seal(s) this 16th day of May 2001.

J. Bergez
Witness

Witness

TENANT
BRUCE BERGEZ
for a company to be incorporated.
Per: G Bergez
Name: Bruce Bergez
Title: Owner
Per:
Name:
Title:
I/WE have the authority to bind the corporation

J. Bergez
Witness

Witness

INDEMNIFIER
BRUCE BERGEZ
for a company to be incorporated.
Per: G Bergez
Name: Bruce Bergez
Title: Owner
Per:
Name:
Title:
I/WE have the authority to bind the corporation

LANDLORD
ROSART PROPERTIES INC.
Per: Glen Rosart
Name: Glen Rosart
Title: Vice President
Per:
Name: JOHN ROSART
Title: PRESIDENT
Date: May 16, 2001

SCHEDULE "A"

PIN=16912 – 0037(LT)

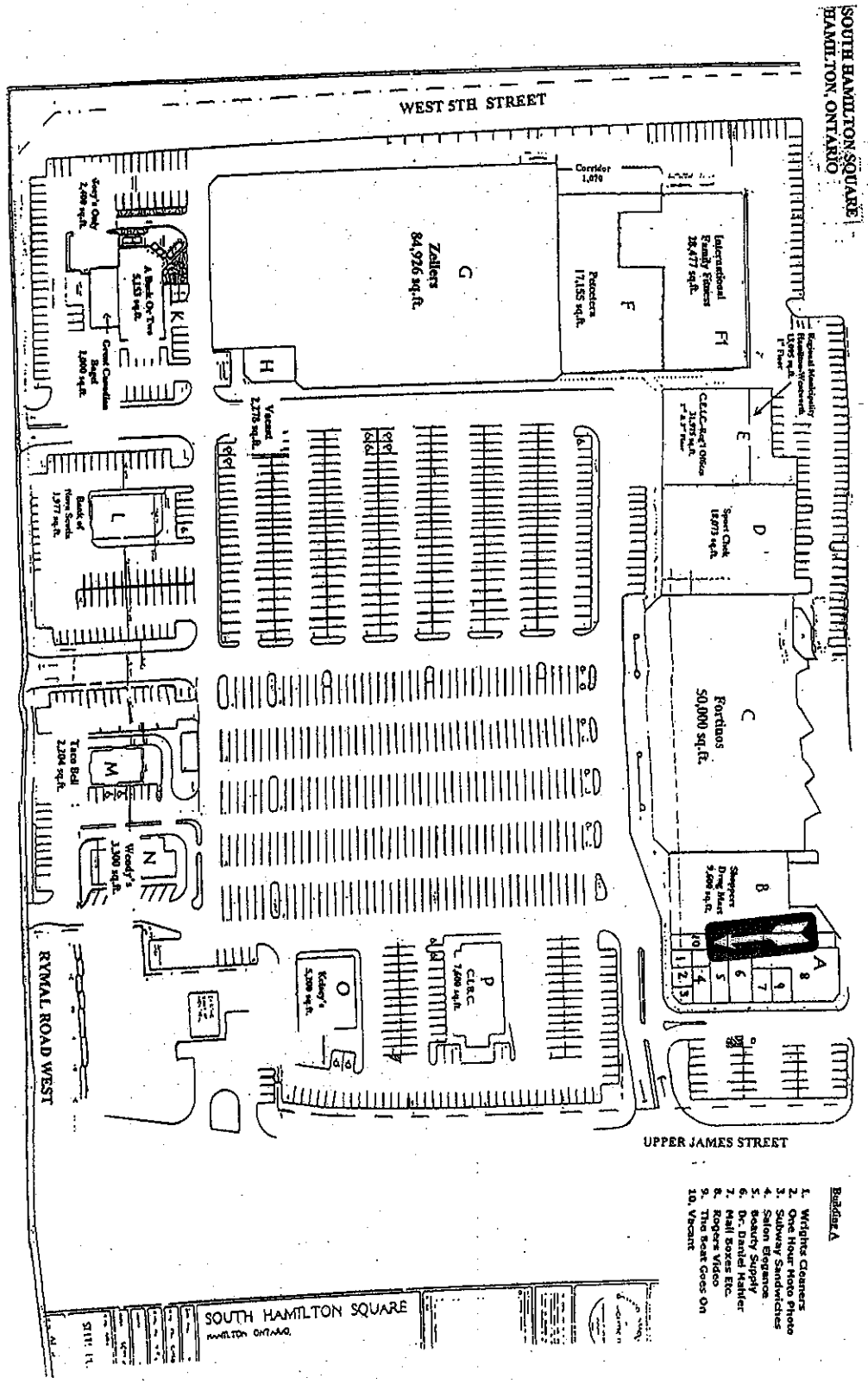
Legal Description of the Real Property

SOUTH HAMILTON SQUARE
1550 Upper James Street
Hamilton, ON L9B 1K3

ALL AND SINGULAR that certain parcel
or tract of land and premises situate,
lying and being in the City of Hamilton,
in the Province of Ontario,
and being composed of Part of Lot 15, Concession 8,
in the geographic Township of Barton
and which parcel or tract of land may be
more particularly described as follows:

Being designated as all of Parts 5 and 6
according to Plan of Survey
deposited in the Land Registry Office for
the Registry Division of the City of Hamilton as 62R-12088,
subject to VM168517, Hamilton.

SCHEDULE "B"


SOUTH HAMILTON SQUARE
HAMILTON, ONTARIO
WEST 5TH STREET
Corridor 1,070
International Family Fitness 28,477 sq.ft.
F1
F
Petcetera 17,155 sq.ft.
G
Zellers 84,926 sq.ft.
H
Vacant 2,278 sq.ft.
K
A Bank Ov Two 5,153 sq.ft.
Sony's Only 2,400 sq.ft.
Great Canadian Bagel 2,000 sq.ft.
L
Bank of Nova Scotia 1,977 sq.ft.
M
Taco Bell 2,204 sq.ft.
N
Woody's 3,300 sq.ft.
O
Kelsey's 5,300 sq.ft.
P
C.I.B.C. 7,600 sq.ft.
E
Sport Chek 18,073 sq.ft.
D
C
Fortinos 50,000 sq.ft.
B
Shoppers Drug Mart 9,600 sq.ft.
A
RYMAL ROAD WEST
UPPER JAMES STREET
SOUTH HAMILTON SQUARE
HAMILTON ONTARIO
Building A
1. Wrights Cleaners
2. One Hour Moto Photo
3. Subway Sandwiches
4. Salon Elegance
5. Beauty Supply
6. Dr. Daniel Mahler
7. Mail Boxes Etc.
8. Rogers Video
9. The Beat Goes On
