
LEASE

THIS LEASE dated for reference July 1, 2020 is made and entered into by the Landlord and the Tenant named below who, in consideration of the Rent and covenants herein contained, covenant and agree as follows:

Article 1
BASIC TERMS, DEFINITIONS, SCHEDULES

Basic Terms.

The basic terms of this Lease are:

- (a) **Landlord:** SUNGROWN ORGANICS INC.
Address of Landlord: 6924 Old Kamloops Road, Vernon, BC V1W 1W1
CANADA
Attention: President: Alister Brodie
Tel.: 604-551-0686
Fax:
Email: alister@pooch.pet
- (b) **Tenant:** DOSEOLOGY SCIENCES INC.
Address of Tenant: 280 – 2475 Dobbin Road,
West Kelowna, B.C. V4T 2E9
Canada
Attention: CEO: Max Krangle
Tel.: 416-671-1477
Fax:
Email: max@doseology.ca
- (c) **Lands:** See Schedule A.
- (d) **Premises:** That part of the Lands and those Building(s)
outlined in black in Schedule B.
- (e) **Commencement Date:** July 1, 2020
- (f) **Term:** Five (5) years (the "Term").
- (g) **Minimum Rent:** Years 1: \$60,000.00 per annum (\$5,000.00 per
month)
Years 2: \$96,000.00 per annum (\$8,000.00 per
month)
Years 3 to 5: \$120,000.00 per annum
(\$10,000.00 per month)
- (h) **Permitted Use:** That part of the Premises that is inside a Building
may be used for the purpose of cultivating,

growing and processing Cannabis in accordance with applicable laws and regulations. Mushroom cultivation, growing and processing.

- (i) **Security Deposit** \$10,000.00
- (j) **Option to Renew** One (1) option to renew for a five (5) year term

1.2 Interpretation.

In this Lease, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the headings are for convenience only and are not intended as a guide to interpretation of this Lease or any portion thereof;
- (b) the word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (c) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa; and
- (d) a reference to "approval", "authorization" or "consent" means written approval, authorization or consent.

Definitions.

The capitalized words and phrases used in this Lease have the following meanings:

- (a) **"Additional Rent"** means the aggregate, without duplication, of all costs and expenses actually incurred by the Landlord in respect of the following:
 - (i) business services supplied to or for the Tenant including, without limitation, charges, at such reasonable rates as are determined from time to time by Landlord, for the Tenant's use of photocopying, printing, fax, telephone and postage equipment and the computing identification owned by the Landlord;
 - (ii) any Tenant's Taxes;
 - (iii) the Tenant's Proportionate Share of Operating Costs;
 - (iv) the Property Taxes payable by the Landlord in respect of the Premises;
 - (v) the cost of electricity, gas, other fuel, water, telephone and other utilities consumed on the Premises, and any other costs which relate directly to

the Premises and the Tenant's use of the Premises, plus an administrative fee to the Landlord of 15% of all such costs;

- (vi) the cost of services provided by the Landlord to the Tenant at the Tenant's request in co-ordinating, arranging and managing the maintenance, servicing and repairs of or to the Premises or any systems or equipment therein that the Tenant is required to perform at its own cost hereunder;
 - (vii) the cost of any acts performed by the Landlord to remedy any default by the Tenant in the performance of any of its covenants or obligations under this Lease (but, for certainty, the Landlord shall have no such obligation);
 - (viii) the cost of any repairs and/or replacements of or to the Premises and/or the Lands considered necessary by the Landlord as a result of or arising out of any act or omission of the Tenant or any person or entity for whom the Tenant is responsible at law; and
 - (ix) all other costs actually incurred by the Landlord in respect of the Premises.
- (b) "**Applicable Laws**" means all statutes, laws, regulations, bylaws, building codes, orders and requirements of any federal, provincial, municipal or other public authority (including the Workers' Compensation Board) having jurisdiction at any time and from time to time in force (including all Environmental Laws).
 - (c) "**Aquifer**" means the aquifer located underneath the surface of the Lands.
 - (d) "**Building**" means the building on the Lands shown on Schedule B together with any additions, improvements and alterations constructed or installed during the Term.
 - (e) "**Cannabis**" means cannabis or cannabis-derived products including any immature plants and any cannabis trim.
 - (f) "**Commencement Date**" has the meaning set forth in subsection 1.1(e).
 - (g) "**Environmental Laws**" means all Applicable Laws which impose any obligations relating to the protection, conservation or restoration of the natural environment or relating to the storage, use or manufacture of Hazardous Materials or to the release of Hazardous Materials into the environment including the *Fisheries Act* (Canada), the *Canadian Environmental Protection Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada) and the *Environmental Management Act* (British Columbia).
 - (h) "**GST**" means the federal goods and services tax, federal/provincial harmonized sales tax or provincial sales tax, as applicable at any relevant time or any other value added or sales tax applicable from time to time.
 - (i) "**Government Authority**" means any federal, provincial, regional, municipal or local government, government authority, office or official having jurisdiction, or

other political subdivision of any of them, or any entity, authority, agency or court or person exercising executive, legislative, judicial, regulatory or administrative functions on behalf of such government, government authority, office or official or other political subdivision thereof.

- (j) **"Hazardous Materials"** means any substance, material or thing or combination of substances, materials or things which could cause an adverse effect on, or which is dangerous or detrimental or potentially dangerous or detrimental to, any part of the natural environment, including a substance, material or thing included in or containing components included in the definition or meaning of "biomedical waste", "contaminant", "dangerous good", "deleterious substance", "hazardous product", "nutrient", "pollutant", "reportable substance", "special waste", "waste" or "toxic substance" or any variation of any such term, in any Environmental Law or which is prohibited, controlled or regulated under any Environmental Law and, in respect of the foregoing, is found in a material or relevant concentration for the purpose of any Environmental Law.
- (k) **"Lands"** has the meaning set forth in subsection 1.1(c).
- (l) **"Lease"** means this instrument, as amended from time to time.
- (m) **"Lease Year"** means each calendar year in which a portion of the Term falls.
- (n) **"Minimum Rent"** means the minimum rent described in subsection 1.1(g) and payable pursuant to section 3.1.
- (o) **"Operating Costs"** means all costs and expenses incurred by the Landlord in the management, operation, maintenance and repair of the Lands and Building, including without limiting the generality of the foregoing, the cost of providing cleaning, garbage removal, janitor, supervisory and maintenance services, the cost of operating the elevators, the cost of heating, cooling and ventilating all space both rentable and non rentable, the cost of hot and cold water, electricity, telephone and other utilities and services to all space, the cost of all repairs and replacements to the Building or services including elevators, the cost of snow clearance, the cost of window cleaning, the cost of security and supervision, the cost of all insurance for loss of income, liability or fire or other casualty, accounting costs incurred in connection with maintenance and operation including computations required for the imposition of charges to tenants and licensees, and audit charges for the reporting of charges hereunder, the reasonable rental value of space utilized by the Landlord in connection with the operation and maintenance of the Lands and Building including any utility or storage rooms, the amount of all salaries, wages and fringe benefits paid to employees engaged in the operation and maintenance of the Lands and Building, amounts paid to independent contractors for any services in connection with such operation and maintenance, management fees and depreciation and carrying costs on all fixtures, equipment and facilities (including, without limitation, heating, ventilating, and air conditioning equipment) which require periodic replacement at rates determined by the Landlord in accordance with generally accepted accounting principles and amortized over the useful life of such cost.

