

**7003 – 72<sup>ND</sup> STREET, DELTA, B.C**  
**LEASE**

**BETWEEN**

**0977221 B.C. LTD., as registered owner of the Lands, and  
THE GREAT-WEST LIFE ASSURANCE COMPANY, LONDON LIFE INSURANCE  
COMPANY AND THE CANADA LIFE INSURANCE COMPANY OF CANADA, as beneficial  
owners of the Lands**

**(the “LANDLORD”)**

**And**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, AS  
REPRESENTED BY THE GENERAL MANAGER OF THE LIQUOR DISTRIBUTION  
BRANCH**

**(the “TENANT”)**

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#### LIST OF SCHEDULES

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SCHEDULE B	LANDLORD'S WORK AND TENANT'S WORK
SCHEDULE C	RULES AND REGULATIONS
SCHEDULE D	SPECIAL PROVISIONS
SCHEDULE E	ESTOPPEL CERTIFICATE

THIS LEASE DATED as of February 16, 2017.

BETWEEN:

**0977221 B.C. LTD., as registered owner of the Lands, and  
THE GREAT-WEST LIFE ASSURANCE COMPANY, LONDON LIFE INSURANCE  
COMPANY AND THE CANADA LIFE INSURANCE COMPANY OF CANADA, as beneficial  
owners of the Lands**

(hereinafter called the "Landlord")

**OF THE FIRST PART**

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as  
represented by the General Manager of the Liquor Distribution Branch**

(hereinafter called the "Tenant")

**OF THE SECOND PART**

In consideration of the rents covenants and agreements hereinafter reserved and contained the parties  
covenant and agree with each other as follows:

#### **ARTICLE 1 - BASIC PROVISIONS**

##### **1.1 Basic Provisions**

- |     |       |                       |   |
|-----|-------|-----------------------|---|
| (a) | (i)   | Landlord:             | 0977221 B.C. Ltd., as registered owner of the Lands, and<br>The Great-West Life Assurance Company, London Life<br>Insurance Company and the Canada Life Insurance Company of<br>Canada, as beneficial owners of the Lands |
|     | (ii)  | Address:              | c/o GWL Realty Advisors Inc.<br>Suite 1600 – 650 West Georgia Street<br>P.O. Box 11505<br>Vancouver, B.C. V6B 4N7   |
|     | (iii) | Fax:                  | 604-683-3264  |
| (b) | (i)   | Tenant:               | Her Majesty the Queen in Right of the Province of British Columbia,<br>as represented by the General Manager of the Liquor Distribution<br>Branch   |
|     | (ii)  | Address:              | <b>LIQUOR DISTRIBUTION BRANCH</b><br>2625 Rupert Street<br>Vancouver, BC V5M 3T5<br>Attention: Real Estate Department   |
|     | (iii) | Fax:                  | 604-252-3141  |
| (c) |       | Indemnifier:          | N/A   |
| (d) |       | Premises:             | The Lands and Building located at 7003 – 72nd Street, Delta, British<br>Columbia.   |
| (e) |       | Area of Premises:     | Four Hundred and Twelve Thousand (412,000) square feet.   |
| (f) | (i)   | Term:                 | One Hundred and Twenty (120) Months.  |
|     | (ii)  | Commencement<br>Date: | August 1, 2017 (the "Commencement Date").   |
|     | (iii) | Expiry Date:          | July 31, 2027 (the "Expiry Date"), s.21<br>s.21   |

(g) Basic Rent: The Basic Rent for the Premises will be:

Months	Per Square Foot	Annual	Monthly
s.21	s.17,s.21		

plus applicable Sales Tax payable in advance on the first day of each and every month of the Term.

- (h) Security Deposit: s.21
- (i) Permitted Use: For the purpose of warehouse, distribution centre and related office and ancillary uses
- (j) Landlord’s Work: As referred to under Section 1 of Schedule B of this Lease.
- (k) Tenant’s Work: As referred to under Section 2 of Schedule B of this Lease.

ARTICLE 2 – STANDARD DEFINITIONS

2.1 Definitions

“Additional Rent” means any amount payable by the Tenant to the Landlord under this Lease other than Basic Rent, including, without limitation, all interest payable hereunder whether or not such sums are referred to as Additional Rent.

“Alterations” means any additions, installations, repairs, alterations, replacements, or improvements made in or to the Premises, excluding Cosmetic Alterations.

“Applicable Laws” means all applicable statutes, laws, by-laws, regulations, ordinances, orders and requirements of governmental or other public authorities having jurisdiction in force from time to time.

“Basic Rent” means the amount described in Section 1.1(g).

“Basic Provisions” means the provisions set forth in Article 1 of this Lease.

“Building” means all buildings and all other structures, improvements, facilities and appurtenances that have been or will be constructed on the Lands, all as may be altered, expanded, reduced or reconstructed from time to time.

“Business Taxes” means every tax and license fee which is levied, rated, charged or assessed against or in respect of any and every business carried on in the Premises or in respect of the use or occupancy thereof by the Tenant and every sub-tenant and licensee of the Tenant whether any such tax or license fee is charged by any federal, municipal, provincial, school or other body, but does not include any tax or license fee imposed on any business carried on by the Landlord.

“Change of Control” means, in the case of any corporation or partnership, the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any shares, voting rights or interest which would result in any change in the effective control of such corporation or partnership (and in the case of a partnership, includes a change in any of its partners), unless such change occurs as a result of trading in the shares of a public corporation listed on a recognized stock exchange in Canada or the United States.

“Commencement Date” means the date referred to in Section 1.1(f).

“Connecting Equipment” has the meaning set out in Section 7.4.

s.21

**“Designated Substances”** means the substances referred to in section 5.57(1), as may be amended or replaced, of the *Occupational Health and Safety Regulation* (B.C. Reg. 296/97).

**“Drawings”** has the meaning set out in Section 7.3.

**“Environmental Audit”** means an investigation or inspection of the Premises or part thereof by a qualified environmental consultant designated by the Landlord together with such other tests, surveys and inquiries as such consultant deems advisable in the circumstances into the generation, use, transport, storage, disposal, handling, sale or manufacture of any Hazardous Substances and/or Designated Substances in, on or about the Premises by the Tenant, those for whom the Tenant is in law responsible or any other person using or occupying the Premises, or into the condition or status of the Premises in relation to possible contamination by any Hazardous Substances and/or Designated Substances. Any such Environmental Audit shall include the contractor’s written report delivered to the Landlord summarizing the nature and results of all inspections, investigations, tests, surveys and inquiries conducted by the consultant, and the consultant’s recommendations for any investigation, remedial or precautionary actions to be taken in relation to the presence of Hazardous Substances and/or Designated Substances in, on or about the Premises.

**“Environmental Laws”** means collectively, all applicable federal, provincial and municipal laws, statutes, ordinances, by-laws and regulations and all orders, directives and decisions rendered by, and policies, guidelines and similar guidance of, any ministry, department or administrative or regulatory agencies, authority, tribunal or court, relating to the protection of the environment, human health and safety or the use, treatment, storage, presence, disposal, packaging, recycling, handling, clean-up or other remediation or corrective action of or in respect of any Hazardous Substances and/or Designated Substances.

**“Established Contractors”** means those contractors employed by the Tenant to provide maintenance services to the Tenant at multiple locations, including the Premises.

**“Event of Default”** has the meaning set out in Section 12.1.

**“Expert”** means any qualified environmental consultant, architect or engineer from time to time retained by the Landlord.

**“Expiry Date”** shall have the meaning given to it in Section 1.1(f).

**“Fiscal Year”** means a calendar year. The Landlord may have different adjustment periods for any one or more of the components of Additional Rent.

**“Force Majeure”** means a strike, labour trouble, inability to get materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, rebellion, war, acts of terrorism, act of God, the failure of any existing tenant or occupant to vacate the Premises or any other similar reason, that is not the fault of the party asserting it. Force Majeure does not include inability to obtain funds.

**“Hazardous Substances”** means any pollutant, contaminant, chemical, waste or deleterious substance (including, without limitation, and by way of example, solvent waste, liquid industrial waste, other industrial waste, toxic waste, hazardous waste and fungal contaminants) as defined in or pursuant to Environmental Laws, but excluding Designated Substances.

**“Insured Damage”** means that part of any damage occurring to any portion of the Lands (including the Building) by any peril against which the Landlord is responsible for insuring under this Lease.

**“Landlord's Work”** means the work, if any, described in Schedule B of this Lease.

**“Lands”** means those lands located in the City of Delta, in the Province of British Columbia legally described as:

Parcel Identifier: 028-117-077  
Lot 1  
District Lot 128  
Group 2  
New Westminster District  
Plan BCP43331

**“Leasehold Improvements”** means all items generally considered as leasehold improvements,<sup>s.21</sup>  
s.21

**“Mortgagee”** means a creditor that holds all or part of the Premises as security, but a creditor, chargee or security holder of the Tenant is not a Mortgagee.

**“Notice”** has the meaning given to it in Section 15.5.

**“Operating Costs”** means all of the Landlord’s reasonable costs, charges and expenses of every nature and kind incurred in operating, maintaining, managing, repairing, rebuilding, inspecting, insuring, supervising and administering the Premises, as applicable, and the carrying out of the Landlord’s obligations under this Lease, without duplication, and, without limiting the generality of the foregoing, includes the following if applicable:

- (a) any changes made to the Building, excluding to Structural Portions of the Premises, required by any governmental or other agencies which regulate the operation of the Premises; business taxes, place of business taxes and other taxes levied in respect thereof or fairly attributable to the Building; assessment appeals; insurance premiums for any insurance required or permitted to be carried by the Landlord pursuant to the terms of this Lease (which insurance premiums will be fairly allocated if the insurance applies to properties or operations other than at the Lands); supplies; and s.17,s.21
- (b) amortization, at rates determined by the Landlord, in accordance with accounting practices generally accepted in the real estate industry in Canada, as applied by the Landlord, but not to exceed the maximum permitted to the Landlord under the provisions of the *Income Tax Act* (Canada) from time to time or any legislation substituted therefor, on the equipment and machinery exclusively employed in operating, maintaining, repairing or replacing the Premises (or any part thereof) and the replacement cost or amortization, as applicable, of all fixtures, equipment and facilities which require periodic replacement located in the Building (excluding to Structural Portions of the Premises), s.17,s.21

Notwithstanding the foregoing, Operating Costs will exclude, without duplication and without limiting the generality of the foregoing, the costs of the following:

- (a) s.21
- (b)
- (c)
- (d) payments of principal and interest under any mortgage or mortgages on the Premises granted by the Landlord;
- (e) corporate, income, profits or excess profits taxes assessed upon the income of the Landlord; and
- (f) in accordance with Section 13.9, the amount of proceeds actually recovered by the Landlord from insurance,

and all costs, charges and expenses related to paragraph (a) above are the sole responsibility of the Tenant, and, in the event that any such costs, charges or expenses are billed to or assessed against the Landlord, the Landlord will be entitled to recover such charges from the Tenant as Additional Rent in accordance with Article 6.

