

COMMERCIAL LEASE AGREEMENT

THIS INDENTURE made effective as of the 1st day of April, 2019.

BETWEEN:

THOUSAND ISLAND FARMS INC., [REDACTED]
a body corporate, carrying on business in [REDACTED]
(the "Landlord")

OF THE FIRST PART

- and -

MOLECULE INC., 591 Reynolds Road, Lansdowne, ON K0E 1L0
a body corporate, carrying on business in Lansdowne, Ontario
(the "Tenant")

OF THE SECOND PART

Collectively: "The Parties"

1. DEMISED PREMISES

WITNESSETH for and in consideration of the rents, covenants, agreements and conditions hereinafter reserved and contained and performed on the part of the Tenant to be respectively paid, kept, observed and performed, the Landlord, being the registered owner of the hereinafter described lands, has demised and leased, and by these presents does demise and lease unto the Tenant the whole of the property, including that parcel of land situate as described below, and all structures situate thereupon, being a metal clad building, a metal clad garage, two frame sheds, truck trailer, and metal quonset building:

[REDACTED]

together with all rights and appurtenances whatsoever to the said premises belonging or appertaining (hereinafter called the "demised premises").

2. TERM

TO HAVE AND TO HOLD the said hereby demised premises unto the Tenant for and during a term of 5 years commencing on the 1st day of April 2019 (hereinafter called the "commencement date") and expiring on the 28th day of April 2024 (the "Term"), unless otherwise extended in accordance with the terms of this Agreement, subject to earlier termination in accordance with the terms of this Agreement, including as a result of the Tenant's Option to Purchase

3. RENT

YIELDING AND PAYING THEREFOR unto the Landlord rental as follows:

3A. BASE YEARLY RENT

- (a) For and during the first and second year of the Term, the base minimum yearly rental (the "Base Rent") in the amount of sixty thousand (\$60,000) DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of five thousand (\$5000) DOLLARS on the day of each and every calendar month of the said first year of the said Term, the first of such payments to be made on the 1st day of April, 2019.
- (b) For and during the third and fourth year of the Term, the Base Rent shall be in the amount of sixty-three thousand (\$63,000) DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of five thousand two hundred and fifty (\$5250) DOLLARS on the day of each and every calendar month of the said third year of the term of this Lease, the first of such payments to be made on the 1st day of April, 2021;
- (c) For and during the fifth year of the Term, the Base Rent shall be in the amount of sixty six thousand one hundred and fifty (\$66,150) DOLLARS payable in lawful money of Canada, in advance, in equal monthly instalments of five thousand five hundred and thirteen (\$5,513) DOLLARS on the day of each and every calendar month of the said fifth year of the term of this Lease, the first of such payments to be made on 1st day of April, 2023.

3B. ADDITIONAL RENT

The Tenant shall also pay throughout the Term all Additional Rent which shall, except as otherwise provided in this Agreement, be payable within fifteen (15) Business Days of receipt by the Tenant of an invoice, statement or demand for it. "Additional Rent" is hereby defined as all amounts in addition to Basic Rent payable by the Tenant to the Landlord pursuant to this Agreement, other than rental taxes.

3D. PLACE OF PAYMENTS/ ADDITIONAL OBLIGATIONS OF THE TENANT

All payments to the Landlord required hereunder shall be paid by bank transfer by the Tenant to the Landlord as directed by the Landlord.

The Tenant will complete the following obligations:

Forthwith following the execution of this agreement the Tenant will work with the Landlord to make changes for the hydro, any potential phones, alarm systems and any other utilities for the rented space.

- a. During the Term hereof to maintain and keep in full force and effect a policy of general, public liability and property damage insurance protecting and indemnifying the Tenant and the Landlord against any and all claims for injury or damage to person or property or for loss of life occurring upon, in or about the demised premises, such insurance to offer immediate protection in the limit of not less than FIVE MILLION (\$5,000,000.00) DOLLARS. The policy shall contain, without limitation, a waiver of subrogation clause respecting the Landlord (or alternatively the Landlord shall be a named insured thereunder) and a clause providing that the insurer will not cancel or change the insurance without first giving the Landlord thirty (30) days' prior written notice thereof. The insurance shall be with an insurance company approved by the Landlord and a certified copy of the policy of insurance shall be delivered to the Landlord prior to the commencement of the term hereof.

3E. NO ABATEMENT

The Tenant covenants with the Landlord that all of the rental payable hereunder shall be paid by the Tenant to the Landlord without any demand, deduction, set-off or abatement whatsoever. The Tenant covenants that the Landlord may at its option apply all sums received from or due to the Tenant against any amounts due and payable hereunder in any manner as the Landlord may see fit, regardless of any designation or instructions by the Tenant to the contrary.

3F. OPTION TO PURCHASE

- a. Provided the Tenant is not currently in default in the performance of any term of this Lease, the Tenant shall have an irrevocable option to purchase (the "Option to Purchase"), during the Term and all renewals thereof, the demised premises and lands for a purchase price (the "Purchase Price") equal to \$875,000 (the "Year 1 Price") if exercised in the first year of the Term, subject to increases in each year of the term as follows:
 - i. In the second year of the Term, the Year 1 Price multiplied by a percentage equal to the annual Consumer Price Index percentage (the "Annual CPI Percentage") as at March 31, 2020, or the most recently available Annual CPI Percentage (the "Year 2 Price");
 - ii. In the third year of the Term, the Year 2 Price multiplied by a percentage equal to the Annual CPI Percentage as at March 31, 2021, or the most recently available Annual CPI Percentage (the "Year 3 Price");
 - iii. In the fourth year of the Term, the Year 3 Price multiplied by a percentage equal to the a Annual CPI Percentage as at March 31, 2022, or the most recently available Annual CPI Percentage (the "Year 4 Price");
 - iv. In the fifth year of the Term, the Year 4 Price multiplied by a percentage equal to the Annual CPI Percentage as at March 31, 2023, or the most recently available Annual CPI Percentage (the "Year 5 Price");
- b. If this Option to Purchase has been exercised, the Parties to this Lease shall enter into a separate agreement to purchase the Premises, which agreement shall incorporate the following terms therein.
- c. Together with the first payment of Basic Rent, or as otherwise agreed, the Tenant shall pay to the Landlord an amount equal to \$5,000 in consideration for the grant of the Option to Purchase, which fee shall be non-refundable.
- d. For the avoidance of doubt, the Landlord hereby agrees that, during the Term and all extensions thereof, the Landlord will not enter into any discussions with any third parties with respect to the sale of the premises to any such third party.
- e. The Parties agree that in the event that a separate agreement is required or desired to give effect to this Option to Purchase, the Parties shall act reasonably, in good faith and in a timely manner to so execute such agreement.

4. SECURITY DEPOSIT

The Landlord hereby waives the obligation of the Tenant to deliver to the Landlord a security deposit.

5. ABSOLUTELY NET, NET, NET LEASE

This Lease shall be at all times be construed as an absolutely carefree and net, net, net lease to the Landlord and accordingly absolutely all government levied, legislated or placed taxes, or charges, value added taxes, sales taxes, realty taxes, charges, expenses, costs, payments and outgoings incurred in respect of the demised premises, the subject tenancy, the revenue derived therefrom and the improvements shall be borne by the Tenant so that the rent, revenue and income herein provided shall be absolutely net to the

Landlord and free of all charges, abatement, set-off or deduction for government levied, legislated or placed taxes, value added taxes, sales taxes, goods and services taxes, realty taxes, charges, rates, assessments, expenses, costs, payments or outgoings of every nature arising from or related to the demised premises, the rental derived therefrom and the improvements thereto, and the Tenant shall pay all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings, SAVE AND EXCEPT ONLY THAT the Landlord shall be solely responsible for the Landlord's own income taxes and any other charges which may be expressly stipulated herein to be the sole responsibility of the Landlord.

6. POSSESSION

The Tenant acknowledges that it is taking the demised premises "as is" and that there is nothing whatsoever that is required to be done by the Landlord in or about the demised premises, save and except as specifically set forth herein. Provided however that if the demised premises shall not be available for occupancy by the Tenant and vacant possession thereof on the commencement date, then the Term shall commence from the date that the demised premises shall be available for occupancy and vacant possession thereof given by the Landlord to the Tenant, whereupon this Lease with the covenants, conditions and agreements herein shall be given full force and effect; provided however that if the day that the demised premises become available for occupancy falls on a day other than the first day of any calendar month then the rental payment for such broken month shall be that portion of the said monthly rental payment as the number of unexpired days in the calendar month remaining on the day the demised premises become available for occupancy bears to the total number of days in that calendar month; all subsequent rental payments shall be made monthly in advance on the first day of each and every calendar month in each and every year during the term hereof, the last month's rent in the within term of this Lease to be adjusted in accordance with the same principles as hereinbefore mentioned in connection with the first month's rent. Provided further however, the Tenant shall examine the demised premises before taking possession hereunder and such taking of possession shall be conclusive evidence as against the Tenant that at the time thereof the demised premises were fully completed and in good order and satisfactory condition and that nothing further was to be done by the Landlord in or with respect to the demised premises except as herein specifically provided or at such time agreed to by the Landlord with the Tenant in writing. Provided further however, the demised premises shall not be considered to be unready for occupancy if only minor details of construction, decoration or mechanical adjustment remain to be done, as mutually agreed by the Parties, each acting reasonably. Provided further however, the Tenant shall have no claim against the Landlord by reason of the demised premises not being ready for occupancy on the commencement date or any other date.