-
- (p) **"Order"** means any oral advice or warning or any directive, decision, order, notice including a notice of litigation or proceeding, letter or other written communication, that requires the taking of any measures or actions or refraining from taking any measures or actions, issued or made by any Government Authority under any Environmental Law.
- (q) **"Premises"** has the meaning set forth in subsection 1.1(d).
- (r) **"Property Taxes"** means the aggregate in each calendar year of all taxes, local improvement or similar rates, duties, assessments and charges, municipal or provincial realty taxes, water taxes, school taxes, or any other taxes, rates, duties, grants in lieu of property taxes, assessments, both general and special, levied or imposed by any level of government whether municipal, provincial or federal upon or in respect of the Lands and Building or any part thereof, together with all costs and expenses incurred by the Landlord in contesting or appealing any taxes, rates, duties or assessments (including, without limitation, legal and other professional fees, and interest and penalties on deferred payments).
- (s) **"Proportionate Share"** means the fraction determined from time to time, by the Landlord, acting reasonably, having regard to areas occupied and services used by the Tenant in comparison to the entirety of the Lands.
- (t) **"Release"** includes releasing, spilling, leaking, pumping, pouring, flowing, depositing, emitting, emptying, discharging, escaping, leaching, disposing and dumping and includes all matters included in the words "introduce waste into the environment" in the *Environmental Management Act* (British Columbia), the word "deposit" in the *Fisheries Act* (Canada) or the word "release" in the *Canadian Environmental Protection Act* (Canada).
- (u) **"Rent"** means Minimum Rent, Additional Rent and any other amount payable by the Tenant to the Landlord.
- (v) **"Tenant's Property"** means any personal property, machinery or equipment owned by the Tenant and located within the Premises or any other part of the Lands but excluding any fixtures or improvements, and excluding any trade fixtures.
- (w) **"Tenant's Taxes"** means any taxes, fees, rates, assessments or other charges that may be levied against or in respect of the Tenant's use of the Premises, the Tenant's Property or any other improvements and chattels within the Premises which are used, operated, owned or installed by or for the Tenant or in connection with the Premises, including GST.
- (x) **"Term"** means the term of this Lease set out in subsection 1.1(f) and any extension thereof agreed to from time to time by the Landlord and the Tenant by written agreement, or any shorter period resulting from any earlier termination of this Lease.

Article 2
LEASE

Grant of Lease.

The Landlord leases to the Tenant the Premises for the Permitted Use and on the terms and conditions specified in this Lease.

Grant of Ancillary Licences.

The Landlord further grants to the Tenant the non-exclusive right and licence in common with the Landlord and the other occupants, tenants and users permitted by the Landlord, to enter and use those parts of the Lands (not including the Premises) which the Tenant reasonably requires in connection with the Permitted Use of the Premises and/or to obtain access to and egress from the Premises. Without limiting the generality of the foregoing, the Tenant may access and utilize the Aquifer in common with others up to a maximum of 125 million litres per year and otherwise on terms and conditions stipulated by the Landlord from time to time.

As Is.

The Tenant acknowledges and agrees that the Landlord has not made, and will not make, any representation or warranty as to the state of the Premises or the Lands, the fitness of the Premises for the purposes contemplated by this Lease including its grade or weight bearing capacity or any other matter in any way related to or connected to the Premises or the Lands and the Tenant's intended use thereof and the Tenant acknowledges and agrees that it has satisfied itself with respect to all such matters as it considers necessary related to or in connection with the Premises and the Lands and the Tenant's intended use thereof and that the Tenant is accepting the Premises and the Lands for such use strictly on an "as is, where is" basis and on the basis that the Landlord is not required to carry out any work of any sort whatsoever in respect of the Premises or the Lands except as expressly provided herein.

Term.

The Term of this Lease will be for the period set out in subsection 1.1(f) and will commence on the Commencement Date.

Use.

The Tenant agrees that:

- (a) the Tenant's rights under this Lease are at all times subject to those rights of the Landlord as owner of the Premises as set out in this Lease;
- (b) the Landlord may enter upon and use the Premises at any time in connection with the operation of the Landlord's business and for any purpose ancillary thereto provided that it does not unreasonably interfere (except in the case of emergencies) with the Tenant's rights under this Lease;
- (c) the Landlord may inspect the Premises to ensure that the Tenant is in compliance with its covenants hereunder;

- (d) the Landlord may enter the Premises and immediately carry out repairs and replacements in any case of an emergency; and
-
- (e) the Landlord may permit third parties to enter upon and use the Premises for the purposes of carrying out necessary maintenance, repairs and replacements in respect of the Premises and may grant statutory rights of way and similar rights, charges or licences to utilities or Government Authority in respect of the Premises, provided that the actions of such third parties and other users of the Premises and the exercise of such statutory rights of way, rights, charges or licences do not unreasonably interfere (except in the case of emergencies) with the exercise of the rights of the Tenant under this Lease.

Reservations.

Notwithstanding the rights granted to the Tenant herein, the Landlord hereby reserves all the rights not specifically granted to the Tenant, including, without limitation, the rights to:

- (a) inspect the Lands and Building (including the Premises) to ensure that the Tenant is in compliance with its covenants hereunder; and
- (b) exercise or grant to others any other rights or privileges concerning the Land, provided that such exercise or grant is not inconsistent with the terms of the Lease granted to the Tenant hereunder.

Landlord's Covenants.

The Landlord covenants with the Tenant:

- (a) to maintain any common areas on the Land that are under the Landlord's control; and
- (b) the Landlord will warrant and defend Tenant in the quiet enjoyment and possession of the Premises during the Term, subject to the terms and conditions of this Lease.

Article 3 **AMOUNTS PAYABLE BY TENANT**

Minimum Rent.

The Tenant shall pay to the Landlord on a monthly basis, at the address of the Landlord set out in subsection 1.1(a), or at such other place designated by the Landlord, in lawful money of Canada, without any prior demand and without any abatement, deduction or setoff whatsoever, the Minimum Rent set out in subsection 1.1(g), payable in advance on the first day of each calendar month during the Term.

Additional Rent.

