

## LEASE AGREEMENT

This lease agreement (this "**Lease**") dated July 28, 2021.

**BETWEEN:**

**KAJEC Investments Inc.**  
(the "**Landlord**")  
#707 10238 103 street  
Edmonton, AB T5J 0Y8  
Tel: (780) 935-3199

- and -

**Nabati Foods Inc.**  
(the "**Tenant**")  
14811 134 Ave NW  
Edmonton, AB, T5L 4V5  
Tel: (780) 800-6624

**IN CONSIDERATION** of the rent and the covenants herein contained to be performed by the Landlord and the Tenant, the parties agree as follows:

### 1. LEASE

The Tenant leases from the Landlord and the Landlord leases to the Tenant the Leased Premises (as defined in Section 2 below), for the Term (as defined in Section 3 below) and upon the covenants, provisions and conditions of this Lease.

### 2. LEASED PREMISES

The Landlord is the registered owner of those lands legally described in Schedule "A" attached hereto (the "**Lands**"), together with the building constructed on the Lands, which is known as the 14803 – 14823 134<sup>th</sup> ave Edmonton, Alberta legally known as Lot 17 Block 11, Plan 7621570 (the "**Building**"). The Lands, the Building, and all other improvements upon the Lands are collectively referred to herein as the "**Property**".

The Leased Premises shall mean that portion of the Building comprising 14,860 **square feet**, more or less, (the "**Floor Area of the Leased Premises**") in the approximate location shown on Schedule "A" hereto and forming part hereof. The address of the premises is 14815 134<sup>th</sup> ave Edmonton, Alberta, and 14819 134<sup>th</sup> ave Edmonton, Alberta.

### 3. TERM

To have and to hold the Leased Premises for a term (the "**Term**") from October 1st, 2021 to March 31<sup>st</sup>, 2026.

#### 4. **MINIMUM RENT**

The Tenant shall pay without any variation, set-off, or deduction whatsoever, payable in advance on the first day of each month during the Term as follows:

(a) For the period October 1, 2021 – December 31st, 2021 annual Minimum Rent of Eighty Nine Thousand One Hundred and Sixty (\$89,160) + GST payable by equal monthly installments of Seven Thousand Four Hundred and Thirty (\$7,430) per month + GST. These amounts do not include applicable taxes. This corresponds to twelve dollars (\$12) per square foot. The first 3 months of the space known municipally as 14819 134<sup>th</sup> Ave are intended to be rent free.

(b) For the period January 1, 2022 – March 31st, 2026 annual Minimum Rent of One Hundred Seventy Eight Thousand Three Hundred and Twenty (\$178,320) + GST payable by equal monthly installments of Fourteen Thousand Eight Hundred and Sixty (\$14,860) per month + GST. These amounts do not include applicable taxes. This corresponds to twelve dollars (\$12) per square foot.

(c) Security Deposit of last two month's rent (\$31,206) will be included in the first months rent payment

#### 5. **Security Deposit**

The tenant shall pay the Security Deposit to the Landlord which will be retained by the Landlord without liability for interest thereon, as security for due performance by the tenant of its obligations under this Lease. The Security Deposit shall be applied to the first and last month's rent, without liability for interest. The Security Deposit may be applied, in the Landlord's discretion, to remedy any default by the tenant hereunder, whether in respect to the payment of money or otherwise, and in the absence of such default the Landlord shall return the Security Deposit to the Tenant at the expiration of the Term. If any or all of the Security Deposit is applied by the Landlord to remedy any default, the tenant shall forthwith upon written demand from the Landlord, remit to the Landlord such monies as are sufficient to restore the amount of money held on deposit by the Landlord to the original balance.