In the event, with the permission of the Landlord, the Tenant shall occupy the demised premises or any part thereof prior to the commencement date, such occupancy shall be deemed to be permissive at the will of the Landlord and in the absence of any other written agreement relating thereto, shall be governed by the terms, provisos, covenants, agreements and conditions of this Lease, including without limitation, payment for use and occupation at the rate of rent herein mentioned.

Save and except as expressly set forth herein, the Tenant shall be solely responsible for all work desired by the Tenant, or necessary, to complete the demised premises for the Tenant's occupancy. All such work shall be designated, approved, performed and completed in strict compliance with the Landlord's standard construction procedures, as determined by the Landlord from time to time, at all times acting reasonably.

7. USE OF PREMISES

The demised premises shall be used for and occupied by the Tenant for the purpose of the building and operation of a canning factory in the cannabis industry and for no other purpose whatsoever without first obtaining the Landlord's written consent, which may not be unreasonably or arbitrarily withheld.

THE TENANT HEREBY COVENANTS AND AGREES WITH THE LANDLORD DURING THE TERM AS FOLLOWS:

8. PAYMENT OF RENT

During the Term to promptly pay or cause to be paid unto the Landlord the Rent applicable at the time and in the manner hereinbefore mentioned without any set-off or deductions whatsoever, and to keep and perform and to permit no violation of each and every one of the covenants, agreements, terms, provisos and conditions herein contained on the part, or on behalf, of the Tenant to be kept and performed.

9. NUISANCE, ANNOYANCE AND POLLUTION

Not to carry on any business or occupation or do anything or permit anything to be done in or about the demised premises that shall be deemed a nuisance or which shall be in contravention of any law or which shall cause annoyance to the Landlord, acting reasonably, or adjoining occupants nor suffer or permit the demised premises to be used for any purpose other than the use set out in section 8 of this Lease, or which shall be contrary to any environmental concerns or requirements. Further, the Tenant shall protect, indemnify and save the Landlord absolutely harmless from and against any loss or damage resulting from any pollution or environmental matter or concern respecting the demised premises, the said lands and any other lands, and for any claim or action or any kind whatsoever made or commenced by any person or pollution control agency, which loss or damage or claim or action arose or may have arisen as the result, direct or indirect, of the Tenant, its servants, agents, employees or independent contractors, having deposited or having permitted the deposit of any pollution or waste of any type upon, within or in the demised premises, the aforesaid lands, any other lands, or in any waters in any stream, water course, sanitary disposal system or storm drainage system contrary to any one or more of the provisions of any

applicable federal or provincial environmental protection laws and amendments thereto, or any regulations proclaimed in pursuance thereof and any by-laws, statutes or regulations promulgated in substitution therefor. The Tenant shall pay to the Landlord immediately upon demand any sum expended by, or assessed against, the Landlord as the result of a breach of the foregoing provision.

10. ASSIGNMENT AND SUBLETTING

Not to assign or sublet or part with the possession of the demised premises or any portion thereof, without prior written consent of the Landlord, such consent however not to be unreasonably or arbitrarily withheld by the Landlord provided however, unless otherwise agreed by the Landlord, acting reasonably, that any consent by the Landlord to a transfer, assignment, subletting or parting with possession shall in no way discharge or release the Tenant from the full performance and observation of all the covenants, agreements, terms, provisos and conditions herein contained on the part of the Tenant to be performed and/or observed. Provided further however, any such consent shall not be deemed or implied as a consent to any further or subsequent assignment or subletting or otherwise. Any assignee or sublessee, with or without the Landlord's consent as aforesaid, shall be deemed to have assumed this Lease together with the Tenant and shall thereafter be jointly and severally liable with the Tenant for the remainder of the term hereof for payment of all rent and other monies payable hereunder by the Tenant to the Landlord and for the due performance of all the terms, covenants, conditions and agreements herein contained on the Tenant's part to be performed.

In order to obtain the Landlord's consent as aforesaid, the Tenant must provide to the Landlord the following:

- (a) a notice from the Tenant of its intention to assign or sublease the demised premises;
- (b) general credit information on the proposed assignee or sublessee (including without limitation, financial statements and credit references), who shall be an experienced successful business person; and
- (c) an executed copy of the offer of assignment or sublease, as the case may be; and
- (d) payment to the Landlord of Landlord's reasonable costs, including without limitation all the Landlord's legal fees incurred with respect to such intended assignment or subletting (including without further limitation, the preparation of documentation relating to an assignment or subletting in a form satisfactory to the Landlord). Notwithstanding the foregoing and the payment of the said deposit, all costs to the Landlord respecting such intended assignment or subletting shall at all times be borne solely and exclusively by the Tenant.

Provided further however that in the event that the Tenant shall agree to sublet the demised premises at less than the fair market rental value, and as a result thereof, the Landlord shall withhold its consent to such subletting, then the Parties hereto agree that the Landlord shall not be found or deemed to have been unreasonable or arbitrary in withholding its consent.

Provided further however, in the event of such assigning or subletting all monies paid by the assignee or sublessee, as the case may be, shall be paid directly to the Landlord who shall credit such monies as and when received to payments required and reserved hereunder. The Landlord shall be entitled to receive any excess of such monies over and above monies payable and reserved hereunder for its own use absolutely and forever and the collection or acceptance of such amounts shall not be deemed under any circumstances to be a waiver or alteration of any of the Landlord's rights under this Lease, including without limitation, under this Clause 10.

In the event of any assignment, subletting or other transfer, the Tenant and any guarantors of this Lease shall nonetheless remain jointly and severally liable (unless otherwise expressly stipulated to the contrary or agreed by the Parties) to the Landlord for the fulfillment of all of the obligations of the Tenant pursuant to this Lease. The Landlord's consent shall not be effective unless given by the Landlord in writing and no such consent shall be deemed or presumed by any act or omission of the Landlord other than consent in writing.

In the event the Tenant is a corporation, or in the event the Tenant assigns, sublets or otherwise transfers any part of its interest herein to a corporation, then any transfer of the majority of the stock of the corporation during the term hereof, or the transfer, issuance or dividing of any capital stock of the corporation sufficient to transfer control of the corporation during the term hereof shall be deemed to be an assignment, subletting or other transfer requiring the written consent of the Landlord pursuant to this Clause 10 and shall be subject to all the consent provisions as hereinbefore set forth. The Tenant shall deliver to the Landlord upon reasonable notice during the Term copies and/or excerpts of those books and records of the Tenant that indicate the shareholders of the Tenant and all share transfers.

11. PROTECTION OF PREMISES

At all times exercise and take reasonable precautions to protect the demised premises against fire and not keep or store, or suffer or permit to be kept or stored therein or thereupon any inflammable oils, substances or materials, or carry on any operation or work whereby any insurance on the demised premises may become void or voidable, or which would increase the rate for insuring the demised premises against fire or be contrary to any municipal bylaw. Provided however, in the event that the insurance rate shall be increased as aforesaid, the Tenant shall pay to the Landlord the amount by which the insurance premiums shall be so increased. If notice of cancellation shall be given respecting any insurance policy or if any insurance policy upon the said building or any part thereof shall be cancelled or refused to be renewed by

an insurer by reason of the use or occupation of the demised premises or any part thereof by the Tenant or by any assignee or subtenant of the Tenant or by anyone permitted by the Tenant to be upon the demised premises, the Tenant shall forthwith remedy or rectify such use or occupation upon being requested to do so in writing by the Landlord, and if the Tenant shall fail to do so forthwith, the Landlord may at its option terminate this Lease and the Tenant shall immediately deliver up possession of the demised premises to the Landlord.

12. CLEANING

Not to place, leave or permit or suffer to be placed, left in or upon the roads, parking lots, sidewalks and delivery areas forming part of the lands, any debris or refuse, and will at all times during the Term, at its cost and expense, keep the demised premises in a clean, wholesome and sanitary condition, free and clear of all waste paper and other substances which would be a nuisance or liable to occasion fire and will cause all dirt, rubbish, garbage and other refuse or matter on or about the demised premises to be carefully collected and deposited in containers provided by the Tenant and disposed of in a manner satisfactory to the Landlord, acting reasonably.