**“Permitted Use”** has the meaning set out in Section 1.1(i).

**“Person”** means any person, firm, partnership, corporation or other legal entity, including any combination of them.

**“Premises”** means the Building and the Lands.

**"Prime Rate"** means the rate of interest, per annum, from time to time publicly quoted by a Canadian chartered bank designated by the Landlord, as the reference rate of interest (commonly known as its "prime rate") used by it to determine rates of interest chargeable in Canada on Canadian dollar demand loans to its commercial customers.

**"Rent"** means the aggregate of Basic Rent and Additional Rent.

**"Rules and Regulations"** means the Rules and Regulations annexed hereto as Schedule C<sup>s.21</sup>

**"Sales Tax"** means all goods and services tax, value added tax, business transfer tax, sales tax, multi-stage sales tax, use tax, consumption tax, or other similar taxes imposed by any federal, provincial or municipal government upon the Landlord or Tenant in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder, whether existing at the date of this Lease or hereafter imposed by any governmental authority.

**"Stipulated Rate"** means the rate of interest per annum that is three (3) percentage points more than the Prime Rate, provided that so long as the Tenant is Her Majesty the Queen in right of the Province of British Columbia, the Stipulated Rate will be the interest payable pursuant to the *Interest on Overdue Accounts Payable Regulation* (B.C. Reg. 215/83).

**"Structural Portions of the Premises"** shall mean the exterior and structure of the Building including, without limitation, footings, foundations, bearing walls, structural columns, joists and beams and shall include the roof and roof supporting beams (excluding roof membrane repairs and replacements).

**"Taxes"** means all real property taxes (including local improvement taxes), rates, duties, assessments, impositions and levies of every kind and nature whatsoever whether ordinary or extraordinary, general or special, foreseen or unforeseen, that are now or hereafter levied, rated, charged or assessed by any authority (whether municipal, parliamentary, school or otherwise) against or in respect of the Lands and/or Building, or any part or parts thereof and all taxes payable by the Landlord which are imposed in lieu of or in addition to any such real property taxes and any taxes levied or assessed against the Landlord on account of its ownership of the Lands and/or Building (excluding always income or profit taxes upon the income of the Landlord).

**"Tenant's Materials"** has the meaning given to it in Section 14.2.

**"Tenant's Work"** has the meaning given to it in Schedule B.

**"Term"** means the period of time as described in Section 1.1(f).

s.21

## ARTICLE 3 – GRANT AND TERM

### 3.1 Term, Demise

The Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Premises, to have and to hold for the Term, unless sooner terminated by the Landlord or the Tenant pursuant to this Lease. The Tenant will accept the Premises in an as is, where is condition subject to the Landlord's Work.

### 3.2 Quiet Enjoyment

Provided there has been no Event of Default that has not been cured within the applicable cure period set out in this Lease, the Tenant will have quiet enjoyment and may peaceably possess and enjoy the Premises for the Term, including any extension thereof, without any interruption or disturbance from the Landlord or its assigns, or any other person or persons lawfully claiming by, from through or under the Landlord. Entry onto the Premises by or on behalf of the Landlord in accordance with the terms of this Lease will not be a breach of the covenant of quiet enjoyment.



### **3.3 Basic Provisions**

The Basic Provisions shall form an integral part of this Lease as though they were set forth herein in full.

### **3.4 Delay in Occupancy**

If the Landlord is not able to provide the Premises to the Tenant on the commencement of the Fixturing Period for any reason other than delay caused by the Tenant, the Landlord is entitled, upon Notice to the Tenant, to extend the Commencement Date for up to fifteen (15) days and the Term will be extended accordingly. The aforesaid delay of the Commencement Date will be in full settlement of all claims the Tenant may otherwise have by reason of the aforementioned delay. In the event that the Commencement Date does not occur on a date which is the first (1st) day of a calendar month, the expiry date of the Term will be the last day of the calendar month during which the tenth (10th) anniversary of the Commencement Date occurs. The Landlord will use reasonable efforts to keep the Tenant advised of any anticipated or potential delay.

## **ARTICLE 4 – USE OF PREMISES**

### **4.1 Use of Premises**

The Tenant shall not use the Premises nor allow the Premises to be used for any purpose other than that specified in subsection 1.1(i), nor in any manner inconsistent with such use and occupation, and the Tenant shall not, at any time during the Term or any extension or renewal thereof, commit or suffer to be committed any waste upon the Premises.

### **4.2 Conduct of Business**

In the conduct of the Tenant's business, the Tenant will:

- (a) subject to the Tenant's right to bring onto the Premises, store and dispose of alcohol and all related packaging, keep the Premises free of debris and other items that might attract rodents or vermin and free of anything of a dangerous, noxious or offensive nature or which could create a fire, environmental, health or other hazard (including any electromagnetic fields or other forms of radiation) or undue vibration, heat or noise, except in accordance with Applicable Laws or good industry practice;
- (b) not cause or allow any overloading of the floors of the Building or the bringing into or onto any part of the Building of any articles or fixtures that by reason of their weight, use, energy consumption, water consumption or size might damage or endanger the structure or any of the Building systems; and
- (c) not cause or allow any act or thing which constitutes a nuisance or which is offensive to or which constitutes a health hazard to the Landlord. The Tenant covenants and agrees that it will not permit any noise, smells or materials of any kind to escape from the Premises and covenants that its intended use will not breach this covenant. Notwithstanding the foregoing, smells and odours generated by the Permitted Use and normal use by the Tenant of the Premises in compliance with all applicable zoning and other municipal bylaws shall not be considered a breach of this subsection 4.2(c).

### **4.3 Observance of Law**

The Tenant shall, at its sole cost and expense, promptly observe and comply with all Applicable Laws, to the extent binding on the Tenant now or hereafter in force which pertain to or affect the Premises, the Tenant's use of the Premises or the conduct of any business in the Premises, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises. The Tenant shall carry out all modifications, alterations or changes of or to the Premises and the Tenant's conduct of business in or use of the Premises which are required by any such Applicable Laws, except that the Landlord shall be responsible, at the Landlord's cost, for all modifications, alterations or changes to the Structural Portions of the Premises.

## **ARTICLE 5 – RENT**

### **5.1 Basic Rent**

The Tenant shall pay to the Landlord, in and for each period specified in Section 1.1(g), as applicable, the amount of Basic Rent set out therein, by equal consecutive monthly instalments in advance on the first day of each month.

## 5.2 Additional Rent

The Tenant shall also pay throughout the Term, at the times and in the manner provided in this Lease, all Additional Rent, as more particularly set out in Section 6.4.

## 5.3 Payment of Rent – General

- (a) Except where otherwise provided in this Lease, all payments required to be made by the Tenant to the Landlord pursuant to this Lease, except for Sales Tax, shall be deemed to be Rent and shall be payable and recoverable as Rent, and the Landlord shall have all rights against the Tenant for default in any such payment as in the case of arrears of Rent.
- (b) The Tenant shall pay to the Landlord all Sales Tax applicable from time to time, calculated and payable in accordance with Applicable Laws and the Tenant shall pay such amount at the earlier of: (i) the time provided for payment by Applicable Laws; and (ii) the time such Rent is required to be paid under this Lease. The amount payable by the Tenant on account of Sales Tax will be deemed not to be Rent for the purpose of such calculation but in the event of a failure by the Tenant to pay any amount, the Landlord shall have the same rights and remedies as it has in the event of a failure by the Tenant to pay Rent.
- (c) Unless otherwise required by the Landlord, the Tenant will pay to the Landlord all monthly instalments of Basic Rent and Additional Rent, plus Sales Tax, required to be paid by the Tenant under this Lease, in advance, by way of electronic funds transfer.
- (d) If the Commencement Date is other than the first day of a full period in respect of which any item of Rent is calculated, or the Expiry Date is other than the last day of a full period, then unless otherwise provided in this Lease, the amount of such item of Rent payable in respect of the broken period shall be prorated based upon a period of three hundred and sixty-five (365) days (366 days for a leap year).
- (e) If the Tenant defaults in paying Rent, the unpaid Rent bears interest at the Stipulated Rate from the due date to the actual date of payment.

## 5.4 Net Lease

This Lease is an absolutely net Lease to the Landlord. Except as otherwise expressly provided in this Lease: (i) the Landlord is not responsible for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Premises, or the use, occupancy or contents of the Premises, or the business carried on therein, including, without limitation, the Operating Costs, Taxes, Sales Tax and Business Taxes, and (ii) the Tenant will be responsible for all Operating Costs, Taxes, Sales Tax and Business Taxes.

# ARTICLE 6 – TAXES, OPERATING COSTS AND UTILITIES

## 6.1 Operating Costs

The Tenant shall pay any and all Operating Costs incurred by the Landlord with respect to the Premises or any part thereof. s.21  
s.21

## 6.2 Business Taxes and Other Taxes of Tenant

The Tenant shall promptly pay before delinquency to the taxing authorities or to the Landlord, if it so directs, as Additional Rent, any taxes, rates, duties, levies and assessments whatsoever, whether municipal, provincial, federal or otherwise, separately levied, imposed or assessed against or in respect of the operations at, occupancy of, or conduct of business in or from the Premises by the Tenant or any other permitted occupant, including the Tenant's Business Taxes, if levied in the province in which the Building is situate. Whenever requested by the Landlord, the Tenant shall deliver to the Landlord copies of receipts for payment of all such taxes. The Tenant shall indemnify and keep indemnified the Landlord from and against payment of any and all Business Taxes and any and all taxes and license fees which may in the future be levied in lieu of Business Taxes. Notwithstanding the foregoing or any other provision set out in this Lease, as long as the Tenant is **Her Majesty the Queen in Right of the Province of British Columbia**, or any government body, government corporation or government organization, as such terms are defined in the *Financial Administration Act* (British Columbia), this section 6.2 and any other references in this Lease to the payment of Business Taxes by the Tenant shall not apply.