#### 6. **ADDITIONAL RENT/PROPORTIONATE SHARE**

5.1 For the purposes of this Lease "**Proportionate Share**" shall mean the fraction, the numerator of which is the Floor Area of the Leased Premises and the denominator of which is the Floor Area of all leasable space of the Building (measured in the same manner as Floor Area of the Leased Premises) to which any particular expenditure applies. The Tenant shall pay, without



any variation, set-off, or deduction whatsoever, its Proportionate Share of all costs, charges and expenses of or relating to the maintenance, repair, replacement, operation, and management of the Property (collectively "**Operating Costs**"). Operating Costs include, without duplication, but are not limited to, the following:

a) The tenant shall pay all rates, charges, costs and expenses as may be assessed or levied and at the rates so assessed or levied by all suppliers of utilities directly to the premises. This is a proportionate usage; it will be based on proportionate square footage.

b) the Tenant's cost of gas, oil, power, electricity, water, sewer, communications and any other utilities and services which are not separately metered, together with the direct cost of administering such utility services;

c) the Tenant's cost of cleaning, litter removal, servicing, maintaining, operating, repairing, replacing, window cleaning, supervising the property and the costs of all supplies, labour, wages and fees relating thereto.

d) any value-added tax, business transfer tax, goods and services tax or similar multi-stage sales tax from time to time imposed by any governmental authority in Canada;

e) the tenant shall repair the premises including any damage to or breakage of glass, plate glass, show windows, mouldings, storefronts, signs, doors, hardware, lighting, lamps, bulbs, ballasts, wiring, plumbing, doors, weather stripping on doors, improvements, partitions, wall fixtures, and all trade fixtures and furnishings of the tenant or otherwise or for the premises and maintain in good condition the interior of the premises, any appurtenances thereto, any improvements now or hereafter erected or install therein and any apparatus or equipment of the tenant therein or therefor.

f) The tenant shall maintain and repair all heating, ventilation, air conditioning and plumbing facilities within the premises and all drains therefore in good repair and working order.

g) If property taxes increase above the "Base Property Taxes" (which for purposes of

this section shall mean the Property Taxes calculated by multiplying the 2020 mill rate of the City of Edmonton by the assessment on the completed Building as assessed by the City of Edmonton and adding thereto all other applicable rates levies and charges) then, and in that event, the Tenant shall pay as Additional Rent, the Tenant's Proportionate Share of the difference between the Base Property Taxes and the current Property Taxes such total sum to be payable to the Landlord by June 30<sup>th</sup> of any such Lease Year. Provided, however, that the Tenant will only be responsible for its Proportionate Share of the increase in Property Taxes if such increase is not attributable to any additional improvements to the said Building or any additional buildings that are now or may be constructed on the Lands. In addition, the Tenant will be solely responsible for all increase in Property Taxes attributable solely to improvements to the Premises made by or on behalf of the Tenant. The Tenant agrees to pay the Lessor a five (5%) percent penalty if payment of the Tenant's Proportionate Share of the Property Tax increase is not paid on or before June 30<sup>th</sup> of the given Lease Year.

For purposes of this Section, the Tenant's "Proportionate Share" means that proportion that the floor area of the Premises bears to the gross leasable area of the Building.



5.2 Operating Costs shall not include the following:

- a) the Landlord's debt service costs;
- b) Landlord's original cost of acquisition and construction of the Building and Leased Premises;
- c) Proportionate Property Tax for the space up to the amount referenced in the Tax escalation clause 5.1 g.
- d) Landlord's Cost of Insurance specifically set out under section 10.
- e) Snow Removal and Lawn Maintenance Costs of the Common Areas.
- f) any expenditures by the Landlord that under generally accepted accounting principles are properly considered capital expenditures and which are not specifically referred to above under section 5.1;
- g) any cost resulting from any hazardous or toxic substance being found in the Building or Lands (excepting where caused by Tenant);
- h) amounts collectible from other tenants in the Building or costs to lease or re-lease any premises in the Building; and
- i) charges for insurance of any other tenant or any increase in insurance rates required as a result of the nature of the business carried on by any other tenant;

If the Tenant does not pay an invoice directly, the Landlord will send invoices for operating costs as they are incurred. The Tenant will reimburse the Landlord within Thirty (30) days of notice from the Landlord. The Tenant may inspect the records kept by the Landlord relating to the Statement at the Landlord's business office at any reasonable time upon ten (10) days prior written notice but only so long as such notice by the Tenant is provided to the Landlord no later than sixty (60) days following delivery of the Statement to the Tenant. In no event shall such inspection or planned inspection permit the Tenant to delay payment of Rent or Additional Rent or any other amounts owing by the Tenant to the Landlord pursuant to the terms of this Lease.