This Lease is absolutely net to the Landlord such that, without limitation, all costs in any way related to the Premises and a share of the costs relating to the Lands and the

Building as set out in this Lease shall be paid by the Tenant. The Tenant will pay to the Landlord on a monthly basis in advance on the first day of each calendar month, at the address of the Landlord set out in subsection 1.1(a), or at such other place as is designated by the Landlord in writing, in lawful money of Canada, and without any abatement, deduction or set off whatsoever, an amount each calendar month equal to the Additional Rent estimated by the Landlord for such period as the Landlord may determine from time to time. Payments on account of Additional Rent shall be accounted for, and an adjustment made, if necessary, in accordance with section 3.3.

Reporting of Operating Costs and Property Taxes.

After the end of each calendar year, the Landlord shall furnish to the Tenant a statement of the Operating Costs and Property Taxes, if any, for such year and the Tenant's Proportionate Share thereof. If the amount payable by the Tenant as shown on any such statement is greater or less than the aggregate of amounts paid by the Tenant pursuant to this section 3.2, the proper adjusting credit shall be made by the Landlord or payment made by the Tenant, as the case may be, within 14 days after delivery of the statement. Any credit made by the Landlord or payment made by the Tenant and accepted by the Landlord in respect of any adjustment made hereunder, shall be without prejudice to the right of the Landlord to claim a readjustment provided such claim is made within 12 months from the date of delivery of the statement referred to in this section 3.3.

Payment for Irregular Periods.

The Minimum Rent and the Additional Rent shall accrue from day to day and, if for any reason it shall become necessary to calculate the Minimum Rent or any Additional Rent for irregular periods of less than one month or year, as may be applicable, an appropriate pro rata adjustment shall be made on a daily basis.

GST.

The Tenant shall pay GST to the Landlord (or as may be otherwise required by law) on any payment of the Minimum Rent and any Additional Rent under this Lease, which payment will be made to the Landlord (or as may be otherwise required by law) at the same time as the amounts to which GST apply are payable under this Lease.

Security Deposit.

The Tenant shall pay the Security Deposit, as set out in 1.1(i), to the Landlord on or before the Commencement Date. The Landlord will hold the Security Deposit to secure the due performance by the Tenant of all of its covenants and obligations contained in this Lease. The Tenant agrees that, if and so often as the Tenant fails to pay when due the Minimum Rent and the Additional Rent, or any of them, then and so often as such a default occurs and any applicable curing period provided in this Lease has expired, the Landlord is hereby authorized to apply the Security Deposit in payment of such overdue amounts(s) to the Landlord. If at any time the Security Deposit is reduced to a nil balance by application(s) in accordance with this section 3.6, then and so often as this occurs and the Landlord no longer holds any Security Deposit, the Tenant shall replenish the Security Deposit in full forthwith at the request of the Landlord.

Article 4

USE OF THE PREMISES

Use of the Premises.

The Tenant may use the Premises only for the purposes set out in subsection 1.1(h). The Tenant will not be entitled to use the Premises for any other purpose without the prior written consent of the Landlord, which may be arbitrarily or unreasonably withheld. The Tenant shall be responsible, at its cost, for repairing or replacing, as required from time to time, the Premises, and any improvements to the Premises or other parts of the Lands which are damaged or destroyed by the Tenant or any persons for whom the Tenant is responsible at law (reasonable wear and tear excepted). The Landlord will be under no obligation whatsoever to monitor the use of the Premises or to provide any security in respect of the Premises.

- 4.2 Any improvement work required in order to prepare the Premises for use by the Tenant shall be the sole responsibility of the Tenant, at its cost. The Tenant shall be required to prepare working drawings of its proposed improvement work and obtain the written consent of the Landlord thereto before commencing the Tenant's improvement work, such consent not to be unreasonably withheld. All Tenant's improvement work shall be done at the Tenant's sole cost and expense by qualified and licensed contractors and sub-contractors who shall be subject to the approval of the Landlord, acting reasonably. All such Tenant's improvement work shall be performed in a first class manner in accordance with the provisions of the Lease.
- 4.3 The Tenant shall be responsible, at its cost, for obtaining all necessary building permits and approvals as required by the relevant regulatory authorities for the Tenant's improvement work. The Tenant shall also be responsible for obtaining, at its cost, its business licence and occupancy permit and any additional permits and licences as may be required for the operation of the Tenant's business in the Premises.
- 4.4 The Tenant will maintain, repair, restore and keep the Premises and all improvements, fixtures and equipment therein in good repair.

Article 5

INSURANCE, RISK AND INDEMNITY**Risk.**

The Tenant agrees that it will use the Premises and such other parts of the Lands as are permitted under this Lease at its own risk and the Tenant assumes all risk in respect of any valuable items that may be left in the Premises.

5.2 Insurance.

- (a) The Tenant shall deliver to the Landlord, from time to time at the Landlord's request, a certificate of insurance which is satisfactory to the Landlord in its sole opinion. The following insurances shall be acquired by the Tenant, at its sole cost, and shall name the Tenant as the named insured and the Landlord as an additional insured:

-
- (i) General Liability coverage with a minimum limit of \$10,000,000 for loss, damage, injury or death arising out of any one occurrence;
 - (ii) Property All Risks Insurance which shall contain a waiver of subrogation in favour of the Landlord; and
 - (iii) any other insurance as may be reasonably required by the Landlord.

The insurance shall be primary in respect of all claims made, and shall not participate with, or be excess over, any valid and collectible insurance carried by the Landlord.

- (b) The Tenant acknowledges and agrees that in no event shall any insurable interest be conferred on the Tenant under any policies of insurance which may be carried by the Landlord (notwithstanding any direct or indirect contribution by the Tenant to the Landlord's cost of such insurance) and in no event shall the Landlord be obliged to account to the Tenant for any proceeds of insurance received by the Landlord.

Release.

The Landlord and the Tenant agree that:

- (a) the Landlord, its officers, directors, agents, servants and employees shall not be liable for damage or injury to any property of the Tenant which is entrusted to the care or control of the Landlord, its agents, servants or employees; and
- (b) the Landlord, its officers, directors, agents, servants and employees shall not be liable or responsible in any way for any personal or consequential injury of any nature whatsoever that may be suffered or sustained by the Tenant or any employee, agent, invitee or customer of the Tenant or any other person who may be upon the Premises, Lands or the Building or for any loss of or damage or injury to any property belonging to the Tenant or to its employees or to any other person while such property is on the Lands, the Premises or the Building and, in particular (but without limiting the generality of the foregoing), the Landlord shall not be liable for any damage or damages of any nature whatsoever to any such property caused by the failure, by reason of a breakdown or other cause, to supply adequate drainage, snow or ice removal, or by reason of the interruption of any public utility (and the Tenant acknowledges that the Landlord does and will not supply emergency power) or service or in the event of steam, water, rain or snow which may leak into, issue, or flow from any part of the Lands or the Building or from the water, steam, sprinkler, or drainage pipes or plumbing works of the same, or from any other place or quarter or for any damage caused by anything done or omitted by the Landlord or by any other person occupying any part of the Lands or Building. The Tenant shall not be entitled to any abatement of Rent or any Additional Amount in respect of any such condition, failure or interruption of service, unless such damage or injury results from the gross negligence or wilful misconduct of the Landlord, its agents, servants or employees.

