

Greenhouse Lease

Table of Contents

ARTICLE 1 — BASIC TERMS, DEFINITIONS	
1.1	Basic Terms
1.2	Definitions
ARTICLE 2 — DEMISE AND TERM	
2.1	Demise
2.2	Term
2.3	Overholding
ARTICLE 3 — RENT	
3.1	Covenant to Pay, Net Lease
3.2	Rental Taxes
3.3	Payment Method
3.4	Rent Past Due
ARTICLE 4 — BASIC RENT	
4.1	Basic Rent
ARTICLE 5 — ADDITIONAL RENT	
5.1	Additional Rent
5.2	Realty Taxes
5.3	Business and Other Taxes
5.4	Operating Costs
5.5	Annual Readjustment of Additional Rent
5.6	Landlord's Insurance Costs
ARTICLE 6 — UTILITIES AND HVAC	
6.1	Payment for Utilities
6.2	Above-Normal Utilization
6.3	Additional Utilities
6.4	No Overloading
6.5	No Liability
6.6	HVAC and Greenhouse Equipment
ARTICLE 7 RULES AND REGULATIONS	
ARTICLE 8 — USE OF PREMISES	
8.1	Use of the Premises
8.2	Observance of Law
8.3	Waste, Nuisance, Overloading
8.4	Tenant's Warranties and Covenants Regarding Use of Premises
ARTICLE 9 — MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES	
9.1	Maintenance, Repair and Cleaning of Premises
9.2	Inspection and Repair on Notice
9.3	Repair where Tenant at Fault
9.4	Alterations
9.5	Signs
9.6	Construction Liens
9.7	Leasehold Improvements and Fixtures
9.8	Surrender of Premises
ARTICLE 10 — INSURANCE AND INDEMNITY	

10.1	Tenant's Insurance
10.2	Landlord's Insurance
10.3	Increase of Landlord Premiums
10.4	Tenant Indemnity
10.5	Mutual Release
ARTICLE 11 — ASSIGNMENT, SUBLETTING AND TERMINATION	
11.1	Assignment, Subletting
11.2	Landlord's Consent
11.3	Requests for Consent
11.4	Change of Control
11.5	No Advertising
11.6	Assignment by Landlord
11.7	Status Certificate
11.8	Subordination and Non-Disturbance
11.9	Termination by Landlord
11.10	Sale of Lands
ARTICLE 12 — QUIET ENJOYMENT	
12.1	Quiet Enjoyment
ARTICLE 13 — DAMAGE AND DESTRUCTION	
13.1	Damage or Destruction to Premises
13.2	Rights to Termination
13.3	Certificate Conclusive
13.4	Insurance Proceeds
13.5	Landlord's Work
13.6	Expropriation
ARTICLE 14 — DEFAULT	
14.1	Default and Right to Re-enter
14.2	Default and Remedies
14.3	Distress
14.4	Costs
14.5	Remedies Cumulative
ARTICLE 15 — GENERAL	
15.1	Entry
15.2	Force Majeure
15.3	Effect of Waiver or Forbearance
15.4	Notices
15.5	Registration
15.6	Number, Gender, Effect of Headings
15.7	Severability, Subdivision Control
15.8	Entire Agreement
15.9	Successors and Assigns
15.10	Confidentiality and Personal Information

SCHEDULE "A", LEGAL DESCRIPTION

SCHEDULE "B", RULES AND REGULATIONS

SCHEDULE "C", EXTENSION RIGHTS

THIS LEASE made the 1st day of May, 2019,

BETWEEN:

2653873 Ontario Inc. trustee in trust for
Greenway Greenhouse Cannabis Corporation
(the "Landlord")

AND

Sunrite Greenhouses Ltd.
(the "Tenant")

WITNESSETH AS FOLLOWS:

Article 1 — Basic Terms, Definitions

1.1 Basic Terms

- (a) Landlord: 2653873 Ontario Inc. trustee in trust for
Greenway Greenhouse Cannabis Corporation
Address: 1414 Seacliff Drive, Kingsville, Ontario N9Y 2M2
- (b) Tenant: Sunrite Greenhouses Ltd.
Address: 1414 Seacliff Drive, Kingsville, Ontario N9Y 2M2
- (c) Premises: the Lands described in Schedule "A" and municipally known as 620 County Road 37, Leamington, Ontario N0P 2P0, consisting of approximately 10 acres of greenhouses and surrounding lands
- (d) Term: One (1) year, subject to Sections 2.2
Commencement Date: May 1st, 2019
End of Term: April 30th, 2020, subject to Section 2.2
- (e) Basic Rent (Section 4.1):