The Tenant acknowledges and agrees that it is intended that this Lease shall be a totally carefree, absolutely net Lease for the Landlord except as specifically otherwise set out in this Lease. The Landlord shall not be responsible during the Term or any renewal for any costs of any nature whatsoever respecting the Leased Premises and the Tenant shall pay without any variation, deduction or set-off whatsoever, all costs relating to the Leased Premises, the Operating Costs as set out above, and any other amounts owing by the Tenant to the Landlord pursuant to the terms of this Lease (collectively the "**Additional Rent**") and the Tenant covenants with the Landlord to make such payments as Rent. The term "**Rent**" as used in this Lease shall include all Minimum Rent and Additional Rent.



The Tenant shall pay to the Landlord an amount equal to any and all goods and services taxes, sales taxes, value added taxes or any other taxes imposed on the Landlord with respect to Rent payable by the Tenant to the Landlord under this Lease. Despite any other section in this Lease, the amount payable by the Tenant under this paragraph shall be deemed not to be Rent but the Landlord shall have all of the same remedies for and rights of recovery of such amounts as it has for recovery of Rent under this Lease.

## **7. PERMITTED USE**

The Leased Premises shall be used and occupied only food production. The Tenant shall actively and continuously operate its business from and utilize the whole of the Leased Premises throughout the whole of the Term for such purpose in a reputable and diligent manner during the normal business hours and in accordance with rules and regulations designated or established by the Landlord from time to time.

## **8. OVERHOLDING**

If the Tenant shall continue to occupy the Leased Premises after expiration of the Term, or any renewal thereof, without any further written agreement, the Tenant shall be a monthly tenant only at a monthly Rent equal to One Hundred Fifty Percent (150%) of the Rent payable in the last month of the Term and on all of the same terms and conditions as are herein contained excepting as to the termination date.

## **9. INTEREST AND LATE PAYMENT FEES**

The Tenant shall pay to the Landlord interest on all monies and arrears at the rate of Twelve (12%) percent per annum calculated and compounded monthly not in advance.

For any Rent that is in arrears five (5) days or more, a fee of \$100.00 may be charged to the Tenant as Additional Rent for each month or months that the Rent is in arrears.

## **10. DEFAULT AND REMEDIES**

In the event that:

- a) the Tenant fails to pay any Rent or any other amount owing under this Lease when due, whether or not demanded by the Landlord; or
- b) the Tenant defaults or fails to observe or perform any of its non-financial obligations under this Lease and the Tenant fails to rectify such default within Fifteen (15) days of receipt of written notice from the Landlord with respect thereto (unless such failure is not reasonably capable of being rectified within such Fifteen (15) day period, in which case the Tenant shall be in default if it fails to commence rectifying the default within such Fifteen (15) day period or fails to thereafter diligently pursue rectification to completion); or
- c) the Tenant makes a general assignment for the benefit of creditors, becomes bankrupt or insolvent, or takes the benefit of or becomes subject to any statute that may be in force relating to bankrupt or insolvent debtors; or

- d) any creditor seizes or takes control of the Tenant's property; or
- e) the Tenant abandons or threatens to abandon the Leased Premises;

the Landlord, immediately and without prior notice being required, and without in any way restricting any of its other rights or remedies, may:

- a) retain the Security Deposit and advance rent (if any) for its own use absolutely;
- b) terminate this Lease and re-enter into possession of the Leased Premises; and
- c) claim greater damages for breach of this Lease, in each of such cases without limiting any other rights or remedies available to the Landlord.