13. REPAIR

To occupy the demised premises in a tenant-like manner and not permit waste, and at all times during the Term, at its sole cost and expense, shall properly, well and sufficiently replace, repair, maintain, amend and keep the demised premises with appurtenances (including but without restricting the generality of the foregoing, plate glass windows, signs, partitions, doors, heating system, air conditioning system, plumbing system, electrical service, ventilation system and sprinkler system) in good and substantial repair and all fixtures thereto belonging, or which at any time during the said term shall or may be erected and made by the Landlord and/or Tenant when, where and so often as need shall be (save and except only structural repairs and those damages by fire, steam, explosion, lightning and tempest and acts of God or the Queen's enemies for which the Landlord shall receive compensation from its insurers) and will at the expiration or earlier termination of this Lease yield up the demised premises in good and tenantable repair. In addition to and without limiting the generality of the foregoing, the Tenant shall keep all wiring, pipes and mechanical apparatus in and upon the demised premises in good and tenantable repair, and in the event of damage being done to the same, the Tenant shall forthwith repair such damage as well as any other damage to the demised premises caused thereby.

The Landlord may, by themselves or their agents, enter upon the demised premises and view the state of repair thereof and upon receiving notice in writing from the Landlord, their agent or agents specifying wherein the state of repair of the demised premises are unsatisfactory and requiring the Tenant within a reasonable time, which time shall be mentioned in the said notice to repair the same, will remedy and repair the same in accordance with such notice. In the event of the Tenant failing so to make such repairs required by such notice within the time mentioned therein, the Landlord may make such repairs and charge the cost thereof to the Tenant and such cost shall be added to the rent for the then current month and recovered by the Landlord in the same manner as rent in arrears.

14. OVERLOADING

The Tenant covenants not to bring upon the demised premises, or any part thereof, any machinery, equipment, article or thing that by reason of the weight, size or use thereof may damage the demised premises, the Landlord to be the sole and exclusive judge thereof, acting reasonable.

15. INSPECTION OF PREMISES

To permit the Landlord or its agent or agents at all reasonable times during the Term, upon no less than twenty-four (24) hours' notice (save and except in the event of emergency) to enter upon the demised premises and view the state of repair thereof, and further that all want of reparation that upon such view shall be found, and for the amendments of which notice in writing shall be left on the demised premises, the Tenant shall as soon as practicable but in any event within one (1) calendar month next after such notice well and sufficiently repair and make good same insofar as the Tenant is bound so to do. In furtherance of the foregoing, the Tenant shall provide the Landlord with a key to the demised premises and access codes for any security systems.

16. GLASS AND BURGLARY DAMAGE

To pay the cost of replacing any damaged plate or other glass in the windows and doors of the demised premises, and repairing damage to the demised premises resulting from burglary or attempt thereat notwithstanding any other provisions hereof. Provided however, in the event the Tenant fails to replace such glass or commence repair of such damage within ten (10) business days of the date of written notice by the Landlord requiring such replacement or reparation and the Landlord then performs such replacement or repair (which shall at all times be at the Tenant's sole and exclusive cost) then the Tenant shall be required to keep all plate glass and all doors and windows in the demised premises insured for the benefit of the Landlord, and in the event of loss or partial loss the proceeds of all policies shall be used for the purpose of repairing the damage sustained, such insurance to be with an insurance company approved by the Landlord, acting reasonably, the Landlord shall be a named insured thereunder and a copy of the policy shall be delivered to the Landlord. In the event the Tenant does not obtain insurance if required to do so under the terms of this Clause, the Landlord may obtain the same on the Tenant's behalf at its sole and exclusive cost, which shall be paid in full by the Tenant upon receipt of the Landlord's invoice therefor.

17. INDEMNIFICATION

To indemnify the Landlord, except as a result of gross negligence on the part of the Landlord, from all liabilities, costs, damages, loss, fines, suits, claims, demands and actions or causes of actions of any kind or nature for which the Landlord shall or may become liable or suffer by reason of any breach, violation or nonperformance by the Tenant of any covenant, agreement or proviso hereof, or by reason of any injury or death occasioned to or suffered by any person or persons or any property through any act, neglect or default by the Tenant or any of its agents, servants, employees or invitees; such indemnification in respect of any such breach, violation or nonperformance, damage to property, injury or death occurring during the term of this Lease shall survive any termination of this Lease, notwithstanding anything to the contrary.

18. MUTUAL RELEASE FROM LIABILITY

Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences required to be insured against by the releasing party under the Lease.

Such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party (to include proceeds of insurance which would have been received if the releasing party had obtained all insurance required to be obtained by it under the Lease and had diligently pursued any required claim thereunder), and for this purpose deductible amounts shall be deemed to be proceeds of insurance received.

The Landlord and Tenant shall each be liable to any third party to the extent of their respective fault or negligence and each shall be entitled to full indemnity and contribution from the other to the extent of the other's fault or negligence in respect of such third party claim.

19. INSURANCE

During the Term to maintain and keep in full force and effect a policy of general, public liability and property damage insurance protecting and indemnifying the Tenant and the Landlord against any and all claims for injury or damage to person or property or for loss of life occurring upon, in or about the demised premises, such insurance to offer immediate protection in the limit of not less than FIVE MILLION (\$5,000,000.00) DOLLARS. The policy shall contain, without limitation, a waiver of subrogation clause respecting the Landlord (or alternatively the Landlord shall be a named insured thereunder) and a clause providing that the insurer will not cancel or change the insurance without first giving the Landlord thirty (30) days' prior written notice thereof. The insurance shall be with an insurance company approved by the Landlord, acting reasonably, and a certified copy of the policy of insurance shall be delivered to the Landlord prior to the commencement of the term hereof.

20. COMPLIANCE WITH LAWS

To comply as far as it is liable to as Tenant, with all the requirements and the laws and ordinances of or in force in the Province of Ontario or the laws of Canada applicable therein, or of any municipal by-law with regard to the protecting and proper adjustment of all electrical, gas lighting, heating and other fittings, machinery or appliances, furniture or furnishings and will protect and otherwise guard against danger of fire or explosion by reason of the use thereof by complying with the requirements of the said laws and ordinances and by-laws in respect of the maintenance and use thereof and of all exits and entrances or other lawful requirements.

21. UTILITIES AND LICENSES

To pay when the same shall become due and payable all license fees, charges for garbage removal, janitorial services, maintenance, electric current, heat, water, sewer and telephone and other similar charges and fees of any nature whatsoever which may be assessed or charged against or in respect of the demised premises or the occupancy thereof during the said term. The Tenant shall pay for those of its own utilities of every nature which shall be separately metered to the demised premises and shall enter into contracts respecting the supply of the same on the earlier of either the date of occupancy of the demised premises by the Tenant or the commencement date. In addition, the Landlord shall be entitled to assess upon the Tenant a greater burden of any of the aforesaid charges where, in the reasonable opinion of the Landlord, the consumption of any of the aforesaid charges is heavier in the demised premises by reason of the business carried on by the Tenant from the demised premises.

22. TAXES

To pay all government levied, legislated or placed taxes, value added taxes, sales taxes and goods and services taxes charged or assessed respecting the demised premises, or the business carried on therein, or the revenue or the income to be derived by the Landlord from the demised premises, or the subject tenancy, as well as to pay all business taxes, all occupancy permit fees and any other similar rates and taxes which may be levied or imposed upon the demised premises, the gross rentals derived therefrom, or the business carried on therein, and also all other rates and taxes which are or may be payable by the Tenant as tenant and occupant thereof; provided however, if by law, regulation or otherwise, government levied, legislated or placed taxes, business taxes, sales taxes, goods and services taxes, value added taxes or other similar rates and taxes are made payable by landlords or proprietors, or if the mode of collecting such taxes be so altered as to make the Landlord liable therefor instead of the Tenant, the Tenant shall pay to the Landlord forthwith upon demand the amount of the said charges or taxes imposed on the Landlord as a result of such change. Notwithstanding the foregoing, the foregoing shall exclude: (i) any penalties or interest incurred by Landlord as a result of its failure to pay taxes in a timely manner so long as Tenant is not in

default in the payment of same; (ii) income, corporate, profit or excess profits taxes of Landlord; (iii) applicable land transfer tax; and (iv) any other taxes personal to Landlord.