### 6.3 Assessment Appeals

The Tenant may, at its cost, contest or appeal any governmental assessment or determination of the value of the Lands or Building or any portion of the Lands or Building if the assessment or determination affects the amount of Taxes or other taxes, rates, duties, levies or assessments to be paid by the Tenant, and may, with the consent of the Landlord, agree with the relevant authorities on any settlement in respect thereof. The Landlord will co-operate with the Tenant in respect of any such contest and appeal.

### 6.4 Additional Rent

- (a) Prior to the Commencement Date and at or prior to the beginning of each Fiscal Year thereafter, the Landlord shall compute and deliver to the Tenant a bona fide estimate in respect of such Fiscal Year of the Operating Costs and such other items of Additional Rent as the Landlord may estimate in advance, and the Tenant will pay to the Landlord, in monthly instalments, one-twelfth of such estimate of Operating Costs simultaneously with the Tenant's payments of Basic Rent.
- (b) Within 30 days following the due date for payment of Taxes for a tax year, the Landlord will provide the Tenant with receipted tax bills confirming payment of such Taxes for such tax year by the Landlord, and the Tenant will pay to the Landlord, annually within 30 days following receipt by the Tenant of said receipted tax bills, the Taxes payable for the applicable tax year.
- (c) The Landlord may from time to time re-estimate any items of Additional Rent and may fix monthly instalments of Operating Costs (excluding Taxes) for the then remaining balance of the Fiscal Year so that such items will be entirely paid during such Fiscal Year.
- (d) Estimated charges for Operating Costs and Taxes per annum per square foot of the Area of the Premises, (in accordance with the aforesaid terms), for the Fiscal Year ending 2017 are as follows:

Operating Costs: s.17,s.2  
Taxes: 1

- (e) The Landlord shall deliver to the Tenant within a reasonable period of time, and no later than 6 months, after the end of each Fiscal Year an audited statement or statements (the "Statement") setting out the actual and fairly allocated amount of Taxes, Operating Costs and such other items of Additional Rent for that Fiscal Year. If the Taxes, Operating Costs and other items of Additional Rent actually paid by the Tenant to the Landlord during such Fiscal Year differs from the amount of the Taxes, Operating Costs and other items of Additional Rent payable for such Fiscal Year, the Tenant shall pay such difference or the Landlord shall credit the Tenant's account (as the case may be), without interest, within sixty (60) days after the date of delivery of the Statement. s.21
- (f) The Tenant shall not claim a re-adjustment in respect of Operating Costs or Taxes or other items of Additional Rent estimated by the Landlord for any Fiscal Year except by Notice given to the Landlord within sixty (60) days after delivery of the Statement for the Fiscal Year to which the claim relates, stating the particulars of the error in computation.

### 6.5 Utilities

- (a) The Tenant shall promptly pay as the same becomes due respectively, all rates and charges for all taxes and charges for public and private utilities, including water, gas, electrical power or energy, steam or hot water, telephone and other utilities used upon or in respect of the Premises and all other charges similar in nature.
- (b) The Landlord is not liable for interruption or cessation of, or failure in the supply of utilities, services or systems in, to or serving the Premises, whether they are supplied by the Landlord or others, unless such interruption or cessation is caused by the Landlord's negligence.

## ARTICLE 7 – MAINTENANCE AND ALTERATIONS BY TENANT

### 7.1 Maintenance of the Premises

The Tenant shall, at its sole cost, manage, maintain, operate and repair the Premises and all Leasehold Improvements, fixtures and equipment in good order and condition to the standards of the Building (being the standard of a similar industrial building, having regard to size, age and location), subject to reasonable wear and tear not inconsistent with such standard and with the exception only of those repairs which are expressly the obligation of the Landlord under this Lease and subject to Article 9. This obligation includes, but is not limited to:

- (a) operating, maintaining, managing, repairing, replacing and supervising the apparatus for heating, ventilating and air-conditioning installed in the Building and all other operating equipment and building systems in the Premises;
- (b) janitorial services for the Premises;
- (c) policing and security for the Premises;
- (d) exterior site maintenance, repair and replacement (including parking lot, landscaping, lighting, snow and ice removal, salting and sanding, striping or repairing parking areas), painting, planting and landscaping and maintaining, repairing, replacing or leasing the pylon signs;
- (e) re-painting and re-decorating at reasonable intervals;
- (f) making repairs to interior plate glass, mouldings, trimmings, locks, doors, hardware, partitions, walls, fixtures, electrical, mechanical and plumbing systems and equipment, lighting and plumbing fixtures, wiring, piping, ceilings and floors in the Premises;
- (g) all maintenance of the Structural Portions of the Premises, including, without limitation, caulking, painting and repairing or replacing damaged or worn siding, but excluding other repair and replacement of the Structural Portions of the Premises, which is the responsibility of the Landlord under Section 8.1; and
- (h) maintenance, repair and replacement of the Premises so that they will always be of good appearance, clean and tidy and suitable for the Permitted Use under this Lease. In so doing the Tenant: (a) will keep the interior and exterior of the Premises orderly and tidy; and (b) will store all refuse within the Premises in receptacles such as to provide proper storage and facilitate its removal, and arrange for the regular removal of all refuse.

The Landlord shall have the right at all reasonable times upon giving ten (10) days' prior Notice, to examine the condition of the Premises, except in cases of real or perceived emergency, in which cases no such Notice shall be required. Without limiting the generality of the foregoing, the Landlord and Tenant shall conduct move-in and move-out inspections to determine the condition of the Premises and identify any deficiencies requiring repair.

### 7.2 Sprinklers

The Tenant covenants that in the event the sprinkler system at any time malfunctions, upon the Tenant becoming aware of such malfunction the Tenant will immediately notify the Landlord, and the Tenant may shut down the sprinkler system if deemed by the Tenant to be necessary due to such malfunction.

### 7.3 Alterations

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The Tenant will not alter the Premises, except for Cosmetic Alterations, without the Landlord's prior written approval, not to be unreasonably withheld, delayed or approved subject to conditions. If the Landlord does not notify the Tenant in writing within 15 days of the Tenant's request for approval that the request is approved or denied, the Tenant's request shall be deemed to be approved. The Tenant's request for such consent shall be in writing and accompanied by an adequate description of the contemplated work, and where appropriate, professionally prepared working drawings, plans and specifications (the "Drawings") therefor.

s.21

s.21 \_\_\_\_\_, and the Landlord shall cooperate with the Tenant to promptly provide its approval for such alterations, it being recognized that the work is necessary for the Tenant's operations.

All Alterations shall be conducted as follows:

- (a) in a good and workmanlike manner, using contractors that have been procured in accordance with the Tenant's procurement practices and requirements;
- (b) in accordance with: (i) Drawings approved by the Landlord prior to the commencement of any of the Alterations; and (ii) in compliance with all Applicable Laws. The Landlord may elect to retain Experts to review such Drawings for the purpose of approving the proposed Alterations (it being understood that notwithstanding such approval, the Landlord shall have no responsibility with respect to the adequacy of such Drawings), and the Tenant shall pay the cost of any such review as Additional Rent;
- (c) it is understood and agreed that the Landlord may withhold or condition its consent in its sole discretion if any work to be performed by the Tenant may have a material adverse effect on the roof, exterior aesthetics, structure, or the electrical, mechanical, lighting, heating, ventilating, air-conditioning, sprinkler, fire protection or any life-safety systems of the Building;
- (d) so as not to disturb or add to the Building or Lands any Designated Substances or Hazardous Substances except in compliance with Applicable Laws and subject to Section 14.2. Any Alterations that may impact friable or non-friable asbestos are to be handled in accordance with the procedures made under the *Occupational Health and Safety Act* and as directed by the Landlord;
- (e) if the Landlord and Tenant are performing work within the Premises at the same time, the Tenant's contractors will cooperate with the Landlord's general contractor;
- (f) if required by Applicable Laws, the Tenant shall be responsible for obtaining all necessary permits and licenses, including close-out documents, from governmental authorities with respect to the Alterations and will bear the cost of same, and the Landlord will cooperate with the Tenant in connection with the foregoing and will sign all related forms and applications that require the signature of the owner of the Lands;
- (g) the Tenant shall provide, prior to the commencement of Alterations, evidence of required workers' compensation coverage and proof of property and liability insurance (including owners' and contractors' and sub-contractor's protective liability insurance coverage), with the Landlord, any property manager and any Mortgagee as required by the Landlord, to be named as additional insureds, in amounts and with insurers reasonably satisfactory to the Landlord, which shall remain in effect during the entire period in which the Alterations shall be carried out. Subject to Section 7.5, Established Contractors will not be required to name any party as an additional insured. In addition, if reasonably requested by the Landlord, the Tenant will provide proof of performance bonds being in place;
- (h) s.21
- (i) all work will be subject to reasonable inspection by the Landlord;
- (j) the Tenant shall ensure that all cabling installed in the Building in connection with the Tenant's business in or use of the Premises is appropriately labeled. For greater certainty, installation of flammable cabling shall be strictly prohibited;
- (k) the Tenant will provide the Landlord, within sixty (60) days after completion of the Alterations, with a complete set of "as built" drawings for the Alterations, and written confirmation that: (i) the Alterations have been performed in accordance with all of the provisions of this Lease 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, builders', mechanic's, workers', Workers' Compensation or other liens and encumbrances affecting the Premises with respect to work, services or materials relating to the Alterations (except as otherwise specified in such written confirmation) and that all accounts for work, services and materials have been paid in full with respect to all of the Alterations; (iii) listing each contractor and subcontractor who did work or provided materials in connection with the Alterations; (iv) confirming the date upon which the last such work was performed and materials were supplied; and (v) confirming as correct, an

itemized list showing the actual cost of all improvements including, without limitation, sprinklers, washrooms, or any other special facilities; and

- (l) if the Tenant fails to observe any of the requirements of this Article, the Landlord may give Notice to the Tenant and the Tenant will act diligently to cure the deficiency within thirty (30) days of the Tenant's receipt of such Notice. If the Tenant fails to cure such deficiency within such thirty (30) day period, the Landlord may take all steps necessary (including entering the Premises to perform or complete any Alterations) to ensure compliance with this Article, and the Tenant will pay to the Landlord on demand all costs incurred by the Landlord in connection therewith, s.17

s.17

s.17

The Tenant shall not be entitled to install upon the roof of the Building any equipment except as consented to in writing by the Landlord, such consent not to be unreasonably withheld or delayed. The Landlord consents to installation of HVAC units on the roof provided that the Tenant takes responsibility for ensuring water-tightness. Notwithstanding anything herein contained, no Alteration to the Premises shall be permitted which may adversely affect the condition or operation of the Premises or diminish the value thereof.