In addition to payment of the then current Rent, and without prejudice to the Landlord's right to claim greater damages, the Rent for the next ensuing three months shall immediately become due and payable and be deemed to be in arrears upon such default, general assignment, bankruptcy, insolvency or other event of default.

All costs incurred by the Landlord in consequence of any default by the Tenant including, without limitation, legal fees and disbursements on a solicitor and its own client full indemnity basis, shall be paid by the Tenant.

The Tenant waives all and every benefit that could or might have accrued to the Tenant under or by virtue of any law or statute providing for an exemption from distress. The Landlord may, at the Landlord's option, sell such goods and chattels as are seized by levy of distress, by way of private sale to the Landlord or any other party.

Distress may be levied against the goods and chattels of the Tenant wheresoever situate, and upon any other premises to which the same may have been removed, or wherever the same may be found.

All rights and remedies of the Landlord in connection with the Lease are cumulative and, where applicable, shall survive the early termination of this Lease or the expiration of the Term of this Lease.

All monies payable under this Lease shall be deemed to be Rent and collectible as such.

## **11. LANDLORD'S INSURANCE**

The Landlord covenants and agrees to place and maintain, with respect to the Leased Premises:

- a) Replacement Cost Insurance on the Building and leasehold improvements comprising the Leased Premises, subject to such deductions and exceptions as the Landlord may determine;
- b) Rent Interruption Insurance in amounts such as would be carried by a prudent owner of similar property;
- c) Commercial General Liability Insurance written on a comprehensive basis in an amount as would be carried by a prudent owner of similar property; and
- d) Any and all other insurance required by the Landlord that a prudent owner of similar property would carry.



Notwithstanding the foregoing, the Landlord shall not be required to acquire or maintain any insurance with respect to any loss, injury or damage against which the Tenant is required to insure pursuant to this Lease.

Notwithstanding any contribution by the Tenant to the Landlord's insurance placed pursuant to this Lease, no insurable interest is conferred upon the Tenant under any policies carried by the Landlord.

## 12. TENANT INSURANCE

During the Term of this Lease, the Tenant shall acquire and maintain Commercial General Liability Insurance for not less than Two Million (\$2,000,000.00) Dollars; All Risk Property Insurance, on a replacement cost basis on all of the Tenant's trade fixtures; Business Interruption Insurance; Tenant's Legal Liability Insurance (Broad Form); Boiler and Machinery Insurance (if applicable); Environmental Damage Insurance.

The Tenant's policies of insurance set out above shall contain the following:

- (a) provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of claim under such policies, and further that such policies shall not be affected or invalidated by any act, omission or negligence of any third party which is not within the knowledge or control of any insured(s);
- (b) provisions that such policies and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by the Landlord, that any coverage carried by the Landlord may only be called upon on a difference in conditions or excess coverage basis, and that any such Landlord coverage shall inure to the sole benefit of the Landlord;
- (c) provisions that all of the Tenant's insurance as specified above shall provide for waiver of all insurer's rights of subrogation as against the Landlord and the Landlord's mortgagee and shall name the Landlord and the Landlord's mortgagee as an additional insured;
- (d) provisions that all policies of insurance carried by the Tenant shall not be cancelled or materially changed without the insurer or the Tenant providing the Landlord thirty (30) days written notice stating when such cancellation shall become effective.

The Tenant shall further during the whole of the Term, and any renewal thereof, maintain such other insurance in such amounts and in such sums as a Tenant acting reasonably shall purchase, or as the Landlord or the Landlord's mortgagees may reasonably determine from time to time. Evidence satisfactory to the Landlord of all such policies of insurance required to be obtained by the Tenant pursuant to this section shall be provided to the Landlord prior to the commencement of the Term, and the Tenant shall provide written evidence of the continuation of such policies not less than ten (10) days prior to their respective expiration dates, and, in the absence of said satisfactory evidence of such coverage being provided, the Landlord may, but will not be obligated to, provide for the purchase of such insurance, the cost of which will be borne exclusively by the Tenant.