Period	Per Acre/Year	Per Year	Per Month
May 1 st , 2019 to April 30 th , 2020	\$25,000.00	\$250,000.00	\$20,833.33
- (f) Permitted Use (Section 8.1): greenhousevegetable cultivation and production
- (g) Extension Rights: 1 year, as st out in Schedule "C" hereto.
- (h) Schedules forming part of this Lease:

Schedule "A" Legal Description
Schedule "B" Rules and Regulations
Schedule "C" Extension Rights
Schedule "D" First Right of Refusal

1.2 Definitions

In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) "Additional Rent" means the Operating Costs, Realty Taxes, payments for utilities, and all other amounts, excluding Basic Rent and Rental Taxes, payable by the Tenant in accordance with the terms of this Lease;
- (b) "Basic Rent" means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) "Commencement Date" means the date set out in Section 1.1(d), as such may be varied pursuant to the terms of this Lease;
- (e) "Event of Default" has the meaning set out in Section 14.1;
- (f) "Greenhouse Equipment" means all greenhouse equipment, fixtures, facilities and installations currently located on the Premises including heating systems, including boilers and backup fuel storage, climate control systems including computers, fans, weather monitoring and temperature controls, watering and nutrient delivery & recovery systems including computers, injectors, storage tanks & troughs, electrical systems including electrical generators, air Compressors, CO2 burners and delivery systems, track systems, packing line, forklift and all accessories to the forgoing;
- (g) "Hazardous Substance" means: (i) any solid, liquid, gaseous or radioactive substance that is likely to cause material harm or degradation to any property or the environment or to any person or animal; (ii) any pollutants, contaminants, hazardous waste or other noxious substances; and (iii) any substance declared at any time by any governmental authority to be hazardous under any applicable environmental law or regulation;
- (h) "HVAC Equipment" means heating and ventilating equipment, facilities and installations;
- (i) "Lands" means the lands described in Schedule "A", as such may be varied from time to time, and all rights and easements which are or may hereafter be appurtenant thereto;
- (j) "Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions), but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (k) "Mortgage" means any mortgage, charge or other security against the Premises and/or the Landlord's interest in this Lease, from time to time;
- (l) "Mortgagee" means the holder of any Mortgage from time to time;
- (m) "Normal Business Hours" means such hours as the Landlord reasonably determines from time to time for the operation of the Premises;
- (n) "Operating Costs" means, for any period, the total of all costs and expenses attributable to the maintenance, repair, replacement, administration, management and operation of the Premises during such period including, without limiting the generality of the

foregoing:

- (i) all charges for utilities and similar services to the Premises including, without limiting the generality of the foregoing, water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Premises and for fittings, machinery, apparatus, meters, or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities and similar services;
- (ii) all costs incurred by the Landlord or Tenant in connection with the maintenance, repair, replacement and operation of the Premises (including all services, equipment and other fixtures and appurtenances) and every part thereof, and of complying with all applicable laws, directions, rules and regulations of the governmental authorities having jurisdiction and in connection therewith including, without limiting the generality of the foregoing, the cost of providing garbage removal and maintenance services, the cost of heating and cooling and ventilating the Premises and the cost of maintaining, repairing and replacing all HVAC Equipment, Greenhouse Equipment, the cost of window cleaning, and any and all other costs incurred by the Landlord in connection with the maintenance, repair and operation of the Premises;
- (iii) the cost of providing security, supervision, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or operation of the Premises, and amounts paid to independent contractors for any services in connection with such maintenance or operation;
- (iv) the cost of direct supervision and management and indirect expenses, to the extent applicable to the maintenance and operation of the Premises;
- (v) the cost of insuring the Premises in accordance with the terms of this Lease; and
- (vi) all costs and expenses (including legal and other professional fees, interest and penalties on deferred payment) incurred in good faith by the Landlord in contesting, resisting or appealing any Realty Taxes;

provided that Operating Costs shall exclude:

;

- (A) the cost to the Landlord of debt service in connection with any Mortgage; and
- (B) taxes on the income of the Landlord;

- (o) "Premises" means the greenhouse operation which is comprised of the Lands together with the improvements, Greenhouse Equipment, buildings, fixtures and equipment (whether chattels or fixtures) on such Lands (but not including tenants' fixtures, improvements or chattels) from time to time;
- (p) "Prime Rate" means the rate of interest per annum from time to time publicly quoted by the Landlord's Canadian chartered bank as its reference rate of interest for determining

rates of interest chargeable in Leamington on Canadian dollar demand loans to commercial customers;

- (q) “Realty Taxes” means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Premises or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;
- (r) “Rent” means all Basic Rent and Additional Rent;
- (s) “Rental Taxes” means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (t) “Rules and Regulations” means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;
- (u) “Term” means the period specified in Section 1.1(d) and, where the context requires, any renewal, extension or overholding thereof;
- (v) “Transfer” means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person or entity, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred on any person or entity, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, and any transaction or occurrence whatsoever which has changed or will change the identity of the party having lawful use or occupancy of any part of the Premises; and
- (w) “Transferee” means any person or entity to whom a Transfer is or is to be made.