Indemnity.

The Tenant shall defend, indemnify and save harmless the Landlord, in its capacity as landlord under this Lease, its officers, directors, agents, servants and employees, from and against any and all liabilities, damages, costs, claims, suits or actions (including solicitors' costs on a solicitor and own client basis) resulting from:

- (a) any breach, violation or non-performance of any covenant, obligation or agreement of the Tenant under this Lease;
- (b) any damage to property, howsoever occasioned, and any injury to any person or persons, including death resulting at any time therefrom, occurring in or on the Premises or the Building or the Lands or any part thereof, save and except to the extent such damage or injury is due to the Landlord's gross negligence or default; and
- (c) any contract, lien, privilege, mortgage, charge or encumbrance on the Lands arising from or occasioned by the act, default or negligence of the Tenant or its officers, agents, servants, employees, contractors, customers, invitees or licensees;

and such indemnification shall survive the termination of this Lease, any provision in this Lease to the contrary notwithstanding.

Tenant's Acknowledgement.

The Tenant acknowledges and agrees that the insurance requirements contained in this Article 5 in no way limit the liability of the Tenant to the Landlord under this Lease.

Services.

The Landlord does not warrant that any service or facility provided by the Landlord hereunder will be free from interruptions caused or required by maintenance, repairs, renewals, modifications, strikes, riots, insurrections, labour controversies, force majeure, Acts of God or other cause or causes beyond the Landlord's reasonable control. No such interruption shall render the Landlord liable in damages to the Tenant, nor relieve the Tenant from its obligations under this Lease, provided that the Landlord shall without delay take all reasonable and practical steps within its power to remove the cause of such interruption.

Article 6 **TENANT'S COVENANTS**

Tenant's Covenants.

The Tenant covenants with the Landlord:

- (a) Use of the Premises. To use the Premises for the Permitted Use only and for no other purpose without the prior written consent of the Landlord, which consent may be unreasonably or arbitrarily withheld.
- (b) Payment. To pay the Minimum Rent and the Additional Rent required to be paid by the Tenant hereunder in accordance with the terms of this Lease.

-
- (c) Tenant's Taxes. Throughout the Term, to pay when due any taxes or other charges that may be levied against or in respect of the Tenant's use of the Premises, the Tenant's Property or of any other equipment of the Tenant, including GST.
- (d) Applicable Laws. At the Tenant's sole cost and expense, to comply with all Applicable Laws pertaining to the Premises or to the use of the Premises or any other part of the Lands permitted under this Lease by the Tenant (including obtaining all permits which may be required in connection with the Tenant's use of the Premises or any other part of the Lands).
- (e) Clear Builder's Liens. Not to suffer or permit any builders' lien or claim of builders' lien to be filed against the Lands by reason of work, labour, services or material supplied or claimed to have been supplied to the Tenant in connection with the Premises; if any such lien or claim shall at any time be filed against the Lands, the Tenant shall cause a discharge of the lien or claim to be registered within 30 days after the filing of the lien or claim has come to the notice of the Tenant (the Tenant agrees that the Landlord may, at its option, pay into court the amount required to discharge any such lien and that the Tenant will pay to the Landlord on demand the amount so paid and all the Landlord's costs incurred in connection with discharging such lien, including its legal costs on a solicitor and own client basis).
- (f) Rules and Regulations. To comply with any reasonable rules and regulations, including those set forth in Schedule C, and with all policies and procedures that the Landlord may impose from time to time in respect of the use, occupation and/or administration of the Premises or the Lands promulgated by the Landlord from time to time.
- (g) Nuisance and Waste. To keep the Premises in a reasonably tidy and clean condition and not to do anything on the Premises or the Lands which may be or may become a nuisance or danger to the Landlord or to any other users of the Lands (including the Premises) or to any equipment, works, structures, installations or other property of any of them on, under or in the Premises or the Lands and not to commit any waste upon the Premises or the Lands.
- (h) Not to Interfere. Not to unreasonably interfere with the use by the Landlord or any other permitted users of the Building or the Lands or with the access by the Landlord or any other persons authorized by the Landlord to any portion of the Lands which is not included in the Premises.
- (i) Co-operation. Act cooperatively and in good faith with the Landlord and its other licensees of any part of the Lands in exercising the Tenant's rights hereunder.
- (j) No Construction, Installation or Alterations. Except as expressly permitted herein, not to install, erect or construct any fixtures or other improvements on the Premises or make any other alterations of any kind whatsoever to the Premises, and not to bring into the Premises any furniture or fixtures without the prior written consent of the Landlord, which consent may not be unreasonably or arbitrarily withheld.

- (k) No Encumbrancing. Not to charge or encumber in any way its interest in this Lease or in the Premises.
-
- (l) Signs. Not to erect or place any signs or advertising of any nature or kind whatsoever on the Premises or any other part of the Lands without first obtaining the Landlord's written approval (which may be unreasonably or arbitrarily withheld) and without complying with all sign restrictions imposed by the Landlord and any Government Authority having jurisdiction.
- (m) Refuse. To deposit all trash, rubbish, waste material and other garbage within the appropriate containers provided by the Landlord.
- (n) Utilities Supplied to the Premises by Third Parties. Arrange and pay all costs as and when due for any private hook ups (as necessary) with telecommunications providers, telecommunications equipment, telecommunications services and all other services and utilities provided by any third parties to or for the Premises.

Article 7

TENANT'S REPRESENTATIONS**Tenant's Representations.**

The Tenant represents and warrants that:

- (a) all necessary corporate action on the part of the Tenant has been taken to authorize and approve the execution and delivery of this Lease, the completion of the transactions contemplated herein and the performance and observation of the Tenant's obligations under this Lease; and
- (b) the Tenant has not failed to disclose or make available to the Landlord any information which might have a material effect on the Landlord's approval of the Tenant's lease and this Lease.