For certainty, in the event of any damage to the Building, or any part thereof, caused by the negligence or willful act of the Tenant or anyone for whom the Tenant is at law responsible, the Tenant's legal liability insurance will be required to cover all costs relating to such damage. In the event that any such damage exceeds the value of the Tenant's legal liability insurance coverage

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and the Landlord's insurance is required to cover the balance, the Tenant will be responsible for paying the Landlord's insurance deductible(s) relating to such damage and any increase in the Landlord's insurance premiums relating to such damage.

### **13. INDEMNIFICATION**

The Tenant hereby indemnifies and holds the Landlord harmless from and against any and all claims, demands, liabilities, and expenses, including legal fees on a solicitor and his own client full indemnity basis, arising from the Tenant's use of the Leased Premises or from any act permitted, or any omission to act, in or about the Leased Premises by the Tenant or the Tenant's agents, employees, contractors, invitees or those for whom it is responsible in law, or from any breach or default by the Tenant of this Lease, except to the extent caused by the Landlord's negligence or wilful misconduct. In the event that any action or proceeding shall be brought against the Landlord by reason of any such claim, the Tenant shall defend the same at the Tenant's sole expense by counsel reasonably satisfactory to the Landlord.

### **14. REPAIR**

(a) The Tenant shall at all times at its sole cost and expense keep or cause to be kept in good and substantial repair, order and condition, the whole of the Leased Premises, including, without limitation, all leasehold improvements, equipment, trade fixtures, fixtures and other facilities (including, without limitation, all wiring, piping, lighting and plumbing fixtures, operating equipment, sprinkler and heating, ventilation, and air conditioning systems) located on, in, under, above, or which directly serve the Leased Premises, and at the expiry or sooner termination of this Lease, the Tenant will peaceably surrender the Leased Premises in good and substantial repair and condition, reasonable wear and tear excepted. During the Term of this Lease the Tenant will complete and effect all necessary replacements, repairs (excepting structural repairs), and maintenance in relation to the Leased Premises no matter the cause or reason giving rise to the need to complete repairs, negligence by the Landlord or its agents excepted. The Tenant will permit the Landlord and its agents or employees at any time, and on reasonable notice, to enter the Leased Premises for purposes of repair, renovation or maintenance, which are the responsibility of the Landlord or can be completed by the Landlord, at its option, pursuant to the terms of this Lease.

(b) The tenant shall keep the premises and, without limitation, the inside and outside of all glass windows and doors of the premises and all exterior surfaces of the premises and side in front of the premises, in a neat, clean and sanitary condition and shall not allow any refuse, garbage, or other loose or objectionable or waste material to accumulate in or about the premises but rather shall of the same.

(c) The tenant shall further protect all water and drain pipes, water closets, faucets, sinks and accessories thereto within the Tenant's control from frost and ice, and will further keep all water and drain pipes, water closets, faucets, sinks, and accessories thereto free from uncleanness and obstruction that may prevent free and proper working thereof



(d) If the Landlord determines, acting reasonably, that the Tenant is not adequately maintaining the Leased Premises in accordance with the provision set out above or anywhere else in this Lease, then the Landlord may give the Tenant written notice of its intention to attend to such maintenance or repairs as necessary, and upon completion of such maintenance or repairs, the Tenant shall pay the Landlord's cost incurred plus fifteen (15%) percent of the Landlord's costs for overhead and supervision, all as Additional Rent.

(e) All leasehold improvements when installed, whether installed before or after the Tenant takes possession of the Leased Premises, in or on the Leased Premises become the property of the Landlord, without compensation to the Tenant. Notwithstanding the foregoing, and notwithstanding that the Landlord insures the leasehold improvements, the Tenant shall be exclusively responsible for the repair, replacement, operation, and maintenance of the leasehold improvements. Unless the Landlord specifically requires the Tenant to remove, the Tenant shall not remove any leasehold improvements from the Leased Premises. At the end of the Term, or any renewal thereof, the Tenant will, at its expense, remove the leasehold improvements that the Landlord has specifically required the Tenant to remove. The Tenant shall make good any damage caused to the Leased Premises by such installation or removal of the leasehold improvements, and the Tenant shall restore the Leased Premises to a condition of good and substantial repair.

(f) At the end of the Term, or any renewal thereof, the Tenant will, at its expense, remove all furniture, furnishings, equipment, and trade fixtures and make good any damage caused to the Leased Premises by such installation or removal, and restore the Leased Premises to a condition of good and substantial repair. If the Tenant does not remove any leasehold improvements, as required by the Landlord, or remove its furnishings, furniture, or equipment, the Landlord may, without liability on its part, without notice to the Tenant, enter the Leased Premises and remove such items at the Tenant's expense, plus an administration charge of fifteen (15%) percent of such amount, which will be paid by the Tenant to the Landlord as Additional Rent, on demand.

(g) At its sole cost, the Tenant shall undertake and complete all necessary repairs or replacements required to the Leased Premises as a result of damage occasioned to the Leased Premises by virtue of any break-in or attempted break-in to the Leased Premises.

(h) The Tenant agrees to obtain the prior written approval of the Landlord prior to any work being completed in the Leased Premises.

## **15. SIGNAGE**

The Tenant shall be permitted to install at its own expense an identification sign for the Premises with the Landlord's prior written approval as to design and location and such signage shall be in compliance with all municipal bylaws, regulations and codes.

## **16. REGISTRATION AND ESTOPPEL CERTIFICATE**

(a) The Tenant shall have the right to register a caveat respecting this Lease but not disclosing the Rent or other monetary provisions in the appropriate Land Titles Office but shall not be entitled



to file or register this Lease. If the Tenant registers a caveat, the Tenant shall forthwith upon the request of the Landlord execute and deliver to the Landlord such partial discharges, consents and plans as may be requested by the Landlord from time to time.

(b) The Tenant shall not under any circumstances permit any lien, writ, caveat, encumbrance or other charge (except for a lease caveat as set out in Section 16(a) above) to be filed against the title to the Leased Premises or the Lands and in the event of the filing of such lien, writ, caveat, encumbrance or other charge, the Tenant shall forthwith, at the Tenant's sole cost and expense, cause the same to be discharged from the title at the land titles office immediately upon demand to do so by the Landlord.

#### 17. **ALTERATIONS TO LEASED PREMISES**

The Tenant acknowledges that the Leased Premises are accepted "as is where is" and all improvements are the responsibility of the Tenant.

#### 18. **SUBORDINATION**

This Lease (and any caveat which Tenant may file pursuant to Section 16 hereof relating thereto) shall be subordinate to every mortgage that now or at any time affects the Leased Premises. Following request from the Tenant, the Landlord will use reasonable commercial efforts to provide from the Landlord's mortgagee(s) non-disturbance agreement(s) (in the standard form required by the mortgagee(s)) in favour of the Tenant confirming that the Tenant's rights pursuant to this Lease will be honoured, providing the Tenant is not in default under the terms of this Lease. The Tenant shall be responsible for any legal fees incurred by Landlord, respecting such non-disturbance agreement(s).

#### 19. **ASSIGNMENT**

Neither this Lease, nor the Leased Premises, nor control or shares of the Tenant (if a corporation) shall be assigned, transferred, sublet or changed, nor shall anyone other than the Tenant be permitted to occupy the Leased Premises, in whole or in part, by any means whatsoever including, without limitation, operation of law (each of which act is hereinafter referred to as a "**Transfer**"), without the Landlord's prior written consent/approval, such consent/approval not to be unreasonably withheld.

Notwithstanding the foregoing, the Tenant will not require the Landlord's consent to a Transfer in the following circumstances:

- a) an assignment of this Lease or a subletting of the whole of the Leased Premises to a parent, subsidiary or affiliate of the Tenant; or
- b) an assignment, sublet or transfer in connection with a merger, reorganization or sale of a majority of the assets or share stock of Tenant or Tenant's parent company

(hereafter, collectively a "**Pre-Approved Transfer**").



Prior to affecting any Pre-Approved Transfer, the Tenant shall provide the Landlord with at least fourteen (14) days prior written notice of the proposed Pre-Approved Transfer as well as the name of the name of the transferee.

In the event of an approved Transfer or Pre-Approved Transfer by which the Tenant receives a rent in the form of cash, goods or services from the transferee, which is greater than the Rent payable hereunder to the Landlord, the Tenant will pay any such excess to the Landlord in addition to all Rent payable under this Lease, and such excess Rent shall be deemed to be further Rent payable hereunder.

In the event of an approved Transfer or Pre-Approved Transfer, the Tenant shall not be relieved of any obligation under this Lease. Any attempted Transfer by the Tenant in violation of the terms and covenants of this section shall be void. The Tenant and the transferee shall execute all documents and acknowledgments in such form and content as may be required by the Landlord in relation to any approved Transfer or Pre-Approved Transfer. The Tenant shall be responsible for all of the expenses incurred by the Landlord in connection with the Landlord's review of any request for consent to a Transfer.

## 20 UNAVOIDABLE DELAY

In the event the Landlord is delayed in performance of its obligations hereunder by reason of causes beyond its control ("**Unavoidable Delay**"), the time for performance shall be extended accordingly. If the Landlord has any obligation to complete Tenant improvements, it shall not be responsible for any delay in construction due to Unavoidable Delay.

## 21. ENVIRONMENTAL WARRANTY

The Tenant covenants and agrees that:

- a) It is liable to the Landlord for the release of any hazardous substances which occurs on or from the Leased Premises from and after the date of occupancy of the Leased Premises by the Tenant;
- b) It will ensure that all uses and activities on the Leased Premises are in compliance with current and future federal, provincial and municipal environmental, health and safety laws and regulations.

The Tenant indemnifies the Landlord, its officers, directors, employees, agents and shareholders and holds each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever attributable to the breach of the Tenant's covenants herein. The Landlord and its consultants have the ongoing right to enter upon the Leased Premises from time to time to carry out such environmental tests, audits, and reviews as the Landlord considers necessary.

## **2.2 NOTICE**

Notices given pursuant to this Lease must be delivered by hand or by facsimile to the Landlord at the address set out on page 1 of this Lease, and to the Tenant at either the Leased Premises or the address set out on page 1 of this Lease, and each notice shall be deemed effective upon the date so delivered.

## **2.3 DESTRUCTION**

In the event the Leased Premises is totally or partially destroyed by fire or other casualty, the Landlord, at its sole option, may terminate this Lease by notice in writing to the Tenant whereupon the Tenant shall immediately surrender the Leased Premises and all its interest therein to the Landlord. In the event the Landlord does not elect to terminate this Lease, the Landlord covenants to repair and restore the Leased Premises, provided that the Landlord shall only be required to repair and restore the Leased Premises to a condition similar to the condition the Leased Premises were in at the commencement of the Term and the Tenant shall be responsible to repair and restore all of the leasehold improvements to the condition they existed at the time of such destruction and to repair and restore all of the Tenant's trade fixtures, equipment, decorations or any other work done by the Tenant in the Leased Premises after the commencement of the Term. If the Leased Premises is rendered wholly unusable (as certified by the Landlord), then Rent shall abate for such period of time as the Leased Premises is unusable.

The Tenant agrees that in the event of damage or destruction to the Leased Premises or any part thereof covered by insurance carried by the Tenant, the Tenant shall use the proceeds of any such insurance for the purpose of repairing or restoring such damage or destruction, including the leasehold improvements. Provided however, in the event of damage to or destruction of the Leased Premises or the Building entitling the Landlord to terminate this Lease as set out above, then, if the Leased Premises or any part thereof have been damaged or destroyed, the Tenant shall pay to the Landlord, or irrevocably assign to the Landlord, all of the Tenant's insurance proceeds relating to any leasehold improvements in the Leased Premises and if the Leased Premises have not been damaged or destroyed, the terms of Section 14 shall apply in relation to the delivery or removal of the leasehold improvements, in the Landlord's discretion.