Article 2 — Demise and Term

2.1 Demise

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises. The Tenant accepts the Premises on an “as is” basis.

2.2 Term

The Term shall commence on the Commencement Date, run for the period set out in Section 1.1(d) and end on the date set out in Section 1.1(d), unless terminated earlier pursuant to the

provisions of this Lease.

2.3 Overholding

If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred percent (100%) of the monthly instalment of Basic Rent payable during the last year of the Term and one-twelfth (1/12) of all Additional Rent charges provided for herein, determined in the same manner as if the Lease had been renewed, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

Article 3 — Rent

3.1 Covenant to Pay, Net Lease

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be net to the Landlord and clear of all taxes, costs and charges arising from or relating to the Premises and that the Tenant shall pay, as Additional Rent, all charges, impositions and expenses of every nature and kind relating to the Premises (except the Landlord's income taxes, and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly.

3.2 Rental Taxes

The Tenant will pay to the Landlord the Rental Taxes assessed on: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but the Landlord shall have the same rights and remedies for non-payment of Rental Taxes as if does for the non-payment of Rent.

3.3 Payment Method

The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly postdated cheques or new documentation (as applicable).

3.4 Rent Past Due

If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate per annum equal to the Prime Rate plus four percent (4%) from time to time, and such interest shall be calculated from the time such Rent becomes due until paid by the Tenant.

Article 4 — Basic Rent

4.1 Basic Rent

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever as annual Basic Rent, the sum set out in Section 1.1(e) of this Lease in equal monthly instalments in advance in the amounts set out in Section 1.1(e), commencing on the 1st day of May, 2019 and on the 1st day of each and every month during the Term thereafter.

Article 5 — Additional Rent

5.1 Additional Rent

(1) In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs incurred and attributable to Premises:

- (a) any and all costs relating to the Premises that would otherwise be included in Operating Costs but are determined by separate metering or assessment of the Premises or otherwise incurred for the exclusive benefit of the Premises;
- (b) all Operating Costs;
- (c) all Realty Taxes levied, rated, charged or assessed on or in relation to the Premises; and
- (d) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant.

(2) All of the payments set out in this Lease (other than Rental Taxes) shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

5.2 Realty Taxes

(1) The Tenant shall pay to the Landlord, as Additional Rent, all Realty Taxes levied, rated, charged or assessed throughout the Term, on or in relation to the Premises, or any part thereof, in accordance with the following:

- (a) the Tenant shall pay Realty Taxes directly to the taxing authorities. The Tenant shall make payment, on or before the due date, of each instalment and shall provide to the Landlord, on demand, evidence of payment in the form of receipted bills.
- (2) The Tenant acknowledges that the Realty Taxes levied against the premises are based on the Premises being classified in the Farmland Tax Class by the Ontario Ministry of

Agriculture and Food. The Tenant acknowledges and agrees to pay all Realty Taxes including any increase in Realty Taxes as a result of the use of the Premises by the Tenant, notwithstanding the Premises may be reassessed at a higher tax rate or not be assessed in the Farmland Tax Class.

5.3 Business and Other Taxes

In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed on the income of the Landlord); and
- (b) all Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

5.4 Operating Costs

Prior to the commencement of each year, if applicable, the Landlord shall estimate the amount of Operating Costs and other recurring Additional Rent payable by the Tenant for such year and notify the Tenant in writing of such estimate, providing reasonable details as to the breakdown and calculation thereof. The amount so estimated shall be payable in equal monthly instalments, in advance, on the first of each and every month over the year in question. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate, providing reasonable details as to the breakdown and calculation thereof, and fix monthly instalments for the remaining balance of the year such that, after giving credit for instalments paid by the Tenant on the basis of the previous estimate or estimates, all Operating Costs, based on the most recent estimate by the Landlord, will have been paid on the expiration of such year.