Article 8

ENVIRONMENTAL MATTERS**8.1 Environmental Matters.**

- (a) The Tenant agrees as follows:
- (i) notwithstanding any other provision of this Lease, the Tenant will fully comply with, and will ensure that all persons who the Tenant authorizes to use the Premises comply with, all applicable Environmental Laws and will not place, store, use, manufacture or Release any Hazardous Materials under, on or over the Premises or any adjacent lands except with the prior written consent of the Landlord and in accordance with all applicable Environmental Laws;
- (ii) the Tenant will not authorize, cause or permit a Release of Hazardous Materials and will take all measures which are necessary to ensure that no other persons using the Premises authorize, cause or permit a

Release of Hazardous Materials except with the prior written consent of the Landlord and in accordance with all applicable Environmental Laws;

- (iii) if an unpermitted Release of Hazardous Materials does occur as a result of any action of the Tenant or any person for whom the Tenant is responsible at law, the Tenant will immediately report the occurrence of the Release to the Landlord and to all applicable Government Authorities to whom notification is required under Environmental Laws in the circumstances and will immediately clean up the Release and restore the natural environment affected by the discharge to the satisfaction of the Landlord and all such applicable Government Authorities and, if required to do so by the Landlord, will provide to the Landlord a certificate from the appropriate Government Authorities confirming that such Release has been cleaned up to the satisfaction of such Government Authorities;
- (iv) if the Tenant fails or refuses to promptly clean up any such Release of Hazardous Materials and to restore the natural environment affected by such a Release, the Landlord may carry out the whole or any part of the cleanup and restoration at the Tenant's expense and may, at its sole discretion, terminate this Lease forthwith by a notice in writing to the Tenant;
- (v) the Tenant will fully comply with all Orders of any applicable Government Authority which may be directed to the Tenant or to anyone else authorized by the Tenant to use the Premises and which relate to the Premises in respect of any environmental matters;
- (vi) if an Order of any applicable Government Authority is issued to the Landlord requiring the Landlord to do anything in relation to any environmental problem caused by the Tenant or for which the Tenant is responsible under this Lease or at law, the Tenant will, upon receipt of written notice from the Landlord, carry out the Order at the Tenant's expense;
- (vii) if the Tenant fails or refuses to promptly and fully carry out any Order of any applicable Government Authority with respect to any such environmental matter, the Landlord may carry out the whole or any part of the Order at the Tenant's expense and may, at the sole discretion of the Landlord, terminate this Lease forthwith by a notice in writing to the Tenant;
- (viii) upon the expiration of the Term or other termination of this Lease, the Tenant will leave the Premises and the Lands clean of any Hazardous Materials introduced thereto by the Tenant or any person for whom the Tenant is responsible at law;
- (ix) the Landlord may at any time inspect the Premises to determine whether the Tenant is fully complying with all Environmental Laws and its environmental obligations under this Lease and to evaluate the risk of Releases on or from the Premises; and

-
- (x) if the Landlord's inspection of the Premises discloses a breach by the Tenant or any person for whom the Tenant is responsible at law of an Environmental Law or a fact situation which could be reasonably be anticipated to result in such a breach of an Environmental Law, the Landlord shall have the right to take whatever steps are reasonably required to rectify such breach, or prevent such breach from occurring, as the case may be, all at the Tenant's expense.
- (b) The Tenant will indemnify the Landlord, its directors, officers, representatives, employees, agents and all persons for whom the Landlord is responsible at law, protect and save them harmless from and against and from any and all damages, losses, liabilities, obligations, penalties, claims, litigation, suits, proceedings, costs, disbursements or expenses (including, without limitation, all legal fees on a solicitor and own client basis, experts fees and disbursements) of any kind or of any nature whatsoever (collectively the "**Indemnified Matters**") which may at any time be imposed upon, incurred by or asserted or awarded against the Landlord and arising from or out of any Hazardous Materials brought onto the Premises or the Lands by the Tenant or those for whom it is responsible at law or any discharge of Hazardous Materials by the Tenant or those for whom the Tenant is responsible at law under, on or over the Premises or the Lands.
- (c) Indemnified Matters as defined above shall include, without limitation, all of the following: the costs of removal of any and all Hazardous Materials, additional costs required to take necessary precautions to protect against the Release of Hazardous Materials into the air, the soil, any body of water, any other public area or any surrounding areas, costs incurred to comply with all Applicable Laws with respect to Hazardous Materials, and claims, actions, damages, liability and expenses in connection with loss of life, personal injury and/or damage arising from or out of any occurrence or matter described in subsection 8.1(a).
- (d) The Tenant shall pay to the Landlord any amount contemplated pursuant to this section 8.1 within ten (10) days of receipt from the Landlord of a written demand for such amount.

Article 9
TERMINATION

Termination.

In addition to such other termination rights as may be set out elsewhere in this Lease, the Landlord and the Tenant agree that the Landlord may terminate this Lease if the Tenant breaches or fails to comply with any of its obligations under this Lease and fails to remedy such breach or failure within ten (10) days of receiving written notice of such breach or failure or, if such breach or failure is not the failure to pay any sum of money to the Landlord and reasonably requires more than ten (10) days to remedy, if the Tenant has not commenced diligently remedying such breach or failure within ten (10) days of receipt of such notice or thereafter fails to continue to diligently and expeditiously remedy such breach or failure.

Early Termination.

In the event of any material damage to the Premises which cannot be repaired within 10 days (as determined by the Landlord acting reasonably), the Landlord shall be entitled at its option to terminate this Lease effective as of the date of such damage by giving written notice of such termination to the Tenant (if the Landlord elects not to terminate this Lease, all Minimum Rent payments under this Lease shall abate from the date of such damage until the date on which the Landlord permits the Tenant to recommence its Permitted Use of the Premises).

Obligations on Expiry or Termination.

Upon the expiry of the Term or other termination of this Lease, the Tenant shall:

- (a) quit the Premises peaceably and leave the Premises and all improvements and fixtures in good condition, reasonable wear and tear only excepted;
- (b) return all copies of keys made;
- (c) at the Tenant's cost, remove from the Premises the Tenant's Property and all other property of the Tenant and of those for whom the Tenant is responsible at law and repair any damage caused by the Tenant or those for whom the Tenant is responsible at law to the Premises as a result of the Tenant's use of the Premises; and
- (d) all fixtures and improvements including trade fixtures shall remain as the Landlord's property unless the Landlord gives the Tenant notice requiring removal of any fixtures or improvements.

Survival of Obligations.

Upon the expiry of the Term or other termination of this Lease, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as at the date of expiry or termination and all of the provisions of this Lease relating to the obligation of either of the parties to perform actions or to account to or to indemnify the other and pay to the other any monies owing as at the date of expiry or termination in connection with this Lease shall survive such expiry or termination.

Acceleration.

If and whenever the Landlord elects to terminate this Lease pursuant to section 9.1 and without in any way restricting the Landlord's remedies, then, and in any such case, the Landlord may without notice bar the Tenant from entry to or use of the Premises.

9.6 Right to Cure Defaults.

- (a) If the Tenant defaults in the performance of any of its covenants or agreements under this Lease, the Landlord may perform or remedy the same for the account of the Tenant and may enter upon the Premises for that purpose without such entry constituting a termination of this Lease.

- (b) The Tenant shall pay to the Landlord on demand all reasonable costs and expenses incurred by the Landlord in remedying or attempting to remedy such default.

Article 10
CONFIDENTIALITY

Confidential Information.