23. OCCUPANCY COSTS

To pay, as Additional Rent hereunder during each calendar year or portion thereof, its proportionate share of all occupancy costs as hereinafter defined, as shall be estimated by the Landlord from time to time, in equal monthly instalments in advance estimated as at the date of this Lease to be approximately \$1,000 (provided however payments of such estimated occupancy costs shall be adjusted annually as hereinafter provided). The occupancy costs as referred to herein shall be and consist of all charges, costs and expenses in respect of the demised premises, the building and the lands in each calendar year during the Term, without duplication or profit, including:

- (a) Real property, local improvement and school taxes, rates and charges, charged, levied or rated by any competent authority and the cost of all appeals against increased assessments for the purpose of such taxes, rates and charges (hereinafter referred to as the "real property taxes");
- (b) Government levied, legislated or placed taxes or charges, sales taxes, goods and services taxes and value added taxes which may be charged, levied or rated by any competent authority (and the cost of all appeals) respecting the revenue or rental or income derived by the Landlord from this lease of the demised premises, or the subject tenancy, or its ownership of the lands or building of which the demised premises form a part, save and except only the Landlord's own income taxes;
- (c) Insurance premiums, including but not limited to fire, extended coverage, liability, rental, business interruption, workmen's compensation and other insurance carried in good faith by the Landlord. (Provided however that the building will be insured for full replacement value);
- (d) The cost of all repairs, all replacements and all maintenance (excluding capital costs and structural repairs) and all repairs, all replacements and all costs of servicing and maintaining all heating, air-conditioning, plumbing, sprinkler, electrical and other systems machinery or equipment. (For the purposes of this Lease "structural repairs" shall include only structural repairs to perimeter walls, bearing structure and the foundation of the building);
- (e) The cost, if any, to the Landlord of cleaning, removing snow and garbage from, servicing, maintaining, operating and repairing, replacing and supervising the lands, including without limitation the sidewalks and the parking lot surrounding the building of which the demised premises forms a part, and the cost of all supplies, labour, wages and fees to contractors relating thereto;
- (f)
 - (i) the cost, if any, to the Landlord for any utilities whatsoever required for the building or the lands, plus
 - (ii) the cost, if any, to the Landlord for the Landlord's share of fuel, electricity and water consumption in the building and to the lands, including without limitation, electrical consumption for any outside lighting or electrical outlets of the building, plus
 - (iii) the salaries, wages and / or payments payable with respect to the said year by the Landlord to janitors, caretakers and other employees of the Landlord and its agents employed in the management, care, maintenance, cleaning and operation of the building (inclusive without limitation of the common areas), and charges of any contractor employed in the management, care, maintenance, cleaning or operation of the lands and the building, plus
 - (iv) the cost, if any, to the Landlord of supplies and materials required for and used in the management, care, maintenance, cleaning and operation of the lands and the building; and
- (g) a management and administration fee levied by, and payable to, the Landlord of a maximum of one percent (1%) per cent upon all expenditures made with respect to all the occupancy costs except this administration fee.

Notwithstanding the foregoing, to the extent that any of the foregoing may be assigned to or otherwise registered in the name of the Tenant such that the Tenant would pay such costs directly, the Tenant and Landlord shall cooperate and coordinate such assignment or other registration in a timely manner and such costs shall not be charged by the Landlord as Additional Rent.

The Landlord shall furnish to the Tenant ninety (90) days following its fiscal year end of each year during the Term and on or before ninety (90) days following the expiration, or earlier termination of the Term, a statement of annual occupancy costs during the immediately preceding calendar year or portion thereof during which occupancy costs are payable by the Tenant, such statement to be certified correct by a responsible officer of the Landlord. Within ten (10) days after delivery of such statement, the Landlord or the Tenant (as the case may be) shall make the appropriate adjustment payment in the amount of the differences between the total monthly occupancy costs actually paid by the Tenant during the preceding calendar year or portion thereof and the actual occupancy costs that should have been paid on the basis of the occupancy costs set out in such statement.

24. PARTITIONS, ALTERATIONS AND IMPROVEMENTS

Not to affix or erect partitions, counters or fixtures in or on any part of the walls, floor or ceiling of the demised premises and not to make alterations, decorations, additions, improvements, repairs or replacements to or about the demised premises and do no work in such connection in, to, or about the

demised premises nor contract for or employ any labour in connection with the maintenance or servicing of the demised premises, in all cases without the written consent of the Landlord being first had and obtained, and then only at the Tenant's sole and exclusive cost and expense and by a contractor approved of by the Landlord acting reasonably, which consent and approval shall not be unreasonably or arbitrarily withheld. The Landlord's consent and approval shall not, under any circumstances be construed or deemed as a consent by the Landlord to having its estate charged with the cost of such work. Notwithstanding anything contained herein, at the Landlord's option, the Tenant shall, at its sole and exclusive use, at the expiration, or earlier termination of the term of this Lease, remove all such alterations, decorations, additions, improvements, repairs or replacements, or any part or parts thereof as required by the Landlord.

25. LIENS

Not to suffer or permit during the Term any Builders' or other liens for work, labour, services or material ordered by the Tenant or for the cost of which the Tenant may in any way be obligated, to attach to the demised premises or any portion thereof, or to any improvements erected upon same, or that whenever and so often, if ever, as any such lien or liens shall be filed or shall attach, the Tenant will within ninety (90) days thereafter either pay the same or procure the discharge thereof by giving security or in such other manner as is or may be required or permitted by law.

26. TAX ON LEASEHOLD IMPROVEMENTS

To pay to the Landlord as additional rent hereunder, in respect of each tax year during the Term, an amount equal to that portion of the real property taxes as defined in Clause 23(a) hereof for such tax year, attributable to the fixtures, improvements, installations, alterations, addition and equipment from time to time made, erected or installed by or on behalf of the Tenant in the demised premises.

If a separate allocation of taxes is not issued with respect to the foregoing, the Landlord or the Tenant may from time to time apply to the taxing authority for a determination of the taxes attributable to such Tenant's improvements, which determination shall be conclusive for the purposes hereof. In the event that no such determination may be obtained from the taxing authority, the Landlord shall establish the taxes attributable to the Tenant's improvements using the then current established principles of assessment used by the taxing authority, and if possible, retain for that purpose at its expense an official of the taxing authority, which determination shall be conclusive and binding between the Landlord and Tenant.

Each year during the Term the Landlord shall notify the Tenant of the taxes attributable to such Tenant's improvements and of the Tenant's taxes or its share thereof determined as aforesaid and the Tenant hereby covenants to pay its share of said taxes as herein provided or with the next monthly instalment of the base minimum yearly rental payment due.

27. EXTERIOR SIGNS

Without the Landlord's prior written consent being first had and obtained, the Landlord acting reasonably, the Tenant shall not affix, inscribe or paint and not cause to be affixed or inscribed or painted on any of the windows or doors of the demised premises or on any part of the exterior of the building, any sign, advertisement, fixture or notice, including without limitation any sign, advertisement, fixture or notice respecting any intended assignment, subletting or otherwise. The Tenant on ceasing to be the Tenant of the demised premises will, before leaving them, cause any sign, advertisement, fixture or notice as aforesaid to be removed or obliterated at its own expense and in good and workmanlike manner, and shall repair any damage to the demised premises or to the building caused by any such removal or obliteration or pay the cost of such repair to the Landlord. In the event any sign, advertisement, fixture or notice shall be affixed or exposed without the consent of the Landlord, then the Landlord, at the expense of the Tenant, shall be at liberty to remove or obliterate such sign, advertisement, fixture or notice and for such purpose if necessary, the Landlord by its servants or agents may enter upon the demised premises. Notwithstanding any consent which may be given by the Landlord, the Tenant hereby protects, indemnifies and covenants to save the Landlord absolutely harmless from any and all claims made by any person or property as a result of the installation, existence or otherwise, of the said signs, advertisements, fixtures or notices or any of them.

28. SALE AND RENT SIGNS

To permit the Landlord to place on the lands and the building at any time during the Term a notice that the lands and the building are for sale, and during the last six (6) months of the Term, place on the lands, the building and the demised premises, or any part or parts thereof, a notice that the demised premises or any part thereof are for rent, and the Tenant shall not remove any such notices or permit the same to be removed, and the Tenant will at reasonable hours and from time to time permit the Landlord to exhibit the demised premises to any prospective purchaser or tenant.

29. SIDEWALKS AND PARKING AREAS

Notwithstanding that the Landlord may perform snow removal as part of the occupancy costs, to keep the sidewalks in front of the demised premises, and any portion of the lands demised hereby and any exclusive parking areas, free and clear of snow, ice and other obstructions according to municipal by-law and be responsible for any infraction thereof and for any loss suffered by the Landlord as a result of any breach thereof by the Tenant. .

30. HEAT

At all times to keep the demised premises properly and sufficiently heated to prevent damage thereto or to anything thereon or therein and maintain service contracts for the heating apparatus with such experts

as shall be first approved in writing by the Landlord, such service contracts to provide no less than semi-annual service, and proof of such service shall be given to the Landlord upon request. In the event that the heating apparatus or any part thereof used in effecting the heating of the demised premises at any time becomes incapable of heating the demised premises or be damaged or destroyed, the Tenant shall replace and repair the said apparatus within a reasonable period of time. It is agreed between the parties hereto that the Landlord shall not in any event be liable for any damage, whether direct, indirect or consequential, resulting from the failure of heat, nor shall the Landlord be liable for any damage resulting from personal discomfort or illness arising from failure of that heating apparatus as aforesaid or otherwise and the Tenant hereby protects, indemnifies and covenants to save the Landlord absolutely harmless from any and all claims for damages made by any person as a result of the failure of heat as aforesaid.