5.5 Annual Readjustment of Additional Rent

As soon as practicable after the expiration of each year, the Landlord shall make a final determination of Operating Costs and other estimated Additional Rent based on the actual costs incurred therefor by the Landlord and shall notify the Tenant of such determination. If there has been a shortfall in the amounts payable by the Tenant for such period, the Tenant shall pay such shortfall within twenty (20) days after delivery of the Landlord's notice. Any overpayment may be paid by the Landlord to the Tenant without interest, or credited to the Tenant's account and held by the Landlord without interest, to be applied to payments falling due under this Lease. In the event of any dispute, the report of the Landlord's auditor or accountant as to the Operating Costs shall be conclusive as to the amount thereof for any period to which such report relates. Neither the Landlord nor the Tenant may claim any adjustment on account of Operating Costs or Realty Taxes for any fiscal period more than two (2) years after the date of delivery of the statement for such period. To the extent possible, the Tenant shall pay all Operating Costs directly to any

third parties, contractors or other suppliers of goods or services to the Premises, the Landlord or the Tenant, and shall provide to the Landlord, on demand, evidence of payment in the form of receipted bills.,

5.6 Landlord's Insurance Costs

The Tenant shall pay to the Landlord's insurer directly, as Additional Rent, the costs of the Landlord in maintaining its insurance as contemplated herein and shall provide to the Landlord, on demand, evidence of payment in the form of receipted bills.,

Article 6 — Utilities and HVAC

6.1 Payment for Utilities

The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises. The Tenant shall contract with and pay the supplier directly. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large amounts of electricity or other utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

6.2 Above-Normal Utilization

If there are special circumstances within the Premises causing utilization of any utilities or services in excess of that reasonably expected for the use of the Premises (including, without limitation, requirements outside of Normal Business Hours), the Tenant shall also pay to the Landlord's insurer, as Additional Rent, any extra insurance costs resulting from such above-normal utilization.

6.3 Additional Utilities

The Tenant shall make arrangements, at its own cost and expense, directly with the utility or service supplier in respect of any utilities and services not supplied by the Landlord. The Tenant, at its own cost and expense, shall procure each and every permit, licence or other authorization required, and shall comply with the provisions of Article 9 of this Lease pertaining to any work required in respect of such additional utilities and services.

6.4 No Overloading

The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Premises, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

6.5 No Liability

In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Premises, or to any property of the Tenant or anyone else, for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or

damages of whatsoever kind arising from any interruption or failure in the supply of any utility or service to the Premises.

6.6 HVAC and Greenhouse Equipment

The Tenant shall, throughout the Term, operate, maintain, repair, replace and regulate the HVAC Equipment and Greenhouse Equipment serving the Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the HVAC Equipment and Greenhouse Equipment in a good and working order.

Article 7 — Rules and Regulations

The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule “B”, and any further and other reasonable Rules and Regulations made hereafter by the Landlord of which notice in writing shall be given to the Tenant. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

Article 8 — Use of Premises

8.1 Use of the Premises

The Tenant acknowledges that the Premises will be used solely for the purposes set out in Section 1.1(f), and for no other purpose.

8.2 Observance of Law

The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters. Without limiting the generality of the foregoing:

- (a) where, during the Term, the Tenant has, through its use or occupancy of the Premises, caused or permitted a release of a contaminant or any Hazardous Substance at, from or to the Premises, the Tenant shall immediately clean up such contaminant or Hazardous Substance from the Premises, and any affected areas, at the Tenant’s expense; and
- (b) on the termination of the Lease for any reason, the Tenant shall remove, at its expense, any contaminant or contamination or Hazardous Substance which, through the Tenant’s use or occupancy of the Premises, it has brought to or created at the Premises.

8.3 Waste, Nuisance, Overloading

The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Premises, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

8.4 Tenant’s Warranties and Covenants Regarding Use of Premises

(1) The Tenant represents, warrants and undertakes that the Premises will be used and to use the Premises only for legal purposes and for no illegal purpose.

(2) The Tenant covenants and agrees to obtain any and all necessary permits, licences, authority, rezoning, or take all other acts and steps to ensure that the Premises are used for legal purposes. Prior to the commencement of the Commencement Date, the Tenant shall provide to the Landlord sufficient evidence, in the Landlord's sole discretion, that the Premises will be used and occupied for no illegal purpose, including, without limitation, any licenses and permits required by the Tenant to carry on its business on the Premises.

(3) The Tenant agrees to indemnify and save harmless the Landlord from any and all breaches of these covenants contained in this section or in any other covenants contained in this Lease.

Article 9 — Maintenance, Repairs and Alterations of Premises

9.1 Maintenance, Repair and Cleaning of Premises

The Tenant shall, at its own expense and cost, operate, maintain and keep in good and substantial repair, order and condition the Premises, Greenhouse Equipment, and all parts thereof (including, without limitation, all plumbing, drains, electrical and other utility services within or exclusively serving the Premises), save and except repairs required to be made by the Landlord pursuant to Section 9.9. All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises and Greenhouse Equipment and shall meet the requirements of all authorities having jurisdiction and the insurance underwriters. For greater certainty, the Tenant shall be responsible to repair and replace the plastic roof membranes on the greenhouses on the Premises. In addition, the Tenant shall promptly make and pay for all capital repairs and repairs to the structural components of the Premises which cost less than \$25,000.00 per annum including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

9.2 Inspection and Repair on Notice

The Landlord, its employees, agents and contractors shall be entitled to enter upon the Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Premises, or for the purpose of having access to the under floor ducts, or to the access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its employees, agents and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord shall take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises. The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, employees, contractors, invitees, employees or others for whom the Tenant is in law responsible.