#### **7.4 Telecommunication**

The Tenant may, at its own expense, utilize a communications service provider of its choice, provided that such service provider executes the Landlord's standard form license agreement. The Tenant shall submit plans and specifications for any satellite and/or antennae installations to the Landlord prior to any such installation, for the Landlord's approval thereof, such approval not to be unreasonably withheld or delayed, and shall pay all reasonable costs and fees associated with such review by the Landlord or its representatives. All telecommunication cables, wiring and conduit (collectively the "Connecting Equipment") installed in the Premises by the Tenant (or on the Tenant's behalf) shall be properly tagged upon installation at both ends and every three (3) meters, including the Tenant's name and if requested by the Landlord, the Tenant shall, at its expense prior to the expiration of the Term, remove all Connecting Equipment installed by the Tenant (or on the Tenant's behalf) in the Premises. The provisions in this Lease pertaining to insurance shall apply to the Connecting Equipment, as well as the use and operation of the Connecting Equipment and all liabilities associated with the installation, use and operation of the Connecting Equipment. The Landlord may require, upon not less than thirty (30) days' prior Notice, that the Tenant relocate all or any portion of the Connecting Equipment or telecommunication facilities installed by it. In the event the Tenant wishes to install wireless communication equipment inside the Building, the Tenant will not require the prior written consent of the Landlord. The Tenant will not install any communications equipment, including, without limitation, telephone equipment, servers, switches, firewalls and routers outside of the Building, unless the provider of such equipment has executed the Landlord's standard form license agreement.

#### **7.5 Indemnity**

The Tenant covenants to indemnify the Landlord against and from all losses, costs, claims and demands in respect of any injury or damage caused by or resulting from any work under Article 7 of this Lease, including any losses, costs, claims and demands arising as a result of an Established Contractor not naming the Landlord, any property manager or any Mortgagee as additional insureds under the insurance coverage required under Section 7.3(g), excluding Insured Damage.

#### **7.6 Removal of Leasehold Improvements and Restoration of Premises**

Upon the expiration or sooner termination of this Lease, the Tenant will vacate and surrender to the Landlord the Premises in accordance with the provisions of this Lease.

Subject to Article 9, the Tenant:

- (a) may at any time during the Term remove its trade fixtures, furnishings, equipment and inventory; and

- (b) except to the extent otherwise agreed by the Landlord in writing at the request of the Tenant, will, prior to the expiration of the Term or earlier termination of this Lease, at its sole cost:
  - (i) remove all of its trade fixtures, furnishings, equipment, inventory, racking, wiring, cables and related devices and equipment; and
  - (ii) remove such of the Leasehold Improvements that were completed by or on behalf of the Tenant, s.17

If the Tenant fails to remove any of the items referred to in the foregoing paragraphs (i) and (ii) and to restore the Building to at least as good a condition as it was in on the Commencement Date, then, at the option of the Landlord:

- (iii) all such Leasehold Improvements and items will be deemed abandoned and become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable; and/or
- (iv) the Landlord may restore the Building to at least as good a condition as it was in on the Commencement Date,

s.17

Subject to Article 9 and normal wear and tear excepted, the Tenant shall, at its own expense, repair any damage caused to the Premises by the installation or removal of the Leasehold Improvements, trade fixtures, furnishings, equipment, inventory, racking or wiring, cables and related devices and equipment and/or such removal and restoration and shall leave the Premises in a clean, broom swept condition, free of all rubbish and debris. The Tenant will take all necessary steps to eliminate any residual liquor odours at the Premises, if applicable, and make good any damage caused to the Premises as a result of such odours.

If the Tenant fails to complete any work referred to in this Section 7.6 within the period specified, the Tenant shall pay compensation to the Landlord for damages suffered by the Landlord for loss of use of the Premises, which damages shall not be less than s.17 of the per diem Rent payable during the last month preceding the expiry or earlier termination of the Term. At the expiry or earlier termination of this Lease, the Tenant will also deliver all keys and security cards for the Premises to the Landlord.

## 7.7 Signs and Advertising

- (a) The Tenant, at its sole cost and expense may erect signage on the Premises including on the exterior of the Building, provided such signage is in accordance with all applicable municipal bylaws together with any other authority having jurisdiction over the Premises and the Tenant has obtained the Landlord's written consent, such consent not to be unreasonably withheld or delayed. At the expiry of the Lease or other termination, the Tenant shall at its sole expense remove such signage and repair any damage caused by the installation or removal thereof.
- (b) The Tenant's insurance and indemnification requirements under this Lease shall apply to and include all Tenant signage located within or upon the Premises.
- (c) Subject to the Tenant's prior written consent, not to be unreasonably withheld or delayed, the Landlord's advertising or promotion of the Premises may include any photograph, print, video or film taken during the Term (or any extension or renewal thereof) which shows all or any part of the Premises and which shows the Tenant's trade names, trademarks, logos or other identifying marks.

## ARTICLE 8 – OPERATION, CONTROL AND MAINTENANCE BY LANDLORD

### 8.1 Repairs and Replacement by Landlord

The Tenant accepts the Premises on an "as is, where is" basis and the Landlord is not required to perform any maintenance, repairs or replacements on or within the Premises during the Term, s.21



## **8.2 Control of the Building by the Landlord**

- (a) The Landlord will have, among its other rights, the right to: (i) temporarily obstruct parts of the Premises for necessary repair, replacement or construction of Structural Portions of the Premises as required to comply with the Landlord's obligations under this Lease; (ii) grant, modify and terminate statutory rights of way, easements and other agreements pertaining to the use and maintenance of all or any part of the Premises which are required by the Corporation of Delta or a public utility provider, provided that if the Landlord, as registered owner of the Lands, has the right to consent to or negotiate the terms of such agreements, the Landlord will obtain the consent of the Tenant, such consent not to be unreasonably withheld, and involve the Tenant in such negotiations, provided that the Tenant acts reasonably in so doing, prior to executing such agreements; (iii) retain contractors and employ all personnel for the operation, maintenance and control of the Premises as required to comply with the Landlord's obligations under this Lease. In the exercise of its rights under Sections 8.2(a) and 8.2(b), the Landlord will use commercially reasonable efforts to minimize disruption of the Tenant's access to the Premises and interference with the business operations of the Tenant in the Premises all to the extent reasonably possible in the circumstances.
- (b) The Tenant acknowledges that the Landlord retains and reserves any and all rights to alter and change the roof of the Building for such purposes as the Landlord in its sole discretion may determine, provided that any such use will not adversely impact on the use by the Tenant of the Premises and the Tenant agrees to co-operate with the Landlord for any such purpose.
- (c) Despite anything to the contrary in this Lease, the Landlord will not be in breach of its covenant for quiet enjoyment or liable for any loss, costs or damages, whether direct or indirect, incurred by the Tenant and the Tenant will not be entitled to a Rent reduction as a result of the Landlord's exercise of its rights under Sections 8.2(a) and 8.2(b).

## **8.3 Access by Landlord**

The Tenant shall permit the Landlord, its agents and others authorized by it, with or without machinery, equipment, workmen and others, to enter the Premises given 48 hours prior Notice to provide services or to make repairs, replacements, changes or alterations as set out in this Lease, to take such steps as the Landlord may deem necessary for the safety, improvement, alteration or preservation of the Premises and to show the Premises to Mortgagees, prospective Mortgagees, purchasers and prospective purchasers and, during the last twelve (12) months of the Term, to prospective tenants. In the exercise of its rights under this Section 8.3, the Landlord shall use commercially reasonable efforts to minimize interference with the business operations of the Tenant in the Premises to the extent reasonably possible in the circumstances; however, this provision does not obligate the Landlord to perform any work to the Premises outside normal business hours.

## **8.4 Notices for Sale or to Let**

The Landlord shall have the right during the Term of this Lease to place upon the Premises a notice stating that the Premise is for sale and shall, within twelve (12) months prior to the expiration of the Term, have the right to place upon the Premises a notice stating that the Premises are for rent and, the Tenant shall not remove such notice or permit the same to be removed.

## **8.5 Repair Where the Tenant at Fault**

Notwithstanding Section 8.1, if the Premises or any part thereof, including without limitation the Structural Portions of the Premises, becomes damaged, injured or destroyed through, in whole or in part, any act or omission by the Tenant or any Person for whom it is at law responsible, the Landlord may repair any such damage and, except to the extent that the loss is Insured Damage, the cost of such repair <sup>s.17</sup> will be payable by the Tenant to the Landlord within thirty (30) days of receipt of the Landlord's invoice therefor.

# **ARTICLE 9 – DAMAGE AND DESTRUCTION AND EXPROPRIATION**

## **9.1 Damage to Building**

If all or any part of the Building is rendered untenable or completely inaccessible by damage from fire or other casualty in connection with which the Landlord is insured in relation to the Building, then the Landlord shall immediately obtain an opinion of an Expert as to the extent of the damage and provide a copy of that opinion to the Tenant, and:

- (a) if in the reasonable opinion of the Expert, the damage can be substantially repaired within three hundred and sixty five (365) days from the date of such casualty (employing normal



construction methods without overtime or other premium), the Landlord shall forthwith repair such damage to the extent of the Landlord's obligations under this Lease but excluding damage to Leasehold Improvements and any other property that is not the responsibility of or is not owned by the Landlord which shall be the responsibility of the Tenant to repair; or

- (b) if in the reasonable opinion of the Expert, the damage cannot be substantially repaired within three hundred and sixty five (365) days from the date of such casualty (employing normal construction methods without overtime or other premium), then either party may elect to terminate this Lease as of the date of such casualty by Notice delivered to the other party not more than twenty (20) days after receipt of the Expert's opinion, failing which the Landlord shall forthwith repair such damage to the extent of the Landlord's obligations under this Lease but excluding damage to Leasehold Improvements and any other property that is not the responsibility of or is not owned by the Landlord which shall be the responsibility of the Tenant to repair.

## **9.2 Abatement**

If the Landlord is required to repair damage to the Premises under Section 9.1, the Rent payable by the Tenant shall be proportionately reduced to the extent that the Premises are rendered untenable or inaccessible, from the date of the casualty until substantial completion by the Landlord of its repairs as described in Section 9.1 above. The Tenant shall effect its own repairs as soon as possible after completion of the Landlord's repairs. Notwithstanding the foregoing, there shall be no abatement or reduction of Rent where the Landlord's repairs to the Premises take less than ten (10) days to complete after the damage occurs.

## **9.3 Landlord's Rights on Rebuilding**

In the event of damage to the Building and if this Lease is not terminated in accordance with Section 9.1, the Landlord shall forthwith repair any damage to the Building, but only to the extent of the Landlord's obligations under this Lease and exclusive of any of the Tenant's responsibilities with respect to such repair. In repairing or rebuilding the Building the Landlord may use drawings, designs, plans and specifications other than those used in the original construction and may alter or relocate the Building on the Lands, provided that the Building as repaired or rebuilt is of a similar standard and of approximately the same size as the Building.

## **9.4 Expropriation**

Both the Landlord and the Tenant agree to co-operate with each other in respect of any expropriation of all or any part of the Premises, so that each may receive the maximum award to which it is entitled at law.

## **ARTICLE 10 – ASSIGNMENT, SUBLETTING <sup>s.21</sup>**

### **10.1 <sup>s.21</sup>**

<sup>s.21</sup>

s.21

**10.2** s.21  
s.21

**10.3** s.21  
s.21

s.21

**10.4** s.21  
s.21

**10.5 No Advertising**

The Tenant shall not advertise that the whole or any part of the Premises are available for a Transfer and shall not permit any broker or other Person to do so unless the text and format of such advertisement is approved in writing by the Landlord, such consent not to be unreasonably withheld or delayed. No such advertisement shall contain any reference to the rental rate of the Premises or portion thereof.

**10.6 Sales or Dispositions by Landlord**

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

**ARTICLE 11 – s.21**

**SUBORDINATION AND STATUS STATEMENT**

**11.1 Subordination s.21**

This Lease will be subordinate only to the following non-financial charges registered on title to the Lands on the date of execution of this Lease (collectively, the "**Permitted Encumbrances**"): Statutory Right of Way registered under number BB821482, Covenant registered under number BB342980, Statutory Right of Way registered under number BB342983, Covenant registered under number BB343008, any encumbrance granted in accordance with Section 8.2(a)(ii) and any other non-financial encumbrances approved by the Tenant, acting reasonably.

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## 11.2 Status Statement / Estoppel Certificate

The Tenant will at any time and from time to time, within ten (10) days of a request from the Landlord, sign and deliver to the Landlord, its Mortgagee or a prospective purchaser of all or part of the Premises, or to any other Person with or proposing to take an interest in all or part of the Premises, a status statement or estoppel certificate in writing in the form attached as Schedule E.

## ARTICLE 12 – DEFAULT

### 12.1 Event of Default

An “Event of Default” means if and whenever:

- (a) any Rent is not paid when due and the non-payment continues for ten (10) days after Notice from the Landlord to the Tenant;
- (b) any breach, non-observance or non-performance of any covenant, agreement, stipulation, proviso, condition, rule or regulation herein contained on the part of the Tenant to be kept, performed or observed hereunder occurs (other than a breach specified in Sections 12.1(a) and 12.1(c)) and:
  - (i) the breach is not remedied within fifteen (15) days after Notice from the Landlord to the Tenant specifying particulars of the breach (or such shorter period as may be expressly provided in this Lease or Applicable Law); or
  - (ii) if fifteen (15) days is not a reasonable time to remedy the breach, the Tenant has not commenced diligently to remedy the breach within fifteen (15) days after the Notice or is not proceeding diligently to remedy the breach within a reasonable time; or
- (c) any of the following events occurs, provided that the events in paragraphs (i), (ii), (iii), (iv), (vii) and (ix) will not be an Event of Default so long as the Tenant is Her Majesty the Queen in right of the Province of British Columbia, or any government body, government corporation or government organization, as those terms are defined in the *Financial Administration Act* (British Columbia):
  - (i) the Tenant becomes bankrupt or insolvent or avails itself of the benefit of any statute respecting insolvency or bankruptcy or makes any proposal, assignment or arrangement with its creditors;
  - (ii) a receiver or manager is appointed for all or any part of the property of the Tenant, or any of the Tenant's assets are taken or seized under a writ of execution, assignment, charge or other security instrument;
  - (iii) steps are taken for the dissolution, winding up or other termination of the Tenant's existence or for the liquidation of their respective assets;
  - (iv) the Tenant makes an assignment for the benefit of creditors or makes a bulk sale of assets regardless of where they are situated or moves or commences, attempts or threatens to move its goods, chattels and equipment out of the Premises (other than in the normal course of its business);
  - (v) the Premises are vacant or unoccupied for ten (10) consecutive days or the Tenant abandons the Premises;
  - (vi) the Tenant effects a Transfer that is not permitted under this Lease;
  - (vii) the Term or any renewal thereof or any of the goods and chattels of the Tenant shall at any time during the Term or any renewal thereof be seized or taken in attachment by any creditor of the Tenant;
  - (viii) if the Premises shall be used for any purpose other than that for which they were let without the prior written consent of the Landlord, and such use continues for ten (10) days after Notice from the Landlord to the Tenant; or
  - (ix) the Landlord believes and has commercially good grounds to believe that the Tenant is or is likely to become an “insolvent person,” as that term is defined in the *Bankruptcy and Insolvency Act* (Canada), as amended.

## 12.2 Remedies

So long as Her Majesty the Queen in right of the Province of British Columbia, or any government body, government corporation or government organization, as those terms are defined in the *Financial Administration Act* (British Columbia), or an entity that assumes the distribution business of the Tenant, if and whenever an Event of Default occurs, then the Landlord may cancel this lease forthwith by Notice to the Tenant.

If the Tenant is not Her Majesty the Queen in right of the Province of British Columbia, or any government body, government corporation or government organization, as those terms are defined in the *Financial Administration Act* (British Columbia), or an entity that assumes the distribution business of the Tenant, if and whenever an Event of Default occurs, the Landlord shall have the following rights and remedies, exercisable immediately and without further notice and at any time while the Event of Default continues:

- (a) to terminate this Lease and re-enter the Premises. The Landlord may remove all Persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. Notwithstanding any termination of this Lease, the Landlord shall be entitled to receive Rent and all Sales Tax thereon up to the time of termination plus accelerated Rent as provided in this Lease and damages including, without limitation: (i) damages for the loss of Rent suffered by reason of this Lease having been prematurely terminated; (ii) costs of reclaiming, repairing and re-leasing the Premises; and (iii) legal fees and disbursements on a solicitor and client basis;
- (b) to enter the Premises as agent of the Tenant and to re-let the Premises for whatever length of time and on such terms as the Landlord in its discretion may determine including, without limitation the right to: (i) take possession of any property of the Tenant on the Premises; (ii) store such property at the expense and risk of the Tenant; (iii) sell or otherwise dispose of such property in such manner as the Landlord sees fit; and (iv) make alterations to the Premises to facilitate the re-letting. The Landlord shall receive the rent and proceeds of sale as agent of the Tenant and shall apply the proceeds of any such sale or re-letting: (1) first, to the payment of any expenses incurred by the Landlord with respect to any such re-letting or sale, (2) second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and (3) third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable. The Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy the Event of Default for the account of the Tenant and to enter upon the Premises for such purposes. The Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy the Event of Default. The Tenant shall pay to the Landlord, on demand, all expenses incurred by the Landlord in remedying the Event of Default, together with the s.17 and interest at the Stipulated Rate from the date such expense was incurred by the Landlord;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of the Event of Default including any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, which shall immediately become due and payable as accelerated rent.

The Tenant agrees that no notice of an Event of Default or of a breach of any covenant or condition in this Lease will be considered void or ineffective as a result of a minor or technical inaccuracy or error.

## 12.3 Remedies Generally

The remedies under this Lease are cumulative and may be exercised independently or in combination with others. No remedy is exclusive or dependent on any other remedy. The specifying or use of a remedy under this Lease does not limit rights to use other remedies available at law generally.

## 12.4 Distress

Notwithstanding any other provision of this Lease, the Landlord waives its right to distress to any property of the Tenant, provided the Tenant is the original Tenant hereunder, being **Her Majesty the**

**Queen in Right of the Province of British Columbia**, or any government body, government corporation or government organization, as such terms are defined in the *Financial Administration Act* (British Columbia). If the Tenant is not one of the foregoing entities, notwithstanding any provision of this Lease or any provision of any present or future Applicable Laws, none of the goods, chattels or trade fixtures on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

Notwithstanding the foregoing, in the event that an entity assumes the distribution business of the Tenant, the Landlord's right of distress to the property of such entity will apply only to all non-liquor property of such entity.

## ARTICLE 13 – INSURANCE AND INDEMNITY

### 13.1 Tenant's Insurance

- (a) Subject to Section 13.2, the Tenant shall throughout the period that the Tenant is given possession of the Premises and during the entire Term, at its sole cost and expense, take out and keep in full force and effect, the following insurance:
  - (i) all-risk property insurance (including but not limited to sprinkler leakage, flood, earthquake and collapse coverage) in an amount equal to the full replacement cost thereof upon property of every description and kind owned by the Tenant, or installed by or on behalf of the Tenant and which is located within the Premises including, without limitation, Leasehold Improvements, tenant's fixtures, the Tenant's stock-in-trade, furniture and personal property. This coverage will provide a waiver of subrogation in favour of the Landlord, its designated property manager and Mortgagee;
  - (ii) commercial general liability insurance, including property damage and bodily injury and personal injury liability, tenant's legal liability, non-owned automobile liability, contractual liability, employers' liability and owners' and contractors' protective insurance coverage with respect to the Premises and the Tenant's use thereof, coverage to include the activities and operations conducted by the Tenant and any other person on the Premises, and by the Tenant and any other person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible in any other part of the Premises. Such policies shall be written on a comprehensive basis with inclusive limits of not less than five million dollars (\$5,000,000) per occurrence for bodily injury to any one or more persons, or property damage, and such higher limits as the Landlord, acting reasonably, or its Mortgagee requires from time to time, and shall contain a severability of interests clause and a cross-liability clause. The Landlord, its designated property manager and any Mortgagee shall be named as an additional insured and the insurance will be primary and not require the sharing of any loss by any insurer of the Landlord;
  - (iii) if applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount not less than the full 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 or serving the Premises. This coverage will provide a waiver of subrogation in favour of the Landlord, its designated property manager and Mortgagee; and
  - (iv) any other form of insurance which the Landlord, acting reasonably, or the Mortgagee requires from time to time in form, in amounts and for risks against which a prudent tenant would insure.
- (b) If the Tenant fails to take out or keep in force any insurance referred to in this Section 13.1, or should any such insurance not be approved by either the Landlord or the Mortgagee and should the Tenant not commence to diligently rectify (and thereafter proceed to diligently rectify) the situation within twenty-four (24) hours after Notice by the Landlord to the Tenant (stating, if the Landlord or the Mortgagee does not approve of such insurance, the reasons therefor), 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 paid by the Tenant to the Landlord on demand as Additional Rent without prejudice to any other rights and remedies of the Landlord under

this Lease, provided that this Section 13.1(b) will not apply in the event that the Tenant is self-insuring pursuant to Section 13.2.

- (c) The Tenant agrees that in the event of damage or destruction to the Leasehold Improvements in the Premises covered by insurance pursuant to Sections 13.1(a)(i) and 13.1(a)(iii) the Tenant shall use the proceeds of such insurance for the purpose of repairing or restoring such Leasehold Improvements save and except if the Landlord has terminated this Lease in which case the Tenant shall forthwith pay to the Landlord all of its insurance proceeds relating to the Leasehold Improvements in the Premises. In the event of damage to or destruction of the Premises entitling either party to terminate this Lease pursuant to Section 9.1, then if this Lease is terminated, the Tenant shall forthwith pay to the Landlord all of its insurance proceeds relating to the Leasehold Improvements in the Premises and the Tenant shall upon demand deliver to the Landlord in accordance with the provisions of this Lease the Leasehold Improvements and the Premises.

**13.2** s.21

s.21

### **13.3 Increase in Insurance Premiums**

The Tenant shall not keep, use, sell or offer to sell in or upon the Premises any article which may be prohibited by a reasonable fire insurance policy in force from time to time covering the Premises. If:

- (a) the occupation of the Premises;
- (b) the conduct of business in the Premises; or
- (c) any act or omission of the Tenant in the Lands or Building or any part thereof,

causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Premises, the Tenant shall pay any such increase in premiums as Additional Rent forthwith upon demand by the Landlord. In determining whether increased premiums are caused by or result from the use or occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Premises showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements of any insurer now or hereafter in effect pertaining to or affecting the Premises.

### **13.4 Cancellation of Insurance**

If any insurance policy upon the Premises or any part thereof shall be cancelled or shall be threatened by the insurer to be cancelled or the coverage thereunder reduced in any way by the insurer by reason of the use or occupation of the Premises or any part thereof by the Tenant or by any assigns or sub-tenant of the Tenant or any occupant of the Premises, or by anyone permitted by the Tenant to be upon the Premises, the Tenant shall remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within twenty-four (24) hours after Notice thereof by the Landlord, and provide the Landlord with proof thereof. In the event the Tenant fails to remedy as provided in this Section 13.4, the Landlord may, at its option, terminate this Lease forthwith by leaving upon the Premises Notice in writing 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 termination and the Tenant shall immediately deliver up possession of the Premises to the Landlord and the Landlord may re-enter and take possession of the same.

### **13.5 Loss or Damage**

Except as otherwise provided in this Lease, 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 Premises, or damage to property of the Tenant or of others located on the Premises, nor shall it be responsible for any loss of or damage to any property

of the Tenant or others from any cause whatsoever, except to the extent any such death, injury, loss or damage which results from the acts or omissions of the Landlord, its agents, servants or employees or other persons for whom it may be in law responsible and provided that in no event shall the Landlord be responsible for any loss, injury or damage contemplated by Section 13.9(b), or for any indirect or consequential damages sustained by the Tenant or others. Without limiting the generality of the foregoing, but subject to the exceptions to the limitation of the liability of the Landlord set out herein, the Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, dampness, falling plaster, falling ceiling tile, falling ceiling fixtures (including part or all of the ceiling T grid system) and diffuser coverings, or from steam, gas, electricity, water, rain, flood, snow or leaks from any rentable premises or the parking facilities or from the pipes, sprinklers, appliances, plumbing works, roof, windows or subsurface of any floor or ceiling of the Building or from the street or any other place or by any other cause whatsoever. The Landlord shall not be liable for any such damage caused by other persons in the Building 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 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 damage to the same including, without limitation, any subrogation claims by the Tenant's insurers, except to the extent arising from the acts or omissions of the Landlord or its servants, agents, employees or contractors.

### **13.6 Landlord's Insurance**

The Landlord shall at all times throughout the Term carry:

- (a) insurance on the Building (excluding the foundations and excavations) and the machinery, boilers and equipment contained therein or servicing the Building and owned by the Landlord or the owners of the Lands and Building (specifically excluding any property with respect to which the Tenant is obliged to insure pursuant to Section 13.1) against damage by fire and extended perils or all-risks coverage (including sewer back-up, flood and earthquake);
- (b) public liability and property damage insurance with respect to the Landlord's operations at the Premises;
- (c) loss of rental income insurance, or loss of insurable gross profits commonly insured against by prudent landlords, including loss of all rentals receivable from the Tenant in accordance with the provisions of this Lease, including Basic Rent and Additional Rent; and
- (d) such other form or forms of insurance as the Landlord or the Mortgagee reasonably considers advisable.

Such insurance shall be in such reasonable amounts and with such reasonable deductibles as would be carried by a prudent owner of a reasonably similar industrial building, having regard to size, age and location. Notwithstanding the Landlord's covenant contained in this Section 13.6, and notwithstanding any contribution by the Tenant to the cost of insurance premiums provided herein, the Tenant acknowledges and agrees that no insurable interest is conferred upon the Tenant under any policies of insurance carried by the Landlord, and the Tenant has no right to receive any proceeds of any such insurance policies carried by the Landlord.

Each and every policy of insurance maintained by the Landlord will provide for a waiver of the insurer's right of subrogation against the Tenant and its subtenants and licensees and those for whom each of the Tenant and its subtenants and licensees are responsible in law. The Tenant shall be named as an additional insured under the Landlord's liability policy, and such policy will include cross liability and severability of interest sections. All of the Landlord's insurance will be primary and not require the sharing of any loss by any insurer of the Tenant.

### **13.7 Indemnification of the Landlord**

Except as provided in Section 13.9(a) but notwithstanding any other provision of this Lease, the Tenant shall indemnify the Landlord and save it harmless from and against any loss (including loss of Basic Rent and Additional Rent), claims, actions, damages, liability and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising out of this Lease, or any occurrence in, upon or at the Premises, or the occupancy or use by the Tenant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant or by anyone permitted to be on the Premises by the Tenant, including, if applicable, the Tenant's election to self-insure pursuant to Section 13.2, except to the extent arising from any act or omission of the Landlord or its servants, agents, employees or contractors. If the Landlord shall, without fault on its part, be made a party of any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and reasonable legal fees incurred or paid by the



Landlord in connection with such litigation. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death to person or persons, occurring during the Term of this Lease, shall survive any expiration or earlier termination of this Lease and without limiting the generality of the foregoing, shall indemnify and hold the Landlord harmless from and against any claims arising herein. In the event that the Tenant has committed an Event of Default which has not been cured within the applicable cure period set out in Section 12.1, the Tenant will also pay all reasonable costs, expenses and legal fees that may be incurred or paid by the Landlord in reasonably enforcing the terms, covenants and conditions in this Lease unless a court of law having jurisdiction will decide otherwise.

**13.8** s.21

s.21

### **13.9 Limitations of Liability**

- (a) The Tenant shall not be liable to the Landlord in respect of any loss, injury or damage insured or required to be insured by the Landlord under Section 13.6; and
- (b) The Landlord shall not be liable to the Tenant in respect of any loss, injury or damage to property insured or required to be insured by the Tenant under Section 13.1(a)(i) and (iii), regardless of whether the Tenant has elected to self-insure pursuant to Section 13.2.

### **13.10 Landlord's Non-Liability**

The Tenant covenants and agrees that the Landlord will not be liable or responsible for any injury or death howsoever occasioned that may be suffered or sustained by the Tenant or any employee of the Tenant or any other person who may be in or upon the Premises or for any loss of or damage or injury to any property, whether or not such property belongs to the Tenant or its employees or to any other person, while such property is in or about the Premises, except to the extent that any such loss, damage or injury is caused by any act or omission of the Landlord. Without limiting the generality of the foregoing, the Landlord, its servants, agents, guests, invitees or licensees or those for whom it is at law responsible, will not be liable for any damage whatsoever to any property and/or person caused by fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow, leaks from any part of the Building, or from water, steam, sprinkler or drainage pipes or plumbing works of the Building or from any other place or quarter or for any damage caused by or attributed to the condition or arrangement of any electrical or other wiring or for any damage caused by anything done or omitted to be done by any person and/or firm or otherwise, except to the extent any such damage is caused by any act or omission of the Landlord or its servants, agents, guests, invitees or licensees or those for whom it is at law responsible.

## **ARTICLE 14 – ENVIRONMENTAL MATTERS**

### **14.1 Use of Hazardous Substances**

The Tenant, its agents, contractors and those for whom the Tenant is in law responsible, shall not cause or permit any Hazardous Substances and/or Designated Substances to be brought upon, created, formed, kept or used in or about the Premises except in compliance with all Environmental Laws. The Tenant shall further ensure that its employees are trained with respect to the identification, storage, and handling of all Hazardous Substances and Designated Substances that are brought onto the Premises. The Landlord acknowledges and agrees that the Tenant may use the Premises for storage and distribution of alcohol and that such use is permitted under this Lease.

### **14.2 Tenant's Materials**

Notwithstanding any other provision of this Article 14 or an any other provision of this Lease, the Tenant will not be responsible for any Hazardous Substances unless the Hazardous Substances were brought onto and subsequently released at the Lands by the Tenant or its contractors, employees or agents (the "Tenant's Materials"), and for greater certainty, the Tenant will not be responsible for any Hazardous

Substances that pre-exist the Tenant's entry onto the Lands, that migrate onto the Lands, or that are introduced onto the Lands by any other person.

#### **14.3 Compliance with Environmental Laws**

- (a) The Tenant shall at the Tenant's own expense comply with all Environmental Laws and shall make, obtain and deliver all reports and studies as required by any governmental agency, authority or any Environmental Laws, but only with respect to the Tenant's Materials.
- (b) The Tenant authorizes the Landlord to make inquiries from time to time of any governmental agency or authority in order to determine the Tenant's compliance with the Environmental Laws with respect to the Tenant's Materials.
- (c) The Tenant shall immediately advise the Landlord of any breach of any part of this Article 14 or if any governmental agency or authority issues an order, notice, cancellation, amendment, charge, violation, ticket or other document concerning the release, investigation, clean up, remediation or abatement of any Hazardous Substances and/or Designated Substances. The Tenant shall promptly notify in writing both the Landlord and the proper governmental authority of any discharge, release, leak, spill or escape into the environment of any Hazardous Substances and/or Designated Substances at, to or from the Premises.
- (d) The Landlord shall<sup>s.21</sup> comply with all Environmental Laws with respect to any Hazardous Substances that are not Tenant's Materials in, on or under the Lands.

#### **14.4 Inspection of Premises**

The Landlord or its agents, employees, representatives or environmental consultants may inspect the Premises from time to time with 48 hours' prior notice, in order to verify the Tenant's compliance with Environmental Laws and the requirements of this Lease respecting Hazardous Substances and/or Designated Substances. If, further to such inspection, the Landlord determines, acting reasonably, that an Environmental Audit is required, the Landlord and its agent shall be entitled to conduct an Environmental Audit immediately, and the Tenant shall provide reasonable access to the Landlord and its agent for the purpose of conducting an Environmental Audit. The Tenant shall ensure that it complies with all of its covenants herein with respect to Tenant's Materials.

#### **14.5 Clean Up or Removal**

If the Landlord or any government authority shall require the clean up or removal of any Tenant's Materials held, created, formed, released, spilled, abandoned or placed upon the Premises or released into the environment by the Tenant in the course of the Tenant's business or as a result of the Tenant's use or occupancy of the Premises, then the Tenant shall, at its own expense, prepare and submit for approval all necessary studies, plans and proposals, shall provide all bonds and other security required by governmental authorities and shall forthwith carry out the work required. The Tenant shall keep the Landlord fully informed of the progress of the matter and shall provide to the Landlord full information with respect to proposed plans and comply with the Landlord's reasonable requirements with respect to such plans. The Tenant further agrees that if it has not complied with its obligations under this section within a reasonable period after Notice from the Landlord, the Landlord may, at its option, elect to undertake such work or any part thereof at the cost and expense of the Tenant, s.17

s.17

#### **14.6 Ownership of Hazardous Substances**

If the Tenant creates or brings to the Premises any Hazardous Substances and/or Designated Substances or if the conduct of the Tenant's business shall cause there to be any Hazardous Substances and/or Designated Substances at the Premises then, notwithstanding any rule of law to the contrary, such Hazardous Substances and/or Designated Substances shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation to the Premises of the Hazardous Substances and/or Designated Substances, and notwithstanding the expiry or earlier termination of this Lease.

#### **14.7 Indemnity**

- (a) The Tenant will indemnify the Landlord and those for whom the Landlord is in law responsible and save them harmless from every loss, cost, claim or expense, which they, or any of them, suffer or suffers as a result of the Tenant's breach of any of its obligations under this Article 14. In addition, the Tenant will pay to the Landlord, as Additional Rent, all costs incurred by the Landlord in doing any clean-up, restoration or other

remedial work as a consequence of the Tenant's failure to comply with any of its obligations under this Article 14. The Tenant's obligations under this Article 14 shall survive the expiration of the Term or earlier termination of this Lease.

(b) s.21

## ARTICLE 15 – GENERAL PROVISIONS

### 15.1 General Rules of Interpretation

**Obligations as Covenants:** Each obligation of the Landlord and the Tenant in this Lease shall be considered a covenant for all purposes. If the Tenant has failed to perform any of its obligations under this Lease, such obligations shall survive the expiration or other termination of this Lease.

- (a) **Time:** Time is of the essence of this Lease.
- (b) **Number, Gender:** The grammatical changes required to make the provisions of this Lease apply in the plural sense where the Tenant comprises more than one Person and to individuals (male or female), partnerships, corporations, trusts or trustees will be assumed as though in each case fully expressed.
- (c) **Liability of Parties:** If either party consists of more than one Person, the covenants of that party shall be joint and several covenants of each such Person. If a party is a partnership, each Person who is presently a partner of the partnership and each Person who becomes a member of any successor partnership shall be and continue to be bound jointly and severally for the performance of and shall be and continue to be subject to all of the provisions, obligations and conditions of this Lease, whether or not such Person ceases to be a member of such partnership or successor partnership and whether or not such partnership continues to exist.
- (d) **Governing Law:** This Lease shall be governed by and construed under the Applicable Laws British Columbia which is the jurisdiction in which the Building is located, as well as the federal laws of Canada applicable therein, and the parties attorn and submit to the jurisdiction of the courts of such jurisdiction.
- (e) **Headings:** The headings of the Articles and Sections hereof are included for convenience only, and shall have no effect upon the construction or interpretation of this Lease.
- (f) **Landlord as Trustee:** Any and all exculpatory provisions, releases and indemnities included in this Lease for the benefit of the Landlord are intended also to benefit the Mortgagees, any owner or lessor with an interest in the Building prior to the Landlord and property managers of the Landlord and the officers, directors, shareholders, employees, agents of each one of them and, for the purposes of such provisions, the Landlord is acting as agent or trustee on behalf of and for the benefit of the persons mentioned above.
- (g) **Severability:** Should any provision of this Lease be or become invalid, void, illegal or not enforceable, such provision shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto as though such provision had not been included.
- (h) **Schedules:** The Schedules hereto shall form an integral part of this Lease as though they were set forth herein in full.

### 15.2 Entire Agreement, Amendments, Waiver

This Lease, including the Schedules hereto, contains the entire agreement between the parties with respect to the subject matter of this Lease and there are no other agreements, promises or understandings, oral or written, between the parties in respect of this subject matter. This Lease may be amended only by written agreement between the Landlord and the Tenant. No electronic communications between the parties will have the effect of amending this Lease, except for Notices by facsimile transmission as expressly permitted in this Lease. No provisions of this Lease shall be deemed to have been waived by the Landlord or the Tenant unless such waiver is in writing signed by such party. If either the Landlord or the Tenant excuses or condones any default by the other of any obligation under this Lease, no waiver of such obligation shall be implied in respect of any continuing or subsequent default. The Landlord's receipt of Rent with knowledge of a breach shall not be deemed a waiver of such breach or any other breach.

### 15.3 Successors

This Lease and everything herein contained shall extend to and bind the successors and assigns of the Landlord and the legal representatives, heirs, executors, administrators, successors and permitted assigns of the Tenant (as the case may be).

### 15.4 Overholding

The Tenant has no right to remain in possession of the Premises after the end of the Term or extension thereof. If the Tenant remains in possession of the Premises after the end of the Term or extension thereof with the written consent of the Landlord but without entering into a new lease or other agreement then, notwithstanding any statutory provisions or legal presumption to the contrary, there shall be no tacit renewal of this Lease or the Term and the Tenant shall be deemed to be occupying the Premises as a tenant from month to month (with either party having the right to terminate such month to month tenancy at any time on not less than thirty (30) days' Notice, whether or not the date of termination is at the end of a rental period) at a monthly Basic Rent payable in advance on the first day of each month equal to s.17 of the monthly amount of Basic Rent payable during the last month of the Term and otherwise upon the same terms, covenants and conditions as in this Lease insofar as these are applicable to a monthly tenancy and, for greater certainty, including liability for all Additional Rent.

### 15.5 Notices

Any notice, demand, consent or request ("Notice") required or permitted to be given under this Lease shall be in writing (unless otherwise expressly provided herein) and may be delivered by: (i) personal or courier delivery; (ii) by registered prepaid post; or (iii) by facsimile transmission; in the case of Notice to the Landlord, to it at the address set out in Section 1.1(a) and in the case of Notice to the Tenant, to it at the address set out in Section 1.1(b).

A facsimile transmission will only be deemed to be a Notice if it is expressly identified as a Notice for the purpose of this Lease.

Any such Notice given in accordance with the above requirements shall be deemed to have been given: (i) if mailed, on the fifth day following the date of such mailing; (ii) if delivered, on the day on which it was delivered so long as such delivery was prior to 5:00 p.m. Vancouver time on a Business Day (and, if after 5:00 p.m. Vancouver time or if any such day is not a Business Day, then it shall be deemed to have been delivered on the next Business Day); and (iii) if transmitted by facsimile transmission before 5:00 p.m. Vancouver time on a Business Day, on the date of transmission (and, if after 5:00 p.m. Vancouver time or if any such day is not a Business Day, then it will be deemed to have been delivered on the next Business Day). Either party may from time to time by Notice change the address to which Notices to it are to be given. Notwithstanding the foregoing, during any interruption or threatened interruption in postal services, any Notice shall be personally delivered or delivered by courier. If a copy of any Notice to the Tenant is to be sent to a second address or to another Person other than the Tenant, the failure to give any such copy shall not vitiate the delivery of the Notice to the Tenant.

### 15.6 s.21

s.21

### 15.7 Liens

If a lien is registered against any part of the Premises as a result of services or materials provided to the Tenant at the Premises, the Tenant will have any such lien cancelled and discharged within thirty (30) days of the date the Tenant has knowledge of such filing and the Tenant shall indemnify and save harmless the Landlord from any and all loss, cost, expense, damage and liability in respect of such lien (including reasonable legal fees). If a lien is registered or filed and the Tenant fails to cancel and discharge it within the timeframe stipulated above, the Landlord may discharge the lien or notice of it by paying the amount claimed to be due into court (together with whatever additional amounts are required to be paid into court to obtain its removal) and the Tenant will pay to the Landlord, as Additional Rent, all costs (including reasonable legal fees) incurred by the Landlord in connection with the lien, s.17

The Tenant will not mortgage, charge, grant a security interest in or otherwise encumber any Leasehold Improvements.

### 15.8 Rules and Regulations

The Tenant shall comply and cause every Person over whom it has control to comply with the Rules and Regulations. The Landlord shall have the right from time to time to make reasonable amendments, deletions and additions to such Rules and Regulations, with the consent of the Tenant, such consent not to

be unreasonably withheld. If the Rules and Regulations conflict with any other provisions of this Lease, the other provisions of this Lease shall govern. The Landlord shall not be obligated to enforce the Rules and Regulations and shall not be responsible to the Tenant for failure of any Person to comply with the Rules and Regulations.

#### **15.9 Force Majeure**

If the Landlord or the Tenant is, in good faith, prevented from doing anything required by this Lease because of Force Majeure, the doing of the thing is excused for the period of the Force Majeure and the party prevented will do what was prevented within the required period after the Force Majeure, but this does not excuse either party from payment of amounts they are required to pay at the times specified in this Lease. Each of the Landlord and Tenant shall also be excused from the performance of any term, covenant or act required hereunder if the performance of such item would be in conflict with any directive, policy or request of any governmental or quasi-governmental authority in respect of any energy, conservation, safety or security matter.

#### **15.10 Acceptance of Lease**

The Tenant accepts this Lease of the Premises to be held by it as Tenant, subject to the provisions set out in this Lease.

#### **15.11 No Representations**

No agreement, representations, warranties or conditions relating to the Premises or the contents of this Lease have been made except as are expressly set out herein. It is understood and agreed that there have been no representations made as to whether or not the Tenant's proposed use of the Premises is in compliance with the by-laws, regulations and other Applicable Laws governing the Premises. It is the Tenant's obligation to satisfy itself that its use is in compliance with the said by-laws, regulations and Applicable Laws.

#### **15.12 No Contra Proferentum**

This Lease has been negotiated and approved by the Landlord and the Tenant and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either Landlord or Tenant by reason of the authorship of any of the provisions contained in this Lease.

#### **15.13 Confidentiality**

Subject to Section 15.6, the Landlord covenants and agrees that it will, subject to applicable law, treat this Lease and all documentation and information provided to it by the Tenant as confidential and will not disclose it to any other person, except (a) to its professional advisors for the purpose of receiving professional legal, financial or accounting advice and on the condition that they do not further disclose it, or (b) to the extent that it is generally available to the public other than by breach of this Lease. The Landlord agrees with the Tenant that any information regarding this Lease or the Landlord may be disclosed or required to be disclosed under the Freedom of Information and Protection of Privacy Act, governmental policy or otherwise.

#### **15.14 Power, Capacity and Authority**

The Landlord and the Tenant each hereby covenants, represents and warrants to the other that it has the power, capacity and authority to enter into this Lease and to perform its obligations hereunder and that there are no covenants, restrictions or commitments given by it which would prevent or inhibit it from entering into this Lease.

#### **15.15 Landlord Parties**

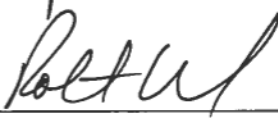
The Landlord represents and warrants to the Tenant that 0977221 B.C. Ltd. is the registered owner of the Lands, and The Great West Life Assurance Company, London Life Insurance Company, and The Canada Life Insurance Company of Canada are the sole beneficial owners of the Lands.

IN WITNESS WHEREOF the parties hereto have executed this Lease.

LANDLORD:

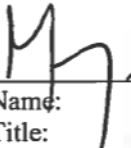
0977221 B.C. LTD

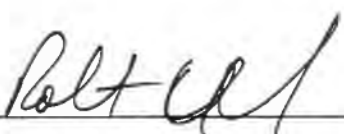
Per:  **Murray Wilks**  
Name: Director, Asset Management  
Title:

Per:  **Robert F. Kavanagh**  
Name: Vice President, Asset Management  
Title:

*We have the authority to bind the corporation*

THE GREAT WEST LIFE ASSURANCE  
COMPANY

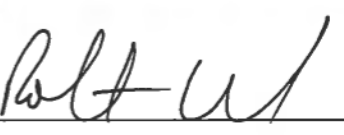
Per:  **Murray Wilks**  
Name: Director, Asset Management  
Title:

Per:  **Robert F. Kavanagh**  
Name: Vice President, Asset Management  
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*We have the authority to bind the corporation*

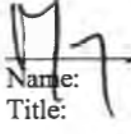
LONDON LIFE INSURANCE COMPANY

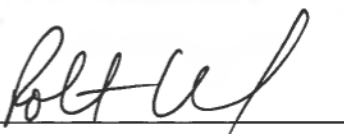
Per:  **Murray Wilks**  
Name: Director, Asset Management  
Title:

Per:  **Robert F. Kavanagh**  
Name: Vice President, Asset Management  
Title:

*We have the authority to bind the corporation*

THE CANADA LIFE INSURANCE COMPANY OF  
CANADA


Per:  **Murray Wilks**  
Name: Director, Asset Management  
Title:

Per:  **Robert F. Kavanagh**  
Name: Vice President, Asset Management  
Title:

*We have the authority to bind the corporation*

TENANT:

HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA, as  
represented by the General Manager of the Liquor  
Distribution Branch

Per:  \_\_\_\_\_  
Name:  
Title:

*I have the authority to bind the Tenant*

**SCHEDULE A**  
**PLAN OF PREMISES**

s.15,s.21



**SCHEDULE B**  
**LANDLORD'S WORK AND TENANT'S WORK**

**LANDLORD'S WORK**

1. s.21

**TENANT'S WORK**

2. s.21

- 3.

s.21

**SCHEDULE C**  
**RULES AND REGULATIONS**

s.21

**SCHEDULE D**  
**SPECIAL PROVISIONS**

**1.     FIXTURING PERIOD**

s.21

The Tenant and Landlord agree to share occupancy during the Fixturing Period, if required, for the purpose of doing the Tenant and Landlord work, and will use best commercial efforts to minimize business disruption.

**2.     OPTION TO EXTEND**

Provided: (a) the Tenant has not been in material default of its obligations to pay Rent and its other covenants and obligations under this Lease beyond any applicable cure period; and (b) **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Liquor Distribution Branch** or any government body, government corporation or government organization, as those terms are defined in the *Financial Administration Act* (British Columbia), is the Tenant, and the Tenant has not sublet any part of the Premises to a third party that is not one of the entities described above, s.17,s.21

s.17,s.21

3. **OPTION TO TERMINATE**

s.17,s.21

4. **BROKERS**

s.21

**SCHEDULE E**  
**ESTOPPEL CERTIFICATE**

**TO:** \_\_\_\_\_  
(the "**Purchaser**")

**AND TO:** \_\_\_\_\_  
(the "**Landlord**")

**AND TO:** \_\_\_\_\_  
(the "**Lender**")

**FROM:** \_\_\_\_\_  
(the "**Tenant**")

**RE:** \_\_\_\_\_  
(the "**Premises**")

1. The Tenant leased the Premises from the Landlord under a lease dated \_\_\_\_\_ [Copies of all modifications, amendments or extensions shall be attached by the Landlord.] (the "**Lease**"), a copy of which is attached hereto as Schedule A.
2. The Lease is unmodified, in full force and effect, and represents a binding Lease between the Landlord and the Tenant.
3. The Lease has been validly authorized, executed and delivered by the Tenant.
4. The Tenant has accepted possession of the Premises and such Premises are being used for the purpose set out in the Lease. There are no disputes relating to the state of repair of the Premises.
5. The term of the Lease commenced on \_\_\_\_\_ and expires on \_\_\_\_\_ (the "**Term**"). The Lease contains \_\_\_\_\_ renewal(s) of \_\_\_\_\_ years.
6. The base rent payable over the Term is \$ \_\_\_\_\_ per annum, payable in equal monthly instalments of \$ \_\_\_\_\_. The Tenant's current payment of additional rent is \$ \_\_\_\_\_ per square foot.
7. All rent for the Premises, including additional rent, and other amounts owed by the Tenant to the Landlord under the Lease have been paid as of the date hereof.
8. The Landlord has paid all tenant inducement payments payable under the Lease or otherwise.
9. The Tenant is not claiming any deduction, abatement or set-off of any rent due and payable under the Lease, nor any counterclaim or defence against the enforcement of its obligations to be performed by it under the Lease.
10. The Tenant is not in default under the Lease and, to the Tenant's knowledge, there is no existing default under the Lease on the part of the Landlord, and the Lease is in good standing.
11. The Tenant is in possession of the Premises and has not assigned the Lease, has not sublet the Premises or any portion thereof and has not granted any current licence, occupancy or similar agreement with respect to the Premises or any portion thereof, except as set out below: \_\_\_\_\_.
12. This certificate will be binding upon and enure to the benefit of the respective heirs, executors, estate trustees, administrators, successors and assigns of the Tenant, the Purchaser, the Landlord and the Lender.

DATED at Vancouver, B.C., this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

TENANT:

◆

Per: \_\_\_\_\_  
Authorized Signatory