31. SUBORDINATION OF LEASE AND ESTOPPEL CERTIFICATES

This Lease is subject and subordinate to any mortgage or deed of trust which may now or may at any time hereafter affect the building and the lands, or upon any other building hereafter placed upon the lands, and this Lease shall also be subject and subordinate to all renewals, modifications, consolidations, replacements and extension of any such mortgage or deed of trust. This subordination of this Lease by the Tenant is subject to the condition that such future mortgagees and future encumbrances, as the case may be, shall permit the Tenant to remain in occupation of the demised premises pursuant to the terms of this Lease in the event of default by the Landlord under the said future mortgage or future encumbrance. Further the Tenant shall promptly, whenever requested by the Landlord from time to time, execute and deliver to the Landlord (and if required by the Landlord, to any other person, including without limitation any mortgagee or trustee under a trust deed or trust indenture designated by the Landlord), any postponement of this Lease required by the Landlord, as well as a certificate in writing as to the status of this Lease, including as to whether it is in full force and effect, is modified or unmodified, confirming the rent payable hereunder and the state of the accounts between the Landlord and the Tenant, the existence or non-existence of defaults and any other matters pertaining to this Lease as to which the Landlord shall request a certificate, which certificate shall be substantially in the form of Schedule "A" attached hereto and forming part hereof. Provided however, if the Tenant is requested by the Landlord to execute any such instruments (including any certificate in the form of Schedule "A" hereto) to carry out the intent of this paragraph, and fails to do so within ten (10) days of notice so to do, then the Landlord is hereby authorized and appointed the attorney of the Tenant to execute any such postponement agreement on its behalf. Any instrument so executed by the Landlord shall be sufficient and any person who the Landlord has advised the Tenant by notice shall intend to rely upon such instrument need not inquire whether a request or demand had been made of the Tenant for its execution and any instrument so executed shall be final and binding upon the Tenant.

32. RULES

To faithfully observe and comply with the Rules and Regulations as set out in Schedule "B" hereto annexed and such further reasonable rules and regulations as the Landlord hereafter at any time or from time to time may make and communicate in writing to the Tenant, which in the judgment of the Landlord shall be necessary for the reputation, safety, care or appearance of the building or the preservation of good order therein, or the operation or maintenance of the building or the equipment thereof, or the comfort of the tenants or other occupants of the building.

33. EXEMPTION RE DISTRESS

The Tenant waives and renounces the benefit of any present or future Act of the Government of Ontario taking away or limiting the Landlord's right of distress, and notwithstanding any such Act, the Landlord may seize upon and sell all the Tenant's goods and chattels for payment of rent and costs as might have been done if such Act had not been passed.

34. DISTRESS AWAY FROM DEMISED PREMISES

The Tenant further covenants that if it leaves the demised premises leaving any rent owing under this Lease unpaid, the Landlord, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of the Tenant at any place to which the Tenant or any other person may have removed them, in the same manner as if such goods and chattels had remained, and been distrained, upon the demised premises.

35. AMENDMENTS TO LEASE

If any holder of any mortgage or mortgages or any charge resulting from any other method of financing or refinancing, declaration of trust, debenture issue or any other such method of financing or refinancing now or hereafter in force against the building and the lands or upon any other buildings hereinbefore described and the lands or upon any other lands shall at any time require any change not of a substantial nature in any of the terms, covenants and provisions of this Lease the Tenant hereby covenants to make such modification of this Lease to comply with the requirements of such party; provided always that there is no increase in the rent or other monies to be paid hereunder, no increase in the length of the term hereby created and that such modifications will not involve alterations of substance in the covenants and agreements herein contained.

36. APPLICATION OF MONIES

The Tenant hereby covenants that all payments by the Tenant under the terms of this Lease, whether in respect of Base Rent or Additional Rent, may be applied by the Landlord towards payment of any other monies due and payable by the Tenant to the Landlord at the date of such payment irrespective of the purpose for which such payment by the Tenant was tendered.

37. TENANT IMPROVEMENTS

It is acknowledged and agreed that the Tenant will perform certain renovations, supply and install certain fixtures during the Term, in each instance of which a notice of which will be delivered to the Landlord prior thereto for the purposes of seeking approval, not to be unreasonably or arbitrarily withheld or delayed, and which notice and approval may each be delivered by email. Further and notwithstanding the foregoing, it is agreed and understood that the approval by Andre Audet of those business and project plans that may include leasehold improvements will also be deemed to be approval by Andre Audet on behalf of the Landlord of such leasehold improvements. The Landlord hereby represents and warrants that Andre Audet is the authorized to bind the Landlord with respect to the foregoing.

In the event that the Tenant does not exercise the Option to Purchase, the Landlord hereby agrees to pay to the Tenant, forthwith upon the termination of this Agreement, an amount equal to the fair value of the leasehold improvements made by the Tenant during the Term, to be negotiated and agreed in good faith by the Tenant and Landlord at the time of such purchase. The Landlord and the Tenant may each select such party's own appraiser. In the event of the foregoing, the Parties to this Agreement shall enter into a separate agreement to evidence the foregoing, if so desired by either Party.

THE LANDLORD HEREBY COVENANTS WITH THE TENANT AS FOLLOWS:

38. PEACEFUL POSSESSION

The Tenant, upon paying the Rent, and upon keeping and performing each and every covenant, agreement, term, provision and condition herein contained, shall and may from time to time and at all times during the Term peaceably and quietly enjoy the demised premises hereby demised without molestation or hindrance by the Landlord or by any other person lawfully claiming the same, subject to the mortgages or deeds of trust to which this Lease is subject and subordinate.

39. COMMON AREAS

To the extent applicable, the Tenant, its employees, customers, agents, invitees, licensees, or otherwise shall throughout the said term have the privilege of using in common with other persons entitled thereto all those portions of the lands not covered by buildings and being designated from time to time by the Landlord as parking areas, sidewalks, driveways and landscaped areas (hereinafter called "the common areas"); provided however the Landlord reserves the right at any time during the Term without notice to the Tenant to take possession of all or any portion of the common areas for any purpose whatsoever provided that the rights of the Tenant under this Lease are not materially adversely affected. Provided further however, for the good and welfare of all persons entitled to use the common areas the Landlord expressly reserves the right to promulgate rules and regulations relating to the use thereof and such rules and regulations shall be binding upon the Tenant, upon the Landlord giving notice thereof to the Tenant, or by the posting of the same in a conspicuous place in the confines of the common areas or by the delivery of a copy of the same to the Tenant.

40. TAXES

To pay all taxes, assessments, charges and rates, municipal, legislative or otherwise assessed against the demised premises except such taxes, charges and rates or increases as the Tenant is specifically obligated to pay hereunder and any value added taxes or sales taxes on the revenue derived from the demised premises, which shall be paid solely and exclusively by the Tenant, notwithstanding that the Landlord may be responsible for the same.

41. INSURANCE

Throughout the Term, to take out and keep in full force and effect on the building against fire and other perils normally included in extended coverage endorsements for the full insurable value thereof.

42. LANDLORD IMPROVEMENTS

The Landlord does not in the ordinary course provide any improvements to the demised premises, prior to, at, or after the commencement date.

THE LANDLORD AND THE TENANT HEREBY COVENANT WITH EACH OTHER AS FOLLOWS:

43. FORFEITURE

If and whenever the rent hereby reserved or any part thereof, or any other payment due under this Lease, shall be unpaid after any of the days on which the same should have been paid and remains unpaid for a period of ten (10) business days following the delivery of notice of such default by the Landlord to the Tenant or in case of the breach or non-performance of any of the covenants, terms, provisos or conditions in this Lease mentioned, if such breach or non-performance is not remedied within fifteen (15) business days following the delivery of notice of such default by the Landlord to the Tenant, then and in every such case it shall and will be lawful for the Landlord at any time and from time to time thereafter, notwithstanding any former breach or non-performance or any waiver of the Landlord's rights arising therefrom in, to re-enter the demised premises or any part thereof in the name of the whole, and the same to have again, repossess and enjoy as of its former state, anything herein contained to the contrary notwithstanding. These provisions shall extend and apply to all covenants, terms, provisos or conditions hereinbefore or hereinafter contained, whether positive or negative on the part of the Tenant to be observed or performed. Provided further however, no act of the Landlord of any nature or kind shall at any time

during the currency of this Lease or renewal thereof be deemed to be a waiver of any of the rights of the Landlord.

44. OPTION TO RENEW

In the event that the Tenant pays, observes and performs, at all times during the currency of this Lease, all, each and every one of the terms, conditions and provisos of this Lease which are the responsibility of the Tenant, then the Landlord shall grant to the Tenant a renewal of this Lease of the demised premises for a further term of 2 years (the "Renewal Term") upon receipt of the Tenant's written request therefor (to be received by the Landlord no later than Ninety (90) days prior to the expiration date of the term of this Lease, failing which the Tenant shall have no right whatsoever to renew this Lease) at a minimum base yearly rental for the demised premises being the greater of fair market rental value and that greatest Base Rent payable by the Tenant during the Term. Such renewal of this Lease shall be upon all the same term, conditions and provisos of this Lease, save and except this clause shall be deleted in its entirety and the base minimum yearly rental and security deposits under the renewed Lease shall be amended in accordance with the amended rental for the demised premises. The determination of fair market rental value of the demised premises shall be made as of the 1st day of February, 2024 and shall be based on the assumption that the demised premises may be used:

- (a) for the purposes for which they are being used;
- (b) for the purposes for which they are required to be used pursuant to the terms of this Lease;
- (c) for the purposes for which they may on the said date be lawfully used; whichever purpose shall be the greatest, highest and most valuable purpose then available and without regard to the existence of the Lease.