9.3 Repair where Tenant at Fault

If the Premises, the boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Premises, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Premises are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees or anyone permitted by it to be in the Premises, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand.

9.4 Alterations

The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written approval, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written approval to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architect or consultants review such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural or any work that might impact the HVAC Equipment or other base building systems work. Any changes to the lighting undertaken by the Tenant as part of an approved alteration must result in energy efficient lighting compatible with the Premises standard. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labour union affiliations are not incompatible with those of any workers who may be employed in the Premises by the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labour and services involved therein and of all decoration and all changes to the Premises, its equipment or services, necessitated thereby.

9.5 Signs

The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Premises without the prior consent of the Landlord, not to be unreasonably withheld.

9.6 Construction Liens

If any construction or other lien or order for the payment of money shall be filed against the Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens, or orders, against the Tenant, at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

9.7 Leasehold Improvements and Fixtures

(1) All Leasehold Improvements shall immediately on their placement remain the Tenant's property.

(2) The Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, and at the end of the Term, the Tenant shall remove its trade fixtures if required by the Landlord.

(3) The Tenant shall, at its sole cost, remove such of the Leasehold Improvements as the Landlord shall require to be removed, such removal to be completed on or before the end of the Term.

(4) The Tenant shall, at its own expense, repair any damage caused to the Premises and Greenhouse Equipment by the Leasehold Improvements or trade fixtures or the removal thereof. For greater certainty, the Tenant's trade fixtures shall not include any HVAC Equipment serving the Premises, Greenhouse Equipment or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

9.8 Surrender of Premises

At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up to the Landlord vacant possession of the Premises and Greenhouse Equipment in the same condition and state of repair as the Tenant is required to maintain the Premises and Greenhouse Equipment throughout the Term and in accordance with this Lease. For greater certainty, the Premises and Greenhouse Equipment shall be surrendered in the same or better condition than they were at the beginning of the Term.

9.9 Landlord's Obligation to Repair

(1) The Landlord shall promptly make and pay for all capital repairs and repairs to the structural components of the Premises which exceed the cost of \$25,000.00 per annum including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

(2) For greater certainty the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein.

Article 10 — Insurance and Indemnity

10.1 Tenant's Insurance

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

(a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full

replacement cost thereof from time to time;

- (b) Commercial general liability insurance, including property damage, bodily injury and personal injury liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;
- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof;
- (f) Environmental Liability Insurance, insuring the Premises of the Landlord from any damages caused to the Premises as a result of the release of any contaminates or any Hazardous Substance; and
- (g) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be on such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 10.1(a) and 10.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord. The insurance described in Sections 10.1(b) and 10.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be

Additional Rent payable on the first day of the next month following payment by the Landlord.

10.2 Landlord's Insurance

The Landlord shall provide and maintain insurance on the whole of the Premises against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Premises. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Premises and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

10.3 Increase of Landlord Premiums

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

10.4 Tenant Indemnity

The Tenant shall indemnify and save harmless the Landlord against any and all claims, actions, causes of action, damages, demands for damages, losses and other liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or loss of or damage to property and legal fees on a solicitor and client (substantial indemnity) basis) due to or arising from or out of any occurrence in, on or at the Premises or the occupancy or use by the Tenant of the Premises or any other part of the Lands and Premises or occasioned wholly or in part by any act or omission of the Tenant or its officers, employees, agents, contractors, invitees, licensees or by any person permitted by the Tenant to be on the Premises or the Lands or due to or arising out of any breach by the Tenant of this Lease.

10.5 Mutual Release

(1) 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 insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the

releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts shall be deemed to be proceeds of insurance received (subject to the right of the Landlord to include such deductible amounts in Operating Costs); and

- (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.

(2) Notwithstanding the foregoing or anything else herein contained, in no event, whether or not the result of the wilful act or the negligence of the Landlord, its agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall the Landlord be liable for:

- (a) damage to property of the Tenant or others located on the Premises;
- (b) any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Premises or from the water, steam or drainage pipes or plumbing works of the Premises or from any other place or quarter;
- (c) any damage caused by or attributable to the condition or arrangement of any electrical or other wiring;
- (d) any damage caused by anything done or omitted to be done by any other tenant of the Premises; or
- (e) any indirect or consequential damages suffered by the Tenant.