10. Vacant

SCHEDULE "C"

Landlord's and Tenant's Work

Landlord's Work

I) **FLOOR:** Concrete floor with granular base in a smooth finish, to support a live load of 100 pounds per square inch, uniformly distributed.

II) **CEILING:** The ceiling shall be an exposed steel structure throughout, as per the Landlord's plans and specifications.

III) **DEMISING WALLS:** The perimeter demising walls shall be taped and finished drywall, ready for painting by the Tenant.

IV) **ELECTRICAL:** The Landlord will provide an un-fused, electrical disconnect box as per the Landlord's plans and specifications, to receive fixtures and electrical outlets by the Tenant.

V) **H.V.A.C.:** The Landlord shall supply and install a combination heating and air-conditioning unit as per the Landlord's plans and specifications.

VI) **ROOF & OTHER:** A) The Landlord will supply all roof openings associated with the H.V.A.C. equipment; and B) The Tenant shall have the right, at its cost and expense, to open the floors, walls, roofs or ceiling, as required, according to the Tenant's plans for exhaust, etc., all of which plans and specifications are subject to the approval of the Landlord's architects or engineers acting reasonably. The Tenant will use the Landlord's roofing contractor for all such openings.

VII) **STORE FRONT:** The Landlord shall supply and install the Landlord's standard store front as per the Landlord's approved plans and specifications.

VIII) **PLUMBING:** The Landlord will provide the rough-in plumbing for a two (2) piece washroom including sanitary sewer line to a Landlord designated location within the Leased Premises. The water meter and all further distribution shall be at the expense of the Tenant.

IX) **GAS:** The Landlord shall provide a natural gas service to a designated point within the Leased Premises as per the Landlord's plans and specifications.

X) **SITE WORK:** The Landlord shall complete all site work as per its plans and specifications and in accordance with all governmental standards and requirements.