Each party acknowledges that during the course of negotiations of this Lease, and during the Term, each party may be given access to Confidential Information of the other party. "**Confidential Information**" means trade secrets and other information not generally known to the public, and owned by one of the parties, or by any affiliate of a party, or by any of their respective suppliers, customers or other business partners. Confidential Information includes without limitation, all program concepts, inventions, know how, discoveries, processes, ideas, database structures, tables, scripts, file layouts, financial information, legal, corporate, marketing, product, research, technical, personnel, customer, supplier and other non-public information, in whatever form or media, either specifically identified as confidential prior to or at the time of its disclosure, or that would otherwise generally be considered confidential in the industries in which the party concerned does business, but Confidential Information does not include any information that is disclosed or developed hereunder that the party who has received such information or who does not own such information can evidence:

- (a) is publicly available at the time of disclosure or development, or becomes publicly available after disclosure or development, through no fault of the receiving party or, as to information developed hereunder, the party who does not own such information;
- (b) was developed by the receiving or non-owning party independently of, and without knowledge of or reliance on, the disclosed or developed information;
- (c) is obtained by the receiving or non-owning party outside of the performance of obligations or the enjoyment of its rights under this Lease without any violation of the rights of the other party; or
- (d) was rightfully in the receiving or non-owning party's possession prior to the time of disclosure or development, if such information was not obtained in confidence including, without limitation, as a result of an employment relationship or independent consulting relationship;
- (e) is required to be disclosed by order of a court of competent jurisdiction or otherwise by operation of law; or
- (f) is required to be disclosed in accordance with the *Access to Information Act* (Canada) or the *Freedom of Information and Protection of Privacy Act* (British Columbia).

Obligations concerning Confidential Information.

Each of the Landlord and the Tenant shall hold all Confidential Information concerning the other of them in a fiduciary capacity and solely for the benefit of such other party and shall not disclose, divulge or otherwise communicate, in any manner whatsoever during the Term or thereafter, any of such Confidential Information to any person nor shall the Landlord or the Tenant during the Term or thereafter, directly or indirectly, use any Confidential Information concerning the other party for any purpose other than in furtherance of the business of such other party.

Article 11
MISCELLANEOUS

Expropriation.

If during the Term the Premises, or any part thereof, is acquired or condemned by expropriation for any public or quasipublic use, then the Landlord and the Tenant may separately claim, receive and retain awards of compensation for the loss of their respective interests, but neither the Landlord nor the Tenant shall have any claim against the other in respect of such loss or the unexpired Term.

Late Payments.

If the Tenant does not pay to the Landlord any amount which it is required to pay under this Lease within five business days of the due date under this Lease, such amount shall thereafter bear interest at a rate equal to the Prime Rate plus ten percent (10%) per annum, calculated and compounded monthly on the first day of each month until paid. "Prime Rate" means the rate of interest, expressed as a percentage per annum, declared from time to time by the main branch in Vancouver, British Columbia of the Royal Bank of Canada as its "prime rate", the intention being that the rate of interest prescribed hereunder shall fluctuate as and when such declared prime rate fluctuates.

No Tacit Renewal or Extension.

If the Tenant continues to use the Premises after the end of the Term without executing a new lease agreement with the Landlord, and the Landlord accepts payments from the Tenant in respect of its use of the Premises, there shall be no tacit renewal or extension of this Lease, and the Tenant shall be deemed to be entitled to use the Premises on a month-to-month basis at a monthly Minimum Rent equal to double the monthly Minimum Rent payable by the Tenant during the last month of the Term plus all Additional Rent, and otherwise upon the same terms and conditions as are set forth in this Lease, so far as applicable to a monthly tenancy.

Time.

Time shall be of the essence herein.

Waiver.

No condoning, excusing or overlooking by either party of any default, breach or nonobservance by the other of any covenant, proviso or condition herein contained shall operate as a waiver of the non-defaulting party's rights hereunder in respect of any continuing or subsequent default, breach or nonobservance, or so as to defeat or affect

in any way the rights of the non-defaulting party herein in respect of any such continuing or subsequent default, breach or nonobservance. No waiver shall be inferred from or implied by anything done or omitted by the non-defaulting party save only expressed waiver in writing.

Approval by the Landlord.

The Tenant agrees and acknowledges that any review and approval by the Landlord of any plans, reports, specifications and other materials submitted by the Tenant to the Landlord including updates to all studies and reports shall not be a bar or defence to any claim by the Landlord or any third party for breach of the Tenant's obligations hereunder and the Landlord shall not be liable to the Tenant for any acts or omissions of the Landlord, or any of its employees or agents, related in any way to such review or approval.

Remedies Cumulative.

All rights and remedies of either party contained in this Lease shall be cumulative and not alternative.

Entire Agreement.

This Lease between the Tenant and the Landlord sets forth all of the covenants, promises, conditions, agreements and understandings between the Landlord and the Tenant with respect to their respective uses of the Premises. No subsequent amendment of this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by both of them. In the event of a conflict between the terms of this Lease and any other agreement, the terms of this Lease will prevail.

Governing Law/Exclusive Jurisdiction.

This Lease shall be construed and governed in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Lease (subject, however, to the obligation of the parties to arbitrate any disputes pursuant to section 11.12 hereof).

No Registration of Lease.

The Tenant acknowledges and agrees that this Lease does not contain a grant in favour of the Tenant of any interest in the Premises and, accordingly, the Tenant agrees that the Landlord shall not be required to provide this Lease in registrable form and that the Tenant shall not be entitled to register this Lease in any public registry.

Notices.

Any notice, demand, request or other instrument (each herein called a "Notice") which may be or is required to be given under this Lease, shall be delivered in person or sent by mail postage prepaid or transmitted by electronic mail and shall be addressed:

- (a) if to the Landlord, to the address and person set out in subsection 1.1(a); or
- (b) if to the Tenant, to the address and person set out in subsection 1.1(b).

Any such Notice shall be conclusively deemed to have been given or made on the day upon which such Notice is delivered, or if transmitted by electronic mail on the first business day after the date of transmission, or if mailed then on the fifth business day following the date of the mailing unless there is between the day of mailing and actual receipt a mail strike, slow down of postal service or other labour dispute which adversely affects mail service, in which case the party giving the Notice shall deliver personally such Notice or transmit such Notice by electronic mail. Either party may at any time give Notice in writing to the other of any change of address of the party giving such Notice (or of any other person to receive a notice) and from and after the giving of such Notice, the address therein specified shall be deemed to be the address of such party or person for the giving of Notices hereunder.

Arbitration.

If a dispute arises between the parties in connection with this Lease, the parties agree to use the following procedure as a condition precedent to either party pursuing other available remedies:

- (a) either party may notify the other by written notice of the existence of a dispute and a desire to resolve the dispute;
- (b) a meeting will be held promptly between the parties, attended by appropriate personnel and by individuals with decisionmaking authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute;
- (c) if, within fourteen (14) days after such meeting or such further period as is agreeable to the parties (the "**Negotiation Period**"), the parties have not succeeded in negotiating a resolution of the dispute, they agree that the dispute will be settled by a single arbitrator in accordance with the *Arbitration Act* of British Columbia (as amended, supplemented or replaced from time to time), on the basis that the arbitrator is to be instructed to take all reasonable measures to ensure that the dispute is arbitrated and settled in as expeditious a manner as possible. The decision of the arbitrator will be final and binding and will not be subject to appeal on a question of fact, law, or mixed fact and law; and
- (d) the costs of arbitration will be awarded by the arbitrator in his absolute discretion.