Article 11 — Assignment, Subletting and Termination

11.1 Assignment, Subletting

The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which shall not be unreasonably withheld. No consent to any Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but no such Transfer or collection or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

11.2 Landlord's Consent

If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 11.3 of this Lease, and the Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within ten (10) days thereafter of the Tenant's intention either to refrain from such Transfer or to

accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 11.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

11.3 Requests for Consent

(1) Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be subject to the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease;
- (c) the Tenant paying to the Landlord, prior to receiving such consent, an administrative fee and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and
- (d) the Tenant paying to the Landlord, as Additional Rent, all excess rent and other profit earned by the Tenant in respect of the Transfer.

(2) Notwithstanding any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to withhold its consent if, without limiting any other factors or circumstances which the Landlord may reasonably take into account:

- (a) the Tenant is in default under this Lease;
- (b) the proposed Transfer would be or could result in a violation or breach of any covenants or restrictions made or granted by the Landlord to other tenants or occupants, or prospective tenants or occupants, of the Lands or Premises;
- (c) in the Landlord's reasonable opinion either the financial background or the business history and capability of the proposed Transferee is not satisfactory;
- (d) if the Transfer affects less than all of the Premises, the portion affected or the portion remaining are not acceptable in respect of size, access or configuration; or
- (e) the proposed Transferee, any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with laws.

11.4 Change of Control

Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other

corporation which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 11 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change in control. This provision shall not apply if the Tenant is a public company or is controlled by a public company listed on a recognized stock exchange and such change occurs as a result of trading in the shares of a corporation listed on such exchange.

11.5 No Advertising

The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is first approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

11.6 Assignment by Landlord

In the event of the sale or lease by the Landlord of its interest in the Premises or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

11.7 Status Certificate

The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice ; and (e) any other information and particulars as the Landlord may reasonably request.

11.8 Subordination and Non-Disturbance

(1) This Lease and the rights of the Tenant in this Lease are, and shall at all times be, subject and subordinate to any and all mortgages and other financial encumbrances in respect of the Lands and Premises and to all advances made at any time upon the security thereof, and the Tenant, on request by and without cost to the Landlord, shall, within ten (10) days after such request, execute and deliver any and all instruments required by the Landlord or its lender to evidence such subordination. Upon request by the Tenant at the time of any request for confirmation of subordination, the Landlord shall make reasonable commercial efforts to obtain from any mortgagee or other secured lender an acknowledgement in writing addressed to the Tenant, whereby such lender acknowledges that, in the event of any such lender realizing upon the security, it will not disturb the Tenant and will permit the Tenant to remain in possession under this Lease in accordance with its terms, so long as the Tenant is not in default beyond applicable notice and cure periods hereunder. All costs incurred by the Landlord in connection with obtaining or seeking to obtain any such acknowledgement and assurance shall be paid by the Tenant as Additional Rent.

(2) The Landlord, as to any mortgage or other security, and a mortgagee or other secured

lender, as to any mortgage or other security held by it, may, by notice to the Tenant, elect that this Lease and the rights of the Tenant hereunder shall be prior to such security and the Tenant, on request by and without cost to the Landlord, shall, within ten (10) days after such request, execute and deliver any and all instruments required by the Landlord or the lender, as the case may be, to confirm priority to this Lease over the security.

11.9 Termination by Landlord

(1) If the Landlord *bona fide* requires the Premises for the purpose of the production of cannabis,, the Landlord shall have the right to terminate this Lease on not less than six (6) months' prior written notice to the Tenant. On the termination date specified in such notice (the "Termination Date"), the Tenant shall deliver up vacant possession of the Premises, all Rent shall be apportioned and paid to the Termination Date, and this Lease will be fully and completely ended as of the Termination Date.

(2) If the Landlord exercises this termination right, on the Termination Date, the Tenant shall deliver to the Landlord the following:

- (a) a release in a form approved by the Landlord executed by the Tenant confirming the Tenant has no further interest in the Premises;
- (b) vacant possession of the Premises to the Landlord in a good and clean condition; prior to such delivery the Tenant shall have removed and disposed of the crop in the greenhouse, all rockwool and coco bags, all plant material in and outside of the greenhouses on the Premises; and
- (c) master keys for the buildings on the Premises.

11.10 Sale of Lands

(1) If the Landlord *bona fide* requires the Premises for the purpose of the sale of the Lands, subject to the Tenant's First Right of Refusal set out in Schedule "D" hereto, the Landlord shall have the right to terminate this Lease on not less than six (6) months' prior written notice to the Tenant. On the termination date specified in such notice (the "Termination Date"), the Tenant shall deliver up vacant possession of the Premises, all Rent shall be apportioned and paid to the Termination Date, and this Lease will be fully and completely ended as of the Termination Date.