In the event that the Landlord and the Tenant are unable to agree as to the aforesaid fair market rental value, then the determination of same shall be referred to a Board of three (3) arbitrators, each of whom shall be an expert in the field of real estate leasing in the City of Toronto, in the Province of Ontario. The Landlord and the Tenant shall each appoint within seven (7) days of the date that the Landlord and the Tenant are unable to agree upon the fair market rental value of the demised premises, a person who is an expert as aforesaid, who shall together appoint a third arbitrator in writing. If either of the Landlord or the Tenant shall refuse or neglect to appoint such a person and such party so refusing or neglecting to appoint an arbitrator shall have been served a written notice requiring the making of such an appointment, then at the expiration of seven (7) days following the date of service of such notice, the person appointed by the other shall, at the request of the party appointing him, proceed to hear and determine the matters in difference or in dispute, as if he were a single arbitrator appointed by both the Landlord and the Tenant duly authorized for that purpose. If both the Landlord and the Tenant appoint their respective arbitrators in the time prescribed and they do not agree within a period of five (5) days upon the appointment of the third arbitrator, then upon the application to a court of competent jurisdiction by either the Landlord or the Tenant pursuant to provincial arbitration legislation, as amended, the time for service thereof being hereby abridged to three (3) clear days, the third arbitrator shall be appointed by the court. The award or determination made by the said arbitrators or the majority of them, or by the single arbitrator, as the case may be, shall be final and binding upon the Landlord and Tenant, their successors and assigns. The provisions of this paragraph shall be deemed to be a submission to arbitration within the provisions of such legislation, and any statutory modification or re-enactment thereof; provided that any limitation on the remuneration of arbitrators imposed by such legislation shall not be applicable.

Notwithstanding the foregoing determination, in no event shall the fair market rental for the demised premises for the Renewal Term be less than the base minimum yearly amount of sixty six thousand one hundred and fifty DOLLARS (\$66,150) which shall be received by the Landlord (in accordance with Clause 5 of this Lease) absolutely "net net net" of all expenses, costs, payments, charges and outgoings respecting the demised premises, the improvements and the operating of the lands and the building of which the demised premises form a part, including without limitation those costs and charges set forth in Clause 5 hereof.

45. ABANDONED PREMISES

In the event that the demised premises during the Term shall be left or become vacant and the Tenant shall fail to make payment of rent the Landlord, its agent or agents, may re-enter upon the same and for the purpose of any re-entry under this or the next preceding paragraph it shall and may be lawful for the Landlord, by itself or its servant or servants and with such assistant or assistants as it may require for that purpose to break and force open any doors, locks, bars, bolts, fastenings and hinges.

46. SEIZURE OF CHATTELS AND INSOLVENCY

If the Term hereby granted or the goods and chattels (or any part or parts thereof) of the Tenant on the demised premises liable to distress shall during the Term be seized or taken in execution or in attachment, or if the Tenant shall become insolvent or make an assignment for the benefit of creditors, or if the Tenant shall be placed in receivership, by court appointment or otherwise, or if any steps are taken or any action or proceedings are instituted by the Tenant or any other party for the dissolution, winding up or liquidation of the Tenant or its assets, or if the Tenant makes a sale in bulk, or in the case of the demised premises or any part thereof shall be used for any other purpose than is herein provided, without the prior written consent of the Landlord, then upon any one of the aforesaid events occurring at any time and from time to time, the Landlord may at its option cancel this Lease, whereupon this Lease shall cease and determine and be void and the term hereby created expire and be at an end and the then current month's instalment of Base Rent and Additional Rent and three (3) additional months of instalments of Base Rent and Additional

Rent shall thereupon become immediately due and payable and the term shall at the option of the Landlord be forfeited.

47. LANDLORD'S RIGHT ON RE-ENTRY OR TERMINATION

If the Landlord shall re-enter or if this Lease shall be terminated as herein provided, or if the Tenant shall abandon the demised premises or surrender possession without the express written consent of the Landlord, then:

- (a) no act of the Landlord shall operate as an acceptance of surrender or shall operate as an extinguishment of the remedies of the Landlord, as herein provided or otherwise, by operation of law or otherwise; and
- (b) rent shall immediately become due and be paid up to the time of such re-entry or termination together with the reasonable expenses of the Landlord as hereinafter defined; and
- (c) the Landlord may re-let the demised premises or any part thereof either in the name of the Landlord or otherwise, as agent of the Tenant and the Tenant does hereby expressly constitute and appoint the Landlord as its agent for such purpose, for a term or terms which may, if the Landlord chooses, be less or greater than the balance of the term of this Lease and the Landlord may grant all reasonable concessions in connection therewith; and
- (d) the Landlord may, at its option and in addition to any other remedy (save and except as set forth in sub-paragraph (g) below) it may have, require that the Tenant pay to the Landlord as liquidated damages for the failure of the Tenant to observe and perform the covenants of this Lease, monthly on the first day of each month following such re-entry or termination and until the expiration of the period that would otherwise have constituted the balance of the term of this Lease, any deficiency between:
 - (i) the sum of the monthly rent payable hereunder; and
 - (ii) the net amount of any rents collected on account of the Lease of the demised premises for each month of the period which would otherwise have constituted the balance of the term; and
- (e) the Tenant shall pay to the Landlord on demand such reasonable expenses as the Landlord may incur in re-letting the demised premises, including legal costs, solicitors' fees (on a solicitor and his own client basis) and brokerage, alterations and decoration and the expense of keeping the demised premises for re-letting; and
- (f) the making of any alterations or decoration in the demised premises which the Landlord considers advisable and necessary for the purpose of re-letting them, shall not operate or be construed to release the Tenant from liability hereunder; and
- (g) the Landlord may, at its option and in addition to any other remedy (save and except as set forth in sub-paragraph (d) above) it may have, require that the Tenant pay forthwith to the Landlord as liquidated damages for the default of the Tenant in the observance and performance of the covenants under this Lease, all rent (including without limitation all base minimum yearly rentals and all additional payments, as such rent payments are solely and exclusively estimated by the Landlord) reserved to be paid and remaining unpaid by the Tenant under this Lease from the date of default by the Tenant to and including the expiration of the term of this Lease and in addition, without limitation, the Landlord may distrain for all such accelerated rent. The total sum of all monies payable by the Tenant pursuant to the provisions of sub-paragraph (g) of this Clause shall be divided by the number of months remaining in the unexpired portion of the term of this Lease immediately prior to the date of such default by the Tenant, and to the extent any monthly income actually received by the Landlord with respect to any re-rental of the demised premises exceeds the quotient as obtained, such excess shall be the sole property of the Landlord as liquidated damages for such default by the Tenant.

Notwithstanding anything to the contrary herein contained, acceptance of the surrender of this Lease shall not be effective unless made in writing and signed by the Landlord. No act of the Landlord shall operate as an acceptance of surrender or shall operate as an extinguishment of the remedies of the Landlord as herein provided or otherwise, by operation of the law or otherwise.

48. ALTERATIONS BY THE LANDLORD

The Landlord shall be at liberty at any time during the Term hereby granted to make such changes, alterations, additions or improvements in or to the building and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages and stairways thereof as may be necessary or desirable, provided however that there will be no unreasonable obstruction of the right of access to the demised premises or unreasonable interference with the use of the demised premises. [ok?]

49. TENANT'S FIXTURES

Unless otherwise set out in this Agreement, including as contemplated in section 37, fixtures, improvements and appurtenances attached to or built into the demised premises at the commencement or during the Term, whether by the Landlord at its own expense or at the expense of the Tenant or by the Tenant, (the "Fixtures") shall be and remain part of the demised premises and shall not be removed by the Tenant at the end of the term unless otherwise expressly provided in this Lease. The Tenant may install its

usual business and trade fixtures in the usual manner in the demised premises, provided such installation does not damage the demised premises or the building, are identified as such by the Tenant prior to such installation and that the Tenant shall have submitted to the Landlord plans and specifications for such business and trade fixtures and obtained the prior written consent of the Landlord thereto, which consent shall not be unreasonably withheld. All such prior identified business and trade fixtures owned or installed by the Tenant in or on the demised premises shall remain the property of the Tenant and shall be removed by the Tenant at the expiration of the term or any renewal thereof or at the sooner termination thereof, provided that the Tenant at its expense shall repair any damage to the demised premises, the building and the lands caused by such removal. Such removal by the Tenant of its business and trade fixtures as aforesaid shall only be permitted provided that the Tenant is not in default under any covenant or agreement contained herein at the time of such removal, and if in default, the Landlord shall have a lien on the Tenant's business and trade fixtures as security against loss or damage resulting from any such default by the Tenant and the Tenant's business and trade fixtures shall not be removed by the Tenant until such default is cured, unless otherwise directed by the Landlord. Notwithstanding the foregoing, the Landlord may elect to require the Tenant to remove all or any part of any Fixtures and the business and trade fixtures owned or installed by or on behalf of the Tenant at the expiration or termination of the term or any renewal thereof, in which event such removal shall be done at the Tenant's expense and the Tenant shall, at its expense, repair any damage to the demised premises, the building and the lands caused by such removal. If the Tenant does not remove the Fixtures and / or its business and trade fixtures forthwith after written demand by the Landlord, such property shall, if the Landlord elects, be deemed to become (as to part or the whole thereof) the Landlord's property or the Landlord may remove the same (as to part or the whole thereof) at the expense of the Tenant and the cost of such removal shall be paid by the Tenant forthwith to the Landlord on written demand, and the Landlord shall not be responsible for any loss or damage to such property as a result of such removal.

50. LIABILITY AND INDEMNITY OF LANDLORD

- (a) Neither the Landlord or its agents shall be liable for any loss, injury or damage caused to vehicles or their contents, or for the loss of any property by theft or otherwise, and all property kept or stored in the demised premises, the building, the lands and the common areas or any part or parts thereof, shall be at all times at the risk of the Tenant and not the Landlord.
- (b) The Landlord and its agents shall not be liable for any loss, injury or damage to persons or property resulting from falling plaster, steam, electricity, water, rain, snow or dampness, or from any other cause whatsoever. The Landlord and its agents shall not be liable for any loss or damage caused by acts or omissions of other tenants or occupants, their employees or agents, or of any persons not the employees or agents of the Landlord, or for damage caused by the construction of any public or quasi-public works, and in no event shall the Landlord be liable for any consequential or indirect damages suffered by the Tenant or any other person.
- (c) The Tenant hereby protects, indemnifies and covenants to save the Landlord absolutely harmless from and against all liability, claims, damages or expenses due to or arising out of any act or neglect by the Tenant or its servants, employees, agents, customers, invitees or licensees on and about the demised premises, the building, the lands and the common areas or due to or arising out of any breach by the Tenant of any provision of this Lease, including liability for injury or damages to the persons or property of the Tenant's servants, employees, agents, customers, invitees or licensees.

51. DAMAGE AND DESTRUCTION

If during the Term or any renewal thereof the demised premises or the building or any part or parts thereof shall be damaged by fire, steam, explosion, lightning, tempest, or acts of God or the Queen's enemies or other such casualty, then the following provisions shall have effect:

- (a) In the event that the demised premises shall be so badly injured as to be unfit for occupancy and be incapable of being repaired with reasonable diligence within one hundred eighty (180) days of the happening of such injury, then unless otherwise agreed by the Parties, the Term hereby granted shall cease and be at an end for all intent and purposes from the date of such damage or destruction and the Tenant shall immediately surrender the same and yield up possession of the demised premises to the Landlord, and no rent shall be payable from the time of such surrender;
- (b) In the event that the demised premises shall be capable, with reasonable diligence, of being repaired and rendered fit for occupancy within one hundred eighty (180) days from the happening of such injury as aforesaid and should the damage be such as to render the demised premises wholly unfit for occupancy during the process of such repairs, then the Rent shall not run or accrue after such injury, or while such repairs are in progress and the Landlord shall repair the same with all reasonable diligence and the rental shall re-commence immediately after such repairs shall be completed;
- (c) In the event that the demised premises can be repaired within one hundred eighty (180) days as aforesaid, and if the damage is such that the demised premises are capable of being partially used, then until such damage shall have been repaired the rent shall abate in the proportion that the part of the demised premises rendered unfit for occupancy bears to the whole of the demised premises, and the amount of the abatement shall, in the event the Landlord and the Tenant are unable to agree upon the same, be determined by arbitration in accordance with provincial arbitration legislation;
- (d) If the demised premises shall, in the sole and exclusive opinion of the Landlord, be damaged to the extent that greater than Fifty (50%) per cent of the demised premises requires repair or reconstruction (and whether or not there shall be any damage to the demised premises) then, at

the Landlord's option exercisable upon written notice to the Tenant, the said Term hereby granted shall cease and be at an end for all intents and purposes from the date of such damage or destruction, and the Tenant shall surrender and yield up possession of the demised premises to the Landlord in accordance with the said notice and the rent shall be adjusted to the time of such surrender. Notwithstanding the foregoing, the Tenant shall have an additional period of 90 days following such termination, or any time prior thereto, to exercise the Option to Purchase;

- (e) If during the Term the demised premises are destroyed or damaged, in whole or in part, by fire, steam, explosion, lightning, tempest, or acts of God or the Queen's enemies, or other such casualty so as to render the same wholly unfit for occupancy and this Lease shall be determined in accordance with the preceding paragraphs, the Tenant shall, at the option of the Tenant exercisable upon written notice to the Landlord, forthwith remove from the demised premises all goods, merchandise, fixtures, machinery, fittings and other chattels or the ruins or remains thereof, or any part or parts thereof, or the Landlord shall pay the cost to acquire the foregoing as contemplated in section 37.

Provided however, if any such damage is due to the negligence or overt acts of the Tenant or its agents or servants then notwithstanding anything to the contrary herein contained the cost to repair such damage, whether such damage is repaired or not, shall be paid by the Tenant and there shall be no abatement of rent.

52. LANDLORD'S RIGHT TO PAY TENANT'S OBLIGATIONS

If the Tenant fails to pay any charges which it has herein covenanted to pay, the Landlord may pay them and charge the sums paid, together with a fee of fifteen (%15) per cent thereof, to the Tenant who shall pay them forthwith on demand; and the Landlord, in addition to any other rights shall have the same remedies and may take the same steps for the recovery of all such sums as if they were rent in arrears. All arrears of rent, sums paid or expenses incurred by the Landlord, which ought to have been paid or incurred by the Tenant or for which the Landlord is entitled hereunder to reimbursement from the Tenant, together with a fee of fifteen (15%) per cent thereof, shall all bear interest monthly at the rate of two (2%) per cent per annum from the date the same became due or was spent or incurred, as the case may be, until the date of payment or repayment.

53. PROFESSIONAL FEES

If the Landlord at any time is compelled or elects to incur any expense whatsoever, including any professional fees of any nature whatsoever related to any matter or thing whatsoever respecting this Lease or any renewals hereof, including without limitation, in obtaining the approval of the Landlord's architects or engineers respecting improvements or alterations to the demised premises by the Tenant, in appealing any tax assessment levied by municipalities or other governmental bodies, or in instituting, prosecuting or defending any action or proceeding based upon any default of the Tenant under this Lease (including any action or proceedings against the Tenant), including without limitation, any legal fees on a solicitor and his own client basis paid, or payable, by the Landlord, then such expenses together with all interest and damages shall be payable by the Tenant on demand as additional rent.

54. OVERHOLDING TENANT

In the event of the Tenant holding over beyond the Term, with or without the consent of the Landlord and without any further written agreement, the tenancy resulting shall be a monthly tenancy only at a monthly rental calculated at 125% of the greatest Base Rent per year payable by the Tenant during the currency of this Lease, including any renewals hereof; and the Tenant shall pay all additional rental payable hereunder on a monthly basis as estimated by the Landlord, including without limitation, the Tenant's proportionate share of all other sums which by the terms hereof are deemed to be rent or arise to be payable by the Tenant, and subject to termination at the election of the Landlord or the Tenant upon one (1) month's notice in writing, and subject also to the terms, conditions and covenants herein set out so far as the same are applicable to a tenancy from month to month, it being understood that the acceptance of rent or any implied condition in no way renews this Lease as a yearly tenancy.

55. IMPOSSIBILITY OF PERFORMANCE

Whenever and to the extent that the Landlord shall be unable to fulfil any obligation hereunder for the supply or provision of any service or utility or the doing of any work or the making of any repairs because it is unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfil such obligation or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board, or any government department or officer or other authority, or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its control, whereby of the foregoing character or not, the Landlord shall be relieved from the fulfillment of such obligation, or alternatively to exclusively extend any time periods for the fulfillment of such obligation, and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby caused.

56. LANDLORD

The term "Landlord" as used herein shall be deemed to mean only the owner for the time being of the lands and building so that in the event of any sale or sales, the Landlord shall be and is hereby relieved of all covenants and obligations of the Landlord hereunder and it shall be deemed and construed without further agreement between the parties, or their successors in interest, or between the parties and the purchaser at any such sale, that the purchaser has assumed and agreed to carry out any and all of the covenants and obligations of the Landlord hereunder to the Landlord's exoneration. Notwithstanding the foregoing, the

Landlord hereby agrees to cause any assignee or purchaser of its interest in the demised premises and lands to honour all covenants granted by the Landlord in this Lease, including without limitation the Option to Purchase defined in Clause 3F.

57. NOTICES

Any notice, statement or request herein requested or permitted to be given by either party to the other shall be in writing, and shall be deemed to have been sufficiently and effectually given if signed by or on behalf of the party giving the notice and may be mailed by registered prepaid post, or delivered, in the case of the Landlord to it or its agent at the address at which rental payments due hereunder are then being made, and in the case of the Tenant, to it addressed to the demised premises with a copy to or as either party in writing may direct. Any such notice given as aforesaid shall be conclusively deemed to have been given and received, if delivered, on the date of such delivery, or if mailed, forty-eight (48) hours after such mailing. In the event of existing or impending postal interruption affecting either of the parties hereto, any such notice, statement or request shall be delivered to the addresses as hereinbefore set forth rather than mailed as aforesaid.

58. NO REGISTRATION

The Tenant shall have the right only to file a Notice of this Lease or Caveat respecting this Lease in the appropriate Land Titles Office in which the lands are situate and under no circumstances whatsoever shall file or register this Lease at the said Land Titles Office or elsewhere, this Lease being a confidential document between the Landlord and the Tenant. Accordingly, the Tenant shall make no use whatsoever of this Lease or any provision hereof or information delivered to the Tenant, save and except only in connection with the tenancy created hereunder.

59. TIME OF ESSENCE

Time shall be of the essence of this Lease save as herein otherwise expressly specified.

60. CAPTIONS

The captions appearing in this Lease have been inserted as a matter of convenience and for reference only, and in no way define, limit or enlarge the scope or meaning of this Lease, nor of any provision hereof.

61. TERMS, COVENANTS AND CONDITIONS INVALID

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

62. GOVERNMENTAL REGULATIONS

The Tenant shall abide by all laws, by-laws, legislative and regulatory requirements of any governmental or other competent authority relating to the business conducted on the demised premises and shall indemnify, protect and save the Landlord harmless from all costs or charges incidental thereto, or damages or penalties by reason of breach thereof.

63. FIRE REGULATIONS

The Tenant shall not store or bring on the demised premises any articles of an inflammable, combustible or dangerous nature and shall at all times keep the demised premises in such condition as to comply with the regulations and requirements of any appropriate fire underwriter's association and of the fire department of local and competent jurisdiction. The Tenant shall keep and maintain on the demised premises all safety applications required by any authority for the use of the demised premises. The Tenant shall not do or permit to be done or omit or permit to be omitted upon the demised premises anything which shall cause any insurance policy insuring the lands or any part thereof or the Landlord or the Tenants of the lands to be cancelled or effected in any manner whatsoever.

64. CUMULATIVE REMEDIES

All rights and remedies of the Landlord enumerated in this Lease are cumulative and, save and except as expressly set forth herein, none will exclude any other right or remedy allowed by law.

65. FORBEARANCE

No condonation or waiver by the Landlord of any non-observance or non-performance by the Tenant of any of the provisions hereunder will operate as a waiver or estoppel by or against the Landlord in respect of any subsequent non-observance or non-performance by the Tenant of the same or any other provision hereunder.

66. ACCORD AND SATISFACTION

No payment by the Tenant or receipt by the Landlord of a lesser amount than the payment of Base Rent or Additional Rent or other payments herein stipulated shall be deemed to be other than on account of the earliest stipulated sum due, unless the Landlord elects in its sole and absolute discretion to acknowledge in writing that any cheque or payment be deemed on accord and satisfaction, provided further that the

Landlord may accept any such cheque or payment without prejudice to the Landlord's right to recover the balance due or pursue any other remedy in this Lease.

67. GENERAL

This Lease together with any documentation evidencing the Tenant's Option to Purchase contains the entire agreement between the Landlord and the Tenant and it is admitted so that they shall forever be estopped from asserting that there is any condition precedent or warranty of any nature whatsoever or collateral warranty or covenant whatsoever to the within Lease.

Wherever the singular and gender neuter is used throughout this Lease, the same shall be construed as meaning the plural or masculine or feminine or a body corporate where the context or the parties hereto so require, and where there are two (2) or more parties forming the Tenant the covenants by the Tenant herein contained shall be at all times joint and several covenants of the parties forming the Tenant.

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

68. ACCEPTANCE

The Tenant hereby accepts this Lease of the demised premises to be held by it as the Tenant, and subject to the conditions, restrictions and covenants above set forth.

IN WITNESS WHEREOF, LANDLORD and TENANT have hereunto affixed their respective names attested to by their properly authorized officers, all as of the day and year first above written.

Thousand Island Farms Inc.

Molecule Inc

Per: _____

Per: _____

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IN WITNESS WHEREOF, LANDLORD and TENANT have hereunto affixed their respective names attested to by their properly authorized officers, all as of the day and year first above written.

Thousand Island Farms Inc.

Molecule Inc



SCHEDULE "A"
CERTIFICATE

(to be signed by the tenant and delivered to the landlord after the tenant has paid its initial fees and completed its initial obligations in the contract)

TO: Thousand Island Farms Inc.

RE: 591 Reynolds Road, Lansdowne, Ontario
 (the "Leased Premises")

FROM: Molecule Inc.
 (the "Tenant")

being a tenant in possession of its Leased Premises under a lease from Thousand Island Farms Inc. (the "Landlord") dated the April 1, 2019 (the "Lease"), with the intent that this certificate may be relied upon by you, hereby certifies to you as follows:

- (a) all the subsisting rights and all the subsisting obligations of the Tenant and the Landlord, respectively, are contained in the Lease and there are no other agreements between the Tenant and the Landlord now in effect pertaining to such rights and obligations;
- (b) the Lease has been validly authorized, executed and delivered by the Tenant;
- (c) the Lease is unmodified and in full force and effect and the Tenant has accepted possession, and is in occupation of the Leased Premises and is paying rent in accordance with the terms of the Lease, the term of which began on [lease date];
- (d) rent has been paid under the Lease to date and has not been prepaid; the fixed Base Minimum Rent at present payable pursuant to the Lease is \$[amount] per annum;
- (e) there is no existing default by either the Landlord or the Tenant under the Lease;
- (f) there are no setoffs, defences or counterclaims against the enforcement of the obligations to be performed by the Tenant under the Lease;
- (g) to the knowledge of the Tenant, no litigation or governmental or municipal proceeding has been commenced or is pending or threatened against the Tenant with respect to the Leased Premises;
- (h) all improvements to be performed by the Landlord under the Lease (or under any antecedent agreement relating thereto) have been completed to the absolute satisfaction of the Tenant and all allowances on account of such Tenant's improvements have been paid by the Landlord; and

DATED at _____ this ____ day of _____, _____.

Molecule Inc.

Per: _____

Print Name & Title

SCHEDULE "B"

RULES AND REGULATIONS

The following shall apply, to the extent that any of the following is applicable to the demised premises, unless otherwise approved by the Landlord:

1. The sidewalks, entrances, stairways and corridors of the building, as applicable, shall not be obstructed by the Tenant or used by it for any other purpose than for ingress and egress to and from the demised premises and no Tenant shall place or allow to be placed in or on the hallways, corridors, toilets or stairways any waste paper, dust, garbage, refuse or anything whatever that shall tend to make them appear unclean or untidy.
2. All entrance doors in the demised premises shall be left locked by the Tenant when the demised premises are not in use.
3. Tenant shall not permit the introduction into the demised premises or the building of any machine or mechanical device of any nature whatsoever which may be liable to cause objectionable noise or vibration or be injurious to the demised premises or the building.
4. Any hand trucks, carryalls or similar appliances used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.
5. If any apparatus used or installed by Tenant requires a license or a permit as a condition for its use or installation, Tenant must obtain and file a copy of such license or permit with the Landlord prior to any such use or installation.
6. Tenant shall not place any additional locks upon any doors of the demised premises or the building without the consent of the Landlord.
7. The Landlord reserves the right to promulgate, rescind, alter or waive any rules or regulations at any time prescribed for the lands and/or building when it is necessary, desirable or proper for its best interest and in the opinion of the Landlord for the best interests of the tenants of the building.
8. The Tenant shall not drill into or in any way deface the walls, ceilings, partitions, floors, wood, stone or ironwork. Boring, cutting or stringing of wires including telegraphic or telephonic connections or pipes shall not be permitted except with the prior written consent of the Landlord and as it may direct.
9. No one shall use the demised premises or any part thereof for sleeping apartments.
10. The Tenant shall not operate or permit to be operated any musical or sound-producing instrument or device inside or outside the demised premises which may be heard outside the demised premises. The Tenant will not install any radio or television antennae, loudspeakers, sound amplifiers or similar devices on the roof or exterior walls of the said building without the prior written consent of the Landlord, which may be unreasonably or arbitrarily withheld.
11. No animal shall be allowed on or kept in or about the demised premises or the building.