Successors.

All rights and liabilities herein given to or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and permitted assigns of the said parties.

Business Day.

Where the time limited to perform anything or to pay any amount herein falls on a Saturday, Sunday or statutory holiday in the Province of British Columbia, the time so

limited shall extend to and the thing may done or the amount will not be paid on the next day which is not a Saturday, Sunday or statutory holiday.

No Assignment.

The Tenant shall not be entitled to assign or sublicense its rights under this Lease or authorize any person other than the Tenant's employees to use the Premises or to exercise any of the Tenant's rights under this Lease unless the Tenant has first requested and obtained the consent in writing of the Landlord thereto (which consent the Landlord may unreasonably or arbitrarily withhold). For the purposes of this Lease, a change of control of the Tenant by share transfer or otherwise which results in a change in the identity of the person or persons exercising or who might exercise control or management of the Tenant, and any amalgamation of the Tenant with any other corporate body, shall be deemed to be an assignment requiring the consent of the Landlord. The Tenant agrees to provide to the Landlord, prior to the execution of this Lease by the Landlord, true and complete information as to the person or persons exercising control of the Tenant and to provide to the Landlord, prior to any change in such control, true and complete information as to any proposed change in such control. No consent granted by the Landlord pursuant to this section shall relieve the Tenant of any of its obligations or liabilities under this Lease.

Sale by Landlord.

If the Landlord sells the Premises, then, to the extent that the purchaser assumes the covenants and obligations of the Landlord hereunder, the Landlord shall be freed and relieved of liability upon such covenants and obligations for matters arising after such sale.

No Partnership or Joint Venture.

Nothing herein contained shall be construed or deemed to constitute or create a partnership or joint venture of or between the parties or to render one of them liable for the debts and obligations of the others.

Joint and Several.

If the Tenant comprises more than one person, the covenants, agreements, representations, warranties, obligations and liabilities of the Tenant pursuant to this Lease are joint and several covenants, agreements, representations, warranties, obligations and liabilities of each of the persons comprising the Tenant.

Counterparts.

This Lease may be executed in any number of counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the date first above written.

Execution by Electronic Means. This Lease may be executed by the parties and transmitted by electronic means and if so executed and transmitted this Lease will be for all purposes as effective as if the parties had delivered an executed original Lease.

Severability.

If any provision of this Lease or any part thereof is determined to be invalid for any reason it will be severable and severed from this Lease and the remainder of this Lease will be construed as if such invalid provision or part had been deleted from this Lease.

Schedules.

The following are schedules to this Lease and form a part hereof:

- (a) Schedule A Lands;
- (b) Schedule B Building;
- (c) Schedule C Rules and Regulations; and
- (d) Schedule D Additional Clauses.

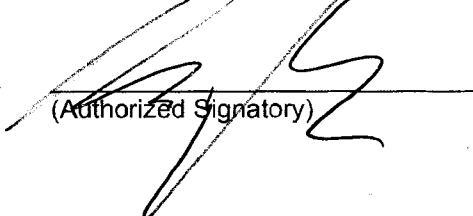
The parties agree that the additional clauses listed in Schedule D are hereby incorporated into this Lease.

IN WITNESS WHEREOF the parties hereto have executed this Lease by their duly authorized signatories as of the day and year first above written.

SUNGROWN ORGANICS INC.

By: 
(Authorized Signatory)

DOSEOLOGY SCIENCES INC.

By: 
(Authorized Signatory)

SCHEDULE A
LANDS

Civic Address: 6924 Old Kamloops Road, Vernon, B.C. V1H 1W1

Legal Description: PID: 013-454-013
THAT PART OF THE NORTHEAST ¼ OF SECTION 15 OUTLINED RED
ON PLAN B1129; TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT
EXCEPT PLAN KAP68980

SCHEDULE B

BUILDING

SCHEDULE C**Rules and Regulations**

1. The Tenant shall not perform any acts or carry on any practices which may injure the Premises or the Building or the Lands or be a nuisance or menace to, or interfere in any way with other occupants of the same or those having business with them, or make or permit any improper noises or bring into the Premises any machines or equipment which may create noises or fumes resulting in annoyance to or discomfort any neighbours, and shall forthwith upon request by the Landlord discontinue all acts or practices in violation of this clause and repair any damage or injury caused thereby.
1. The Tenant will not install or operate in the Premises any machine, apparatus or device unless such machine, apparatus or device may be lawfully installed and operated upon the Premises.
2. If any apparatus used or installed by the Tenant requires a permit as a condition of installation, the Tenant must file such permit with the Landlord.
3. No heavy equipment or any other equipment liable to injuriously affect any part of the Premises or the Building (collectively herein referred to as "heavy equipment"), will be taken into the Premises without the written consent of the Landlord which consent will not be unreasonably withheld or delayed, and the Landlord will in all cases retain the power to reasonably prescribe the weight and proper position of such heavy equipment. The cost of repairing any or all damage to the Premises or the Building by the installation or removal by the Tenant of such heavy equipment, or by any heavy equipment during the time it is in or on the Premises or the Building will be paid for on demand, as rent, by the Tenant, provided such damage was caused by the negligence of the Tenant or its agents or employees, or persons for whom the Tenant is responsible. No heavy equipment, as aforesaid, will be taken into or out of the Premises or Building except during hours and via such entrances, passages and elevators as the Landlord may from time to time reasonably prescribe.
4. Hand trucks and similar applicants shall be equipped with rubber tires and other safeguards approved by the Landlord and shall be used only by prior arrangement with the Landlord.
5. The Tenant shall not overload the electrical outlets so as to affect or interfere with the electricity supply in the Building.
6. Except in emergencies and in instances of temporary obstruction due to maintenance, repair or replacement, the sidewalk, entrance, stairways and corridors of the Premises and the Building will not be obstructed by the Tenant or the Landlord. Neither the Tenant nor the Landlord will place or allow to be placed in any of such areas or in any of the hallways of the Building anything that may render any of them unsafe. The Tenant will not in any way alter or place or do anything on the exterior of the Building without the prior written consent of the Landlord.
7. The Tenant will prevent any person for whom the Tenant is responsible at law from throwing objects out of the windows, or into the ducts or passages, of the Premises and

will pay for any cost, damage or injury resulting from any such act or acts for which the Tenant is reasonably responsible.

8. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.
9. Bicycles, vehicles, animals or birds or any kind shall not be brought into or kept in or about the Premises.
10. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by the Tenant on any part of the outside or inside of the Premises or the Building without the prior written consent of the Landlord. In the event of the violation of the foregoing by the Tenant the Landlord may remove same without any liability, and may charge the expense incurred by such removal to the Tenant.
11. Canvassing, soliciting and peddling in the Building are prohibited and the Tenant shall cooperate to maintain such restriction.
12. Awnings or other projections shall not be attached to the outside walls of the Building. All curtains, blinds, shades or screens attached to or hung in, or used in connection with any window or door of the Premises shall be subject to the approval of the Landlord.
13. The Tenant shall take delivery of all goods or parcels belonging to or intended for the Tenant only through the entrances allotted for that purpose by the Landlord, and the time and manner of making such deliveries shall be as prescribed by the Landlord. Should the Landlord be required to deliver parcels to the Tenant from the receiving area, it may make reasonable charges therefore which shall be payable as additional rent on demand.
14. All glass, locks and trimmings in or upon the doors or windows of the Premises will be maintained in good repair and in a working condition and whenever any part thereof becomes broken, the same will be replaced or repaired in accordance with this Lease. The Tenant will not alter any existing lock nor will any additional locks or similar devices be attached to any door or window. No keys for any door other than those provided by the Landlord will be made. If more than five (5) keys for one lock are desired by the Tenant, the Landlord may provide the same upon payment by the Tenant. Upon termination of this Lease or of the Tenant's possession of the Premises, the Tenant will surrender all keys and other locking devices for use in connection with the Premises, will make known to the Landlord the explanation for all combination locks on safes, cabinets and vaults and will pay to the Landlord the cost of replacing any missing keys or obtaining any lost combination.
15. The Landlord reserves the right at all times to have pass keys to the Premises and the spaces therein for use in emergency situations only.
16. The Tenant will be responsible for the closing and locking of doors, windows and other apertures in and to the Premises. Any damage resulting from any failure of the Tenant or its agents or employees or persons for whom the Tenant is responsible to observe this paragraph will be borne in full by the Tenant.

17. Only Landlord personnel will have charge of the heating and cooling system for the Premises.

18. The water closets and other water apparatus will not be used for any purpose other than those for which they were installed, and no sweepings, rubbish, rags, ashes or other foreign substances will be thrown therein; and the Tenant will be fully responsible for any damage resulting from misuse by the Tenant or any of its servants, agents, employees, or visitors.
19. The Tenant shall not mark, paint, drill into, or in any way deface any part of the Premises or the Building. The Tenant shall not lay linoleum or floor covering, so that the same shall come in direct contact with the floor of the Premises.
20. If the Tenant desires telephone, computer or electric alarm connections, the Landlord reserves the right to direct the electricians and technicians as to where and how the wires are to be introduced, and without such directions no boring or cutting for wires will take place. No wires or pipes of any kind will be introduced without the consent of the Landlord. No spikes will be inserted in the walls or woodwork of the Premises and no boring or cutting of the same will take place for any purpose without the consent of the Landlord. Any directions or consent required to be given by the Landlord under this paragraph will not be unreasonably withheld or delayed.
21. The Landlord may at any time and from time to time during the Term keep the entrance doors to the Building locked after normal business hours which are between 8:30 a.m. and 4:30 p.m. excluding Saturdays, Sundays and legal holidays. The Landlord may issue Building security access cards to those in the Premises for after regular business hours' use.
22. There shall be no consumption of food or drink in the lobbies or public areas of the Building, save those areas provided for the purpose, and the Tenant shall at no time install vending machines of any type or description in the Premises.
23. The Tenant will not smoke or permit any smoking by any agent, contractor, employee, tenant or visitor of the Tenant, whether within the Premises or anywhere in the Building.
24. The Tenant shall not cause unnecessary labour by reason of carelessness and indifference to the preservation of good order and cleanliness in the Premises and the Building.
25. No person will enter upon the roof of the Building without prior written consent of the Landlord.
26. The Tenant agrees to observe all reasonable rules and regulations regarding the security and protection of the Building and the tenants thereof, including without limitation the right of the Landlord to search the person of and/or any article carried by any person entering or leaving the Building.
27. The Tenant covenants that the Rules and Regulations hereinabove stipulated, and such other and further Rules and Regulations as the Landlord may make, being in its judgment needful for the reputation, safety, care or cleanliness of the Building and the Premises, or the operation or maintenance of the same and its equipment, or the

comfort of tenants, shall be faithfully observed and performed by the Tenant, and by the servants, agents, visitors and tenants of the Tenant. The Landlord shall have the right to change said rules and it shall not be responsible to the Tenant for the non-observance or violation of any of said rules and regulations by any other Tenants or other person.

The provisions of the Rules and Regulations shall not be deemed to limit any covenant or provision of the Lease to be performed or fulfilled by the Tenant. Upon any persistent infraction by the Tenant or its directors, officers or employees of the Rules and Regulations or any of them, as may in the opinion of the Landlord be calculated to annoy or disturb the quiet enjoyment of any other tenant, or interfere with the proper operation of the Building, the Landlord may declare a forfeiture and cancellation of the Lease and may demand possession of the Premises without notice.

SCHEDULE D**ADDITIONAL CLAUSES****Option to Renew.**

Provided that the Tenant has substantially performed all of the covenants, provisos, stipulations and terms of this Lease on the part of the Tenant to be performed and is not in default of any of the same at the time it gives a notice of renewal, the Tenant shall have one (1) option to renew this Lease for one (1) successive additional term of Five (5) years (the "**Renewal Term**") upon the same terms and conditions as are contained in the Lease, except for:

- (a) the amount of the Minimum Rent;
- (e) any rent free period or the allowance amount; and
- (f) the Tenant shall have no further rights of renewal.

The Renewal Term shall commence on the day immediately succeeding the expiration of the Term and shall end at 11:59 p.m. of the day immediately preceding the fifth anniversary of the first day of the renewal term. The Tenant may only exercise such option to renew this Lease by giving notice in writing to the Landlord no earlier than twelve (12) months and no later than six (6) months prior to the date on which the Renewal Term would commence pursuant to this provision. If the Tenant gives such notice to the Landlord and if the Tenant has substantially performed this lease as aforesaid up to the last day on which notice could be validly given hereunder to exercise the option for the Renewal Term, this Lease shall automatically be extended for the Renewal Term in respect of which notice was so given even though the said rent payable during the Renewal Term has not been determined at the commencement of the Renewal Term. In the event that the Tenant fails to so perform this Lease or to give such notice to the Landlord as herein provided, this Lease shall automatically terminate at the end of the Term (unless earlier terminated hereunder) and the Tenant shall have no further option to extend or renew this Lease. The Landlord agrees to execute an instrument of renewal if required by the Tenant, but all costs and expenses of making such instrument in registrable form, including the costs of any necessary plans, shall be borne by the Tenant.