(2) If the Landlord exercises this termination right, on the Termination Date, the Tenant shall deliver to the Landlord the following:

- (d) a release in a form approved by the Landlord executed by the Tenant confirming the Tenant has no further interest in the Premises;
- (e) vacant possession of the Premises to the Landlord in a good and clean condition; prior to such delivery the Tenant shall have removed and disposed of the crop in the

greenhouse, all rockwool and coco bags, all plant material in and outside of the greenhouses on the Premises; and

- (f) master keys for the buildings on the Premises.

Article 12 — Quiet Enjoyment

12.1 Quiet Enjoyment

The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

Article 13 — Damage and Destruction

13.1 Damage or Destruction to Premises

If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

13.2 Rights to Termination

Notwithstanding Section 13.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the opinion of the Landlord's architect or professional engineer, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may, instead of rebuilding the Premises, terminate this Lease by giving to the Tenant within thirty (30) days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and
- (b) if the Premises shall, at any time, be wholly or partially destroyed or damaged (whether or not the Premises have been affected) to the extent that twenty-five percent (25%) or more of the gross floor area of the Premises has become unfit for use, the Landlord may elect, within thirty (30) days from the date of such damage, to terminate this Lease on thirty (30) days' notice to the Tenant, in which event rent shall remain payable until the

date of termination (unless it has abated under Section 13.1).

13.3 Certificate Conclusive

Any decisions regarding the extent to which the Premises has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

13.4 Insurance Proceeds

Notwithstanding Sections 13.1 and 13.2, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Premises, or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the the Premises, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

13.5 Landlord's Work

In performing any reconstruction or repair, the Landlord may effect changes to the Premises and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures.

13.6 Expropriation

(1) If at any time during the Term any public body or paramount authority shall take or expropriate the whole or a portion of the Premises, then the following provisions shall apply:

- (a) if such expropriation or compulsory taking does not materially affect the Tenant's use or enjoyment of the Premises, then the whole of the compensation awarded or settled, whether fixed by agreement or otherwise, shall be paid or received by the Landlord, and the Tenant assigns, transfers and sets over unto the Landlord all of the right, title and interest of the Tenant therein and thereto, and this Lease shall thereafter continue in effect with respect to the remainder of the Premises, without abatement or adjustment of Rent; and
- (b) if such expropriation or compulsory taking does materially affect the Tenant's use or enjoyment of the Premises, then, at the Landlord's option: (i) this Lease shall be deemed to terminate and the Term shall terminate on the date upon which the expropriating or taking authority requires possession of the lands so expropriated or taken; or (ii) the Premises shall be adjusted to exclude the area so taken, the Landlord shall complete any work required to the Premises as a result of such taking (excluding any work relating to any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant). In either event the Landlord shall be entitled to receive the entire compensation awarded or settlement, whether fixed by agreement or otherwise, save and

except for that portion thereof as is specifically awarded or allocated in respect of the leasehold improvements or other interests of the Tenant.

(2) The Landlord and the Tenant will cooperate with each other regarding any expropriation of the Premises or any part thereof so that each receives the maximum award to which it is entitled at law.

Article 14 — Default

14.1 Default and Right to Re-enter

Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent due is not paid when due and such failure continues for sixty (60) days after notice in writing from the Landlord to the Tenant;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 14.1, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within sixty (60) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within sixty (60) days (or such shorter period), the Tenant fails to commence to remedy such breach within sixty (60) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within sixty (60) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises or the Premises become vacant or substantially unoccupied for a period of sixty (60) consecutive days or more without the consent of the Landlord;

- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Premises is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible.

14.2 Default and Remedies

If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 14.2(a) or proceeding under Section 14.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 14.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith plus fifteen percent (15%) of the costs so incurred by the Landlord as an administrative fee;

- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated rent.

14.3 Distress

Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

14.4 Costs

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

14.5 Remedies Cumulative

Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

Article 15 — General

15.1 Entry

- (1) Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, at any time during the last twelve (12) months of the Term:
 - (a) without notice to or consent by the Tenant, to place on the exterior of the Premises, the Landlord's usual notice(s) that the Premises are for rent; and
 - (b) on reasonable prior notice, to enter upon the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

(2) The Landlord may enter the Premises at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers or for the purpose of inspecting the Premises.

15.2 Force Majeure

Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 15.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

15.3 Effect of Waiver or Forbearance

No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

15.4 Notices

(1) Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out in Section 1.1(a), (b) or (c), as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received on delivery of the same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

(2) Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

15.5 Registration

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Premises. The Tenant may register a notice, short form or caveat of this Lease provided that: (a) a copy of the Lease is not

attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice, short form or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Premises. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat. If any part of the Premises which, in the opinion of Landlord, is surplus is transferred, the Tenant shall forthwith, at the request of the Landlord, discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Premises is made subject to any easement, right-of-way or similar right, the Tenant shall immediately, at the request of the Landlord, postpone its registered interest to such easement, right-of-way or similar right.

