OFFER TO LEASE

To , Landlord

I, , of the , having inspected the premises, hereby offers to lease premises, at and described on Schedule "A" attached hereto for a term of from , yielding and paying therefor yearly and every year during the said term unto the said Landlord the sum (as set out in Schedule "E" attached) of lawful money of Canada, without any deduction, defalcation or abatement whatsoever, to be payable on the first day of each and every month during the currency of the said term.

Cheque for payable to is attached hereto to apply as a deposit on rental and to be returned if this offer is not accepted, and shall be credited towards the first and last months rent under the lease. Lease shall be drawn by you and shall include clauses usually in leases of similar property for the protection of the Landlord and his interest in the premises and shall be executed by both parties before possession of the premises is given.

This agreement is subject to fulfillment, or waiver by both parties, on or before five days after acceptance of this agreement, of the following conditions:

- 1. Approval of the terms of the Lease by solicitors for the Landlord and the Tenant,
 - 2. Approval of the Tenant by the Landlord's mortgagee,
- 3. Approval of the Tenancy by the municipal authorities for an occupancy permit,

failing any of which, this Agreement shall become null and void, and deposit shall be returned in full, without interest or deduction, to the Tenant.

Premises to be used only for or other use approved by the Landlord.

Lease to be fully net, with additional rent payable monthly in an equalized estimated amount along with the minimum monthly rent.

Landlord shall provide building as outlined in Schedule "C" attached, "The Obligation of the Landlord".

The attached Schedule "D" - "Tenants Work"

Schedule "F" - "Rules and Regulations"
shall also be read as part of this Agreement.

It is understood and agreed that all representations made by the landlord, or any of his representatives, are set out in this agreement. Preparation and provision of this agreement by the Landlord does not constitute an offer, and is not binding on either party unless executed by both parties and all conditions fulfilled or waived.

This offer shall be irrevocable until $5:00\,$ PM, after which time if not accepted, this offer shall be null and void, and deposit shall be returned, without interest or deduction, to the Tenant.

| Dated at Whitby t | this day of | , 19 |
|----------------------|------------------|-------|
| WITNESS |)))) | |
| | Te | enant |
| I hereby accept t | the above offer. | |
| Dated at Whitby this | day of | , 19 |
| WITNESS |))) | |

Landlord

SCHEDULE "A"

TENANT :

LOCATION:

DESCRIPTION :

SCHEDULE "B"

The Shopping Centre outlined in yellow, with the leased premises outlined in red. $\,$

SCHEDULE "C"

TