

THIS INDENTURE made the 1st day of October, 2018

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

B E T W E E N :

FV PHARMA INC.
(hereinafter called the "Landlord")

OF THE FIRST PART;

- and -

World Class Extractions INC.
(hereinafter called the "Tenant")

OF THE SECOND PART.

1. **DEFINITIONS**

The definitions in Schedule I to this Lease shall govern the meaning of all words and terms used in this Lease and defined herein.

2. **LEASED PREMISES**

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord has demised and leased and by these premises does demise and lease unto the Tenant for the term and upon the conditions hereinafter mentioned ALL AND SINGULAR those certain premises situate, lying and being in the Town of Cobourg, in the Province of Ontario, being Unit 12A of the Building (as hereinafter defined) being deemed for all purposes of this Lease to contain a floor area of Five Thousand (5,000) square feet as shown on Schedule II attached hereto (the "Leased Premises"). The subject Building is located at 520 William Street, Cobourg, Ontario.

3. **INTENT - NET LEASE**

The Tenant acknowledges and agrees that it is intended that this Lease shall be a completely carefree net Lease for the Landlord, except as expressly hereinafter set out, that the Landlord shall not be responsible during the term of the Lease for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased Premises or the contents thereof and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Leased Premises except as expressly hereinafter set out and the Tenant covenants with the Landlord accordingly.

4. **TERM, AND COMMENCEMENT**

The term of this Lease shall commence on the 1st day of October, 2018 and shall extend to the 30th day of October, 2028, a period of ten (10) years.

5. **TENANT'S USE OF THE PREMISES**

5.1 The Leased Premises shall be used only for the purpose of creating an extraction manufacturing capabilities and any other ancillary related products containing marijuana permitted under applicable by-laws and zoning.

6. **RENT**

6.1 **Base Rent**

The Tenant covenants and agrees to pay to the Landlord base rental throughout the term of the Lease as follows:

6.2 For the term of the Lease Twenty Thousand (\$20,000) Dollars per annum payable in equal monthly instalments of One Thousand six hundred and sixty seven cents (\$1,666.67) Dollars plus HST each in advance on the first day of each and every month.

6.3 Rent Free Period

The Tenant shall have a 6 month rent free period for the period beginning October 1, 2018 and ending March 31, 2019. Rent payments shall commence on April 1, 2019.

6.4 Additional Rent

In addition to the base rent, the Tenant agrees to pay to the Landlord at the time and in the manner hereinafter provided all other sums required to be paid by the Tenant hereunder, all such sums being designated and treated in every respect, including Landlord's remedies for breach, as additional rent.

6.5 Deposit

The Landlord acknowledges receipt of a deposit in the amount of Three Thousand Three Hundred and Thirty Four Cents Four (\$3,333.34) Cents plus Sales Tax in the amount of Four Hundred Thirty Three Dollars and Thirty Three Cents (433.33) for a total deposit of Three Thousand Seven Hundred and sixty six Dollars (\$3,766.67) sixty seven Cents. This represents first and last months rent.

6.6 Postdated Cheques or Pre-Authorized Debits

The Tenant shall provide the Landlord with an annual series of post-dated cheques to cover payments accruing due under this Lease or, alternatively, shall provide the Landlord with a pre-authorized debit to cover payments accruing due under this Lease.

7. ADDITIONAL RENT

7.1 The Tenant agrees to pay as additional rent throughout the term the Tenant's Proportionate Share, all costs and expenses incurred by the Landlord in;

7.1.1 insuring the subject Building and Leased Premises, and the income derived therefrom;

7.1.2 in respect of any taxes or business taxes levied, charged, assessed or rated against the Leased Premises;

7.2 The Tenant covenants and agrees to pay the amounts due from the Tenant as additional rent in monthly instalments in advance to be fixed from time to time by the Landlord. Such instalments shall become due and be paid at the time each monthly base rent payment is due. Within ninety (90) days following the end of each Lease year or such other accounting year as may be adopted by the Landlord for the purpose of making such computation, the Landlord shall compute the amounts due from the Tenant for such year (hereinafter called the "accounting period") and shall submit a statement thereof to the Tenant which statement shall be accompanied by copies of the insurance invoice for insurance charges payable under paragraph 7.1.1 and by copies of the interim and final tax bills for taxes payable under paragraph 7.1.2. Where any cost or expense is attributable to more than one accounting period, the Landlord shall apportion it between or among the accounting periods concerned in accordance with generally accepted accounting practice and the decision of the Landlord shall be final. If the total of the monthly instalments paid by the Tenant in respect of such accounting period is less than the amount shown on such statement, the Tenant shall pay the deficiency to the Landlord forthwith. If the total of such monthly instalments is greater than the amount shown on such statement, the excess shall, at the option of the Landlord, be repaid to the Tenant with such statement or applied in payment of other amounts due by the Tenant to the Landlord. If the term commences or expires on any day other than the first and last days of an accounting period, the Tenant shall be liable only for a portion determined on a per diem basis of such costs and expenses incurred in or attributed to such period.

Notwithstanding the foregoing the Tenant shall if so required by the Landlord, rather than paying in monthly instalments, re-imburse the Landlord forthwith on request for costs and expenses in respect of Taxes or insurance premiums.

7.3 The Landlord shall have the option to recover the amount of the Taxes payable by the Tenant pursuant to paragraph 7.1.1 in nine equal instalments over the first nine months of the calendar year; and if on the due date of any instalment of the Taxes the Landlord shall not have received from the Tenant a sufficient sum to pay the full amount of such Taxes the Tenant shall forthwith on demand pay the amount of any deficiency to the Landlord.

7.4 The Landlord shall have the right, in lieu of recovering amounts in respect of the Taxes from the Tenant, monthly, to require the Tenant to pay such Taxes direct to the taxing

authority. If the Landlord exercises such right the Tenant agrees to provide the Landlord within ten days after demand therefore by the Landlord with a copy of any real property tax bills, real property assessments, receipts for payment and such other information in connection therewith as the Landlord may reasonably require.

7.5 The Tenant shall pay any and all costs and expenses incurred by the Landlord or the Tenant as the case may be in respect of any appeal or contestation by the Landlord or the Tenant of the Taxes, provided that the Tenant shall only be required to pay the Landlord's costs under this subparagraph if the Tenant initiates the appeal or contestation or if the Landlord initiates the appeal or contestation at the Tenant's request or with the Tenant's prior written consent.

7.6 If the Landlord does not require the Tenant to pay the Taxes direct to the taxing authority then subject to payment by the Tenant to the Landlord of all rent, and additional rent as hereinbefore set forth, the Landlord will pay, or cause to be paid, all Taxes levied, rated, charged or assessed against the Building promptly as they fall due.

8. **UTILITIES**

The Tenant shall be solely responsible for and shall promptly pay all charges for water, gas, electricity, or any other utility used or consumed in the Leased Premises, including tax, surcharge, or other charge thereon. The Lease Premises shall be separately metered for all utilities.

9. **TAXES**

9.1 All business taxes and other taxes, licence fees and rates assessed or levied against the Leased Premises, the operation of the business therein, the improvements made thereto and the personal property located therein, whether assessed or levied against the Landlord or the Tenant, shall be promptly paid and discharged by the Tenant as and when the same fall due.

9.2 Notwithstanding any other provision of this Lease the Tenant shall pay to the Landlord an amount equal to the Sales Tax it being the obligation of the Tenant to re-imburse the Landlord in full for any and all Sales Tax applicable in respect of the Rent or the rental of space, without reference to any tax credits available to the Landlord. The amount of the Sales Tax payable by the Tenant shall be calculated by the Landlord in accordance with the applicable legislation and shall be paid to the Landlord at the same time as the amounts to which such Sales Tax apply are payable to the Landlord, or upon demand at such other time or times as the Landlord may from time to time determine. Notwithstanding any other provision of this Lease the Sales Tax amount payable by the Tenant under this paragraph 9 (b) shall be deemed not to be rent, but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for the recovery of rent under this Lease.

9.3 The Tenant shall also pay to the Landlord any and all taxes levied on the rental payable hereunder (but not taxes in the nature of Income Taxes on the Landlord).

10. **PAYMENT OF TAXES**

Subject to payment by the Tenant to the Landlord of all rent, and additional rent as hereinbefore set forth, the Landlord will pay, or cause to be paid, all taxes levied, rated, charged or assessed against the subject Building promptly as they fall due.

11. **FIRE AND OTHER INSURANCE**

11.1 The Landlord, at the cost and expense of the Tenant and all other tenants in the Building, shall take out and maintain, on behalf of the Landlord and the Tenant, such insurance as is reasonable for a prudent owner of a building similar to the Building which shall include:

11.1.1 Insurance payable to the Landlord, against all risks of physical loss or damage including earthquake and flood to the extent of the full insurable value of the Leased Premises, and against loss of rental income (including base rent, taxes, insurance and any other amounts which may become payable to the Landlord hereunder) and against crime.

11.1.2 legal liability insurance including the Landlord's interest for bodily injury or death or property damage resulting from each occurrence in such amount as may be reasonable from time to time, but, in any event, not less than Five Million (\$5,000,000.00) dollars.

11.2 The Tenant covenants with the Landlord that the Tenant in its use and occupation of the Leased Premises will not do or omit or permit to be done or omitted anything which shall cause any insurance premium with respect to the Building, or any part thereof, to be

increased, and if any insurance premium shall be so increased, the Tenant shall pay to the Landlord forthwith upon demand as additional rent the amount of such increase.

11.3 The Tenant shall take out and maintain insurance with respect to all improvements, fixtures, fittings, glass and fixed mechanical equipment contained in the Leased Premises or servicing only the Leased Premises against all risks of physical loss or damage, excepting earthquake, flood, war, nuclear fission and pollution, to the full replacement value thereof, in the joint names of the Landlord and the Tenant. Such policy may at the option of the Tenant contain a deductible of not more than One Thousand (\$1,000.00) Dollars in respect of any one loss. In the event of any loss, the proceeds of such insurance shall be applied in repairing or replacing the property lost or damaged; after completion of repair or replacement, any excess shall be paid over to the Tenant; if the Tenant completes the repairs and replacement without use of the policy proceeds, on completion, all such proceeds shall be paid over to the Tenant.

11.4 The Tenant shall also take out its own legal liability insurance without subrogation against the Landlord for bodily injury or death or property damage resulting from each occurrence in such amount as may be reasonable from time to time, but, in any event, not less than Two Million (\$2,000,000.00) Dollars.

12. REPAIRS BY TENANT

12.1 The Tenant shall, except for major structural repairs and capital repairs and for repairs occasioned by hazards against which a prudent owner of a similar Building would normally insure, keep and maintain and at the end of the term leave the whole of the Leased Premises, including without limitation, and all fixtures and equipment therein and improvements thereto (including without limitation lighting, heating, ventilation, plumbing, refrigeration, wiring and air-conditioning fixtures and equipment exclusively serving the Leased Premises, where present) in good order, first class condition and repair, and shall make all needed repairs and replacements thereto throughout the term with due diligence and dispatch. The Tenant shall perform its own general maintenance of the Leased Premises at its own expense, provided that the condition of the Leased Premises shall at all times meet the minimum standards reasonably required by the Landlord.

12.2 The Tenant shall, without limiting the foregoing, repaint when necessary or when reasonably required to do so by the Landlord.

12.3 The Landlord may enter and view the state of repair.

12.4 The Tenant will repair according to notice in writing to the extent hereinbefore set forth.

12.5 If the Tenant shall fail to make any repairs which the Tenant is obligated to make under the terms of the Lease, the Landlord may at its option make such repairs at the expense of the Tenant and the Tenant covenants with the Landlord to pay to the Landlord in any and every such case with the instalment of rent which shall next fall due all sums which the Landlord shall have expended in making such repairs and shall not previously have received from the Tenant together with a management fee equal to fifteen (15%) percent of any such sums which the Landlord shall have expended in making such repairs; provided that the making of any repairs by the Landlord shall not relieve the Tenant from the obligation to repair and leave in repair as hereinbefore provided.

12.6 The Tenant shall at all times keep the Leased Premises and the area about the Leased Premises in a clean and sanitary condition and free from all rubbish.

12.7 The Tenant shall throughout the term heat the Leased Premises as is reasonably required. Without limiting the generality of the foregoing repair obligations of the Tenant, the Tenant shall enter into a contract with respect to the maintenance and annual inspection of the heating and air-conditioning equipment (where present) and shall furnish a certificate as to such inspection and the result thereof to the landlord not less frequently than annually. The cost of such contract and certificate shall be borne by the Tenant. The Tenant may engage its own contractor subject to the approval of such contractor by the Landlord, acting reasonably.

12.8 The Landlord shall be responsible to repair at its sole cost and expense all structural repairs to the Building, including the roof.

12.9 With respect to capital repairs, including repairs and replacements to the HVAC system and other base building systems, the Landlord may only charge the Tenant a maximum of \$5,000 per annum. Any additional costs shall be amortized over the useful life of the

improvement or repairs and charged to the Tenant on a straight line basis based on the Tenant's Proportionate Share of such costs.

13. **PEST CONTROL, GARBAGE**

13.1 The Tenant shall at the Tenant's expense enter into such contracts with respect to the control, suppression and elimination of pests and vermin as the Landlord may reasonably require, the object of which shall be to keep the Leased Premises and the subject Building entirely free of pests and vermin emanating from the Leased Premises, or arising out of the use thereof.

13.2 If the Tenant places garbage or other throw away material outside at the rear of the property the Tenant shall enter into a contract for a lockable steel refuse container. The Tenant shall have the right to have one garbage bin on the Leased Premises. The Tenant shall be required to obtain the Landlord's prior written consent to place more than one garbage bin on the Leased Premises, which consent shall not be unreasonably withheld.

14. **ASSIGNMENT AND SUBLETTING**

14.1 The Tenant shall not assign, sublet or part with the possession of the Leased Premises or any part thereof, or part with or share the occupation or control thereof (each of the foregoing being referred to as a transfer transaction) without the consent of the Landlord in writing which shall not be unreasonably withheld. Such consent may be arbitrarily withheld if the Lease is not in good standing at the time consent is requested.

14.2 Any consent shall not release the Tenant from its covenants nor be deemed to authorize any further or other assignment or subletting of the Leased Premises.

14.3 The Tenant shall pay the Landlord's costs and expenses in connection with any such consent to assignment or in connection with any such consent to subletting the entire Leased Premises to a single subtenant comprising the sum of Five Hundred (\$500.00) Dollars payable to the Landlord in full satisfaction of the Landlord's expenses other than legal. In addition, the Tenant shall also be required to pay the Landlord's solicitors' reasonable legal fees in connection with any assignment or any subletting of the whole or any part or parts of the Leased Premises. For greater certainty, the Tenant shall not be required to pay the sum of Five Hundred (\$500.00) Dollars to the Landlord in the case of a sublet unless the Tenant is subletting the whole of the Leased Premises to a single subtenant.

14.4 The Landlord's consent may provide that such consent is only effective upon execution by the assignee of a covenant with the Landlord to assume all the Tenant's obligations under the Lease.

14.5 If the Tenant, either original or by assignment, is a corporation, the Tenant shall not permit the transfer, or transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition or by subscription, of any part or all of the corporate shares of the Tenant, or of any parent or subsidiary corporation of the Tenant, or any corporation which is associated or affiliated with the Tenant (as those terms are defined in any legislation), so as to result in any change in the present effective voting control of the Tenant by the party or parties who were holding such voting control immediately prior thereto, without first obtaining the written consent of the Landlord and the Tenant covenants that no such event shall take place.

14.6 The Landlord shall not be required to give consent, and any failure to consent shall not be unreasonable, unless the request for consent is accompanied by such information as the Landlord may reasonably require as to the financial background and business history of the proposed assignee, sublessee, transferee, etc.; and payment of the Landlord's costs and legal fees as aforesaid.

14.7 Notwithstanding the foregoing, before any transfer transaction, the Tenant shall notify the Landlord in writing of its intention to transfer and thereupon the Landlord shall, within thirty (30) days thereafter notify the Tenant in writing either, that it consents or does not consent to the transfer transaction, or that it has elected to cancel this lease in preference to the giving of such consent. In the event that the Landlord elects to cancel this Lease, the Tenant shall notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such transfer transaction or to accept the cancellation of this Lease. Should the Tenant fail to deliver such notice within such period or should the Tenant accept the cancellation, this Lease shall terminate upon the expiration of the said fifteen (15) days. Should the Tenant notify the Landlord of its intention to refrain from such transfer transaction this Lease shall continue in full force.

15. **SIGNS, DISPLAYS, ETC.**

15.1 The Tenant may with the prior consent in writing of the Landlord, which consent shall not be unreasonably withheld, erect and affix on such part or parts of the exterior walls enclosing the Leased Premises as the Landlord may designate signs of such size and design as shall be approved in writing by the Landlord.

15.2 Such signs shall comply with all statutory or municipal requirements regarding the erection of such signs and shall conform to the regulations, policies and design criteria established by the Landlord for the subject Building.

15.3 The Tenant shall indemnify the Landlord and save it harmless from all loss, cost, damage or expense suffered or incurred by the Landlord by reason of such sign, or the erection, operation or maintenance thereof by the Tenant.

16. **TRADE FIXTURES, LEASEHOLD IMPROVEMENTS, ALTERATIONS**

16.1 The Tenant may install trade fixtures of the type usual for its business which shall be installed without damage to or impairment of the heating, ventilating, air-conditioning, electrical or mechanical systems of the Leased Premises.

16.2 The Tenant shall have the right during the term when not in default to replace such trade fixtures with others, but otherwise shall not remove any trade fixtures during the term of the Lease.

16.3 The Tenant shall have the right if not in default at the termination of this Lease to remove its trade fixtures, but may not remove any lights, lighting fixtures, floor coverings and plumbing facilities; and may not without the written consent of the Landlord during or at the termination of the term, remove any other installations made by the Tenant during the term, including without limitation any leasehold improvements.

16.4 The Tenant may, upon submitting all required plans and obtaining the Landlord's prior written approval make changes, installations, alterations, additions or improvements (Tenant's construction) in the Leased Premises. No Tenant's construction shall be done without submitting Plans with respect thereto to the Landlord and obtaining the Landlord's prior written approval. The Tenant shall also obtain the Landlord's prior written approval as to the trades persons or contractors engaged to carry out Tenant's construction. No Landlord's approval required pursuant to this section shall be unreasonably withheld. Unless otherwise specified herein the Tenant shall obtain any necessary permits, plan approvals and the like from all authorities having jurisdiction.

16.5 For the purpose of this paragraph, any exterior signs erected by the Tenant shall be deemed leasehold improvements.

16.6 All leasehold improvements and trade fixtures shall, upon being brought on to, installed in, or affixed to the Leased Premises become the property of the Landlord, and shall be deemed affixed and fixtures to the realty subject in the case of trade fixtures to removal by the Tenant pursuant to this Article.

17. **SUBORDINATION AND ATTORNMENT**

17.1 Upon the request of the Landlord at any time and from time to time, the Tenant shall subordinate its rights under this Lease to any and all mortgages, trust deeds or other instruments of financing, refinancing or collateral financing and will, if requested, attorn to the holder thereof. No subordination by the Tenant shall have the effect of disturbing the Tenant's occupation and possession of the Leased Premises as long as the Tenant complies with all of the terms, covenants, conditions, agreements and provisos in this Lease.

17.2 If within ten (10) days after request by the Landlord to the Tenant to execute the instruments or certificates to give effect to the foregoing, the Tenant has not executed the same, the Tenant irrevocably appoints the Landlord as the Tenant's attorney with full power and authority to execute and deliver in the name of the Tenant any such instruments or certificates.

17.3 The Landlord and the Tenant agree each with the other at any time and from time to time to execute, acknowledge and transmit forthwith to the other upon request a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications specifying the same and that the Lease is in full force and effect subject thereto), and the dates to which the rent and other charges under this Lease have been paid in advance, if any; and the date of commencement of the term.

17.4 The Tenant shall upon request provide the Landlord with such information as to the Tenant's financial standing and corporate organization as may be bona fide required by the Landlord in connection with any financing.

18. **DAMAGE OR DESTRUCTION**

18.1 If during the term hereof or any renewal, the Leased Premises shall be destroyed or damaged in whole or in part by fire, or any additional insured peril, the following provisions shall apply:

18.1.1 If the Leased Premises are not thereby rendered untenable in whole or in part, the Landlord shall promptly cause the damage to be repaired without abatement of rent;

18.1.2 If by reason of such occurrence the Leased Premises are rendered untenable in whole or in part, the Landlord shall cause the damage to be repaired and the rent shall abate proportionately to the extent that the demised premises are rendered unfit for use or occupancy by the Tenant as determined by the Landlord, acting reasonably.

18.2 Notwithstanding the foregoing, if by reason of such occurrence the Leased Premises are damaged to the extent that they cannot with due diligence be repaired within one hundred and eighty (180) days from the happening of such destruction or damage; the Landlord or the Tenant shall have the option upon giving to the other thirty (30) days' written notice of terminating this Lease. Where this Lease is so terminated, this Lease and the tenancy hereby created shall cease as of the date of such termination and the base rent and other charges payable as additional rent shall be adjusted as of such date. Such option is exercisable only within sixty (60) days of the occurrence.

18.3 Any repairs required to be made by the Landlord pursuant to this paragraph shall be made with all due diligence and dispatch.

18.4 Notwithstanding any other provision hereof the Landlord shall not be required to make any repair, the cost of which exceeds the proceeds of insurance payable to the Landlord in respect of the loss or damage.

19. **COMPLIANCE WITH STATUTES, BY-LAWS, ENVIRONMENTAL LAWS, ETC.**

19.1 The Tenant, the employees, agents and invitees of the Tenant, will observe, abide by and comply with all statutes, orders in council, by-laws, rules and regulations of any governmental authority or of the Insurers Advisory Organization now or hereafter in force, or with any requirements or recommendations of the Insurers Advisory Organization or the Landlord's insurer, which in any way affect the Leased Premises or the use and occupation thereof. The provisions of this paragraph shall extend to any necessary permits or approvals in connection with any construction, or the use of the premises.

19.2 The Tenant covenants that it will not bring upon the Leased Premises any hazardous materials, nor will it cause or permit any hazardous materials to be placed, held, located or disposed of, on, under, or at the Leased Premises, and its business and assets will at all times during the term of this Lease operate in compliance with applicable Laws and Guidelines intended to protect the environment including without limitation Laws respecting the discharge, emission, spill or disposal of any hazardous materials and that it will not do or omit to be done anything that will cause any Enforcement Actions in respect thereof to be instituted by any relevant Authority. In this regard the Tenant covenants that it will permit the Landlord or those duly authorized by the Landlord to conduct tests, inspections and appraisals of the Leased Premises, including without limitation the right to conduct soil tests and to remove samples from the Leased Premises and any part of the Leased Premises and any records, business and assets insofar as they relate to the Leased Premises at any time and from time to time to ensure such compliance.

19.3 The Tenant hereby indemnifies the Landlord and agrees to hold it harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever by which at any time or from time to time may be paid by, incurred by or asserted against the Landlord with respect of, or as a direct result of, the presence on or under, or the discharge, emission, spill or disposal from, the Leased Premises or into or upon any land, the atmosphere, or any water course, body of water or wet land, of any hazardous materials where it has been proven that the source of the hazardous materials is the Tenant or those for whom the Tenant is, at law, liable (including, without limitation:

19.3.1 the costs of defending and/or counter-claiming or claiming over against

third parties in respect of any action or matter; and

19.3.2 any costs, liability or damage arising out of a settlement of any action entered into by the Landlord with or without the consent of the Tenant).

The provisions of and undertakings and indemnifications set out in this Section shall survive the termination of the within Lease by reason of affluxion of time or otherwise. For the purposes of this Section "Hazardous Material" means any pollutant, contaminant, waste, hazardous waste or dangerous goods as defined by applicable federal, provincial or municipal laws or guidelines for the protection of the natural environment or human health.

20. **REMEDIES**

20.1 If and whenever the rental shall not be paid on the day appointed for payment thereof that is not remedied within five (5) days thereafter, whether lawfully demanded or not, or in case of breach or nonobservance or nonperformance of any of the covenants or agreements on the part of the Tenant to be observed or performed that is not remedied within ten (10) days of receipt by the Tenant of written notice requiring the breach or nonobservance to be remedied, then and in every such case it shall be lawful for the Landlord at any time thereafter to enter into and upon the Leased Premises or any part thereof in the name of the whole, and to have again and repossess and enjoy the same as of its former estate, anything herein or in any statute contained, to the contrary, notwithstanding.

20.2 Upon the Landlord becoming entitled to re-enter upon the Leased Premises under any of the provisions of this Lease, the Landlord in addition to all other rights shall have the right to enter the Leased Premises as the agent of the Tenant, either by force or otherwise, without being liable to any prosecution therefor, and to re-let the Leased Premises as the agent of the Tenant and to receive the rental therefor, and as the agent of the Tenant to take possession of any property upon the Leased Premises and to sell the same at public or private sale without notice and to apply the proceeds of such sale and any rental derived from reletting the Leased Premises upon account of the rent under this Lease, and the Tenant shall be liable to the Landlord for the deficiency, if any.

20.3 If the term hereby granted or any of the goods and chattels of the Tenant shall be at any time seized or taken in execution or in attachment by any creditor of the Tenant, or if a Writ of Execution be issued against the goods and chattels of the Tenant, or if any payment due hereunder from the Tenant to the Landlord shall be in default or if the Tenant shall execute any bill of sale of the said goods and chattels, or if a receiver is appointed for all or any portion of the tenants property or if any writ of execution be issued against the Tenant, or if the Tenant shall make or attempt to make a bulk sale of all or the major portion of Tenant's assets, or if the Tenant shall take voluntary winding-up proceedings, or shall make an assignment for the benefit of the Tenant's creditors, or become bankrupt or insolvent or take advantage of any Act which shall be in force for bankrupt or insolvent debtors, or shall be adjudged bankrupt, or shall attempt to abandon the Leased Premises, or to sell or dispose of or remove from the premises the said goods and chattels so that there would not, in the event of such sale or disposal be in the opinion of the Landlord a sufficient distress on the Leased Premises to cover all rent accruing to the end of the lease term or to remove the Tenant's trade fixtures in contravention hereof, or in case without the written consent of the Landlord the Leased Premises shall become and remain vacant or not used for a period of three (3) days, or in case the said premises be used by any other person or persons than such as are entitled to use them under the terms of this Lease, or in case they shall be used for any purpose other than that for which the same are leased as hereinbefore provided, then the current month's rent together with the rent for the next succeeding three (3) months shall immediately become due and payable and shall be, and be payable as rent in arrears and the Landlord may re-enter and take possession of the Leased Premises and the said term shall, at the option of the Landlord, forthwith become forfeited and determined, any law or statute to the contrary notwithstanding, but without prejudice to any right of action of the Landlord in respect of any antecedent breach of the Tenant's covenants herein contained.

20.4 The Tenant waives and renounces the benefits of any present or future statute taking away or limiting the Landlord's rights of re-entry and distress; and with respect to distress agrees that, notwithstanding any such statute, none of the goods and chattels of the Tenant which shall be on the Leased Premises at any time during the said term shall be exempt from levy by distress for rent in arrears. The Tenant hereby authorizes the Landlord to enter the Leased Premises by any means whatsoever, at any time, for the purpose of levying a distress and no such entry, whenever or however made, nor any distress thereafter levied, shall be unlawful.

20.5 If the Tenant shall leave the Leased Premises while rent is owing in respect thereof, the Landlord may at any time seize and sell the goods and chattels of the Tenant at any place to which the same may have been removed.

20.6 All sums payable under this Lease form part of the rent; the Landlord shall have all remedies for nonpayment of any such sums as for nonpayment of rent; and any amount unpaid shall bear interest at the designated rate from the due date until the date of payment payable monthly.

20.7 Any expenses incurred by the Landlord in connection with the exercise of any remedy herein provided or in connection with the collection or attempted collection of any amount in arrears from the Tenant, including without limitation legal costs on a solicitor and client basis, shall be paid by the Tenant to the Landlord forthwith on demand.

21. **LANDLORD'S RIGHT OF ENTRY**

21.1 The Landlord or any employee, agent or contractor of the Landlord shall have the right during business hours of the Tenant or at any time during an emergency, and so long as there is no unnecessary interference with the Tenant's business, to enter the Leased Premises for any of the following purposes:

21.1.1 to examine the state of maintenance and repair thereof and the equipment and fixtures therein;

21.1.2 to show the Leased Premises to prospective purchasers or encumbrancers and during the last six months of the term to prospective tenants.

21.2 No such entry shall in any way affect the obligations or covenants of the Tenant under this Lease and there shall be no abatement in the rent or other charges under this Lease on account thereof. The Landlord shall indemnify the Tenant for any physical damage caused during any such entry, but shall be under no further or other liability in respect thereof.

22. **QUIET ENJOYMENT**

The Landlord covenants with the Tenant for quiet enjoyment.

23. **NOTICE**

Any notice required to be given to the Landlord under the terms of this Lease shall be sufficiently given if delivered to the Landlord or mailed by prepaid registered mail addressed to the Landlord c/o 520 William Street, Cobourg, Ontario, K9A 0K1, or at such other address as the Landlord shall in writing designate. Any notice required to be given to the Tenant under the terms of this Lease or under any statute or regulation shall be sufficiently given if delivered to the Tenant c/o 223 Riviera Drive, Markham, Ontario, L3R 5J6 with a copy to Garfinkle Biderman LLP, 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9, Attn: Barry Polisuk; or posted on the main entrance to the Leased Premises; or transmitted by facsimile to a number known to the Landlord as that of the Tenant; or mailed by prepaid registered mail addressed to the Tenant at the premises or at such other address as the Tenant shall in writing designate. In the case of Notice by prepaid registered mail notice shall be deemed to have been received on the third day following the date when posted in the Province of Ontario, addressed as above. In the case of Notice by facsimile transmission, or by posting on the main entrance of the Leased Premises, notice shall be deemed to have been received on the date following the date of transmission or posting. In the case of delivery to the Tenant notice shall be deemed received at the time of such delivery. For the purpose of this paragraph, if the Tenant is a Corporation, delivery to the Tenant shall be deemed to have taken place if the material to be delivered has been handed to any officer or director of the Tenant or to the person apparently in charge at the Leased Premises, or if only one person is in the Leased Premises at the time of such delivery, to that person.

24. **FORCE MAJEURE**

Notwithstanding any other provision of this Lease, whenever and to the extent that any party shall be unable to fulfil or shall be delayed or restricted in the fulfilment of any obligation (other than the payment of any monies) under any provision of this Lease, by reason of:

24.1.1 strike;

24.1.2 lockout;

24.1.3 war or acts of military authority;

24.1.4 rebellion or civil commotion;

- 24.1.5 shortage or unavailability of any material, labour, service, utility, goods or equipment;
- 24.1.6 fire, explosion, flood, wind, water, earthquake or other casualty;
- 24.1.7 any statute, by-law, regulation or order of any regulatory authority having jurisdiction with respect thereto;
- 24.1.8 act of God; not caused by the default of or act of, or omission by, such party, and not avoidable by the exercise of reasonable effort or foresight by it, then so long as any such impediment exists, such party shall be relieved from the fulfilment of such obligation and the other party shall not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned.

25. **CONSTRUCTION LIENS**

The Tenant shall promptly pay all charges incurred by or on behalf of the Tenant for any work, materials or services which may give rise to a construction or other lien. If any such lien is registered against the Leased Premises or the subject Building, the Tenant shall cause the lien to be vacated forthwith and if the Tenant fails to do so then, in addition to any other right or remedy of the Landlord, the Landlord may, but shall not be obligated to, discharge or vacate such lien by paying the amount claimed to be due or by other proceedings. The amount so paid by the Landlord and all costs and expenses, including legal fees on a solicitor and client basis incurred by the Landlord in procuring the discharge or vacating of the lien, shall be due and payable forthwith by the Tenant to the Landlord as additional rent.

26. **NUISANCE**

The Tenant shall not commit or permit any nuisance in the Leased Premises.

27. **LANDLORD MAY PERFORM COVENANTS AND OBLIGATIONS OF THE TENANT**

If the Tenant fails to perform any covenant or obligation of the Tenant under this Lease, the Landlord may at any time and from time to time perform such covenant or obligation, or cause the same to be performed, and for such purpose may do such things as may be requisite including, without limiting the generality of the foregoing, entering upon the Leased Premises for such purpose. All expenses incurred and expenditures made by or on behalf of the Landlord under this paragraph together with a management fee equal to fifteen (15%) percent of any such expenses incurred or expenditures made by or on behalf of the Landlord under this paragraph shall be paid by the Tenant within ten (10) days of demand therefore by the Landlord. Such expenses and expenditures and such management fee shall bear interest at the designated rate of interest from the date incurred until payment and shall constitute additional rent.

28. **PERSONAL AND CONSEQUENTIAL INJURY**

The Landlord shall not be liable or responsible in any way for any injury of any nature whatsoever that may be suffered or sustained by the Tenant or any employee, agent or customer of the Tenant, or any other person who may be in or about the subject Building, the Leased Premises or the common facilities, or for any loss of or damage or injury to any property of any such person or of the Tenant while such property is in or about the Leased Premises, the subject Building or the common facilities; or for any business interruption, disturbance or loss. Notwithstanding any other provision hereof the Landlord shall not be liable for any indirect or consequential damages or for any illness or discomfort of the Tenant or any one claiming through or under the Tenant.

29. **REMEDIES ALTERNATIVE**

No reference to or exercise of any specific right or remedy by or of the Landlord shall preclude the Landlord from or prejudice the Landlord in exercising any other right under this Lease or in law or in equity. The Landlord's failure to insist upon a strict performance of any provision of this Lease, or to exercise any option or right hereunder, shall not be a waiver or relinquishment for the future of such provision, right or option, but the same shall remain of full force and effect.

30. **ALL PROVISIONS DEEMED COVENANTS**

Every agreement, provision, term or condition hereof shall be deemed to be and enforceable as a covenant whether or not hereinbefore expressly so designated.

31. **LEASE BINDING ON SUCCESSORS**

This Lease shall be binding upon, extend to and enure to the benefit of the Landlord and the Tenant and their respective heirs, executors, administrators, successors and permitted assigns.

32. **OPTION TO RENEW**

Provided that the Tenant is not them in material default hereunder, the Tenant shall have the right to renew this Lease for a further term of ten (10) years on the same terms and conditions save as to any further renewal and the rental rate. Such option must be exercised by notice in writing received by the Landlord no later than six (6) months prior to the expiry of the initial Lease term. The rental rate for the renewal term shall be equal to the rental rate paid during the initial term plus an additional amount equal to 1.5% per year for each year of the renewal term.

IN WITNESS WHEREOF the Landlord and the Tenant have executed this Lease.

World Class Extractions Inc.

Per: signed "*Donal Carroll*"

Donal Carroll, CFO
I have the authority to bind the Corporation.

FV PHARMA INC.

Per: signed "*Zeeshan Saeed*"

~~Thomas F. ...~~ Zeeshan Saeed
I have the authority to bind the Corporation.

SCHEDULE I

Attached to and forming part of the lease made between FV PHARMA INC., as Landlord, World Class Extractions Inc., as Tenant.

DEFINITIONS

- I. "Building" means the property known municipally as 520 William Street, Cobourg, Ontario.
- II. "Designated interest rate" means a rate calculated at six percentage points above the prime bank commercial lending rate charged from time to time by any Canadian chartered bank designated from time to time by the Landlord.
- III. "Taxes" means all real property taxes, rates, duties and assessments (including local improvement taxes), impost charges or levies, whether general or special, that are levied, rated, charged or assessed against the Building or any part thereof from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of or in addition to any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the date of commencement, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Building or its interest therein.
- IV. "Lease year" means any period of twelve months so designated by the Landlord; and may mean a period of less than twelve months so designated, provided that all calculations with respect thereto are pro rated accordingly.
- V. "Sales Tax" means any and all goods and services taxes, sales taxes, value added taxes, business transfer taxes or other similar taxes imposed on the Landlord with respect to rent payable by the Tenant to the Landlord under this Lease or in respect of the rental of space under this lease whether or not characterized as goods and services taxes, sales taxes, value added taxes, business transfer taxes or otherwise.
- VI. "Proportionate Share" means a fraction of the numerator of which is the rentable area of the Leased Premises and the denominator of which is the rental area of the Building.