## **2.4. REPRESENTATIONS**

There are no representations or warranties made by the Landlord in any way related to this Lease, except those set forth herein.

## **2.5 GOVERNING LAWS**

This Lease and any rules and regulations adopted hereunder shall be governed by the laws of the Province of Alberta.



## 26. ATTACHMENTS

The attached Schedules "A", "B", special clauses, riders and appendices (if any) are all included and form part of this Lease. All of the terms and provisions contained in Schedule "B" shall be read in conjunction with the provisions of this Lease; however in the event of any conflict between the terms of this Lease and anything set out in Schedule "B", the terms and conditions in Schedule "B" shall prevail and supersede such conflicting provisions in this Lease only to the extent of such conflict.

## 27. QUIET ENJOYMENT

Provided the Tenant duly, regularly, and punctually makes all payments of Rent and any other payments required to be made and paid under this Lease and has not defaulted and is not in default under any of the terms of this Lease, the Tenant shall and may peaceably possess and enjoy the Leased Premises for the Term without any interruption or disturbance from the Landlord.

## 28. SALE BY LANDLORD

Should the Landlord convey or assign its interest in the Leased Premises or otherwise divest itself of its interest in the Leased Premises it shall be relieved of all obligations under this Lease.

## 29. TIME OF THE ESSENCE

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

## 30. EXECUTION

In Witness Whereof, the Landlord and the Tenant have executed this Lease Agreement as of the date first written above by the hands of their authorized officers.

### **LANDLORD**

Per: "Kyle Johnson"

Per: Kyle Johnson, Director

### **TENANT**

Per: "Ahmad Yehya"

Per: Ahmad Yehya, CEO

**SCHEDULE "A"**

**LEGAL DESCRIPTION OF LAND**

Lot 17 Block 11, Plan 7621570



## **SCHEDULE "B"**

### **ADDITIONAL CLAUSES**

#### **a) Landlord Improvements**

- The landlord agrees to spend a maximum of \$15,000 to bring 400 amp/3phase 208-volt power to the leased premises. Additional costs will be covered by the tenant. Tenant has indicated that they have a preferred contractor for the work. Landlord will approve a quote by the approved contractor as a condition precedent on this lease.

#### **b) Tenant Improvements**

- The tenant agrees to spend at minimum, \$150,000, on improvements to the space known municipally as 14819 134<sup>th</sup> Ave Edmonton, Alberta. These improvements implementing a Food Processing Facility. These improvements will be preauthorized by the Landlord. Tenant has permission to cut concrete and add drains to shop area.

#### **c) Right of First Refusal**

- The tenant acknowledges that under the lease dated February 19, 2021 between 475540 Ontario Ltd. And Sabo Bros. Enterprises Ltd. For 14823 – 134<sup>th</sup> Ave Edmonton, Alberta, Carr Group has a right of first refusal on 14819 – 134<sup>th</sup> Ave, Edmonton Alberta. This lease will only be valid if Carr Group does not exercise their right of first refusal.

#### **d) Renewal Option**

- Six months prior to the end of the Primary Lease Term, the Tenant, if not in default of any terms and conditions of the Lease at the time the option is exercised, shall have the option to renew the Lease for a further 60 (months) at a rate to be negotiated. In the event a market rate cannot be established, then the matter shall be settled by Arbitration in accordance with the Arbitration Act of Alberta. Rent will at a minimum as per the rate established in this lease.

#### **e) Additional Condition:**

- Lease is conditional upon a waiver being signed ending the lease dated April 21<sup>st</sup>, 2017 between Sabo Bros. Enterprises LTD. and Commemorate Group Inc. for the location of 14819 134<sup>th</sup> ave Edmonton, Alberta to the satisfaction of both tenant and landlord