15.6 Number, Gender, Effect of Headings

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

15.7 Severability, Subdivision Control

If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and the Landlord agrees to cooperate with the Tenant in bringing such application.

15.8 Entire Agreement

There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein and this Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

15.9 Successors and Assigns

The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

15.10 Confidentiality and Personal Information

(1) The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any prospective tenants, real estate

agents or others except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.

(2) Any Tenant that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant, as applicable, (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

IN WITNESS WHEREOF the parties have duly executed this Lease.

LANDLORD

**2653873 Ontario Inc. trustee in trust for
Greenway Greenhouse Cannabis Corporation**

Per: (s) "Carl Mastronardi"
Carl Mastronardi, President
I have authority to bind the Corporation

TENANT

Sunrite Greenhouses Ltd.

Per: (s) "Carl Mastronardi"
Carl Mastronardi, President
I have authority to bind the Corporation

Schedule "A"
Legal Description

PART LOT 19 CON 6 MERSEA DESIGNATED AS PART 4 PL 12R15979 EXCEPT PART 1
PL 12R19699; T/W R1448123; MUNICIPALITY OF LEAMINGTON [PIN: 75090-0123 (LT)]

Schedule "B"
Rules and Regulations

1. The Tenant, its agents, employees, contractors, invitees, employees or others for whom the Tenant is in law responsible, shall not bring in or take out, position, construct, install or move any safe, machine or other heavy equipment without first obtaining the consent in writing of the Landlord.
2. The Tenant shall not place or cause to be placed any additional locks or security devices on any doors of the Premises without the approval of the Landlord. In addition, the placing of any additional locks or security devices on any doors of the Premises shall be subject to any conditions imposed by the Landlord.
3. Any hand trucks, carryalls, or similar appliances used in the Premises shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.
4. The Tenant shall not misuse or damage the Premises or any of the improvements or facilities therein.
5. The Tenant shall not use or permit use of the Premises in such manner as to create any noises or odours objectionable or offensive to the Landlord or other nuisance or hazard or to breach the provisions of applicable laws or any requirement of the insurers of the Premises.

Schedule "C"
Extension Rights

Provided that the Tenant is: (a) in good standing; (b) in occupation of the whole of the Premises; and (c) not in default under this Lease, the Tenant shall have the option exercisable on no less than three (3) months and no more than six (6) months written notice to the Landlord prior to the expiry of the Term to extend the Lease with respect to the Premises for one (1) additional term of one (1) year (the "Extended Term") on the same terms and conditions as the Term save and except there will be no further right to extend the Term.

SCHEDULE "D" FIRST RIGHT OF REFUSAL

Schedule "D"

First Right of Refusal to Purchase

Provided that the Tenant: (a) is the original Tenant; and (b) is not in default under this Lease, the Tenant shall have a continuous right of first refusal (the "Right of First Refusal") to purchase the Premises as follows:

- (i) in the event that, at any time and from time to time during the Term, the Landlord receives a *bona fide* offer for the purchase of the Premises which is acceptable to the Landlord in all respects (the "Acceptable Offer"), the Landlord shall give the Tenant notice of the Acceptable Offer, together with a true and complete copy of the Acceptable Offer (provided that the name of the purposed purchaser may be deleted). An Acceptable Offer shall provide that the purchase price thereunder shall be payable in cash or a combination of cash and mortgage back. An agreement of purchase and sale that is conditional on the Tenant not exercising this Right of First Refusal shall be deemed to be an Acceptable Offer. The Landlord agrees that the Tenant shall have the prior right to elect to purchase the Premises for the price and on the terms and conditions contained in the Acceptable Offer, which right may be exercised at any time within the five (5) business days following receipt of such written notice of the Acceptable Offer by written notice of such exercise given to the Landlord;
- (ii) if the Tenant does so elect, the notice given by it shall constitute a binding agreement of purchase and sale;
- (iii) if the Tenant does not so elect, the Landlord shall be free to sell the Premises on the terms and conditions set forth in the Acceptable Offer and subject to the Landlord's right to terminate this lease on 6 months written notice as provided herein, but this Right of First Refusal shall thereafter remain in full force and effect during the balance of the Term. If such Acceptable Offer is not completed, this Right of First Refusal shall remain in force for any subsequent Acceptable Offer; and
- (iv) the Landlord covenants and agrees not to sell the Premises unless the Landlord has first complied with the terms hereof. Notwithstanding the foregoing, the Landlord shall be entitled to transfer the Premises to any affiliated corporation without triggering this Right of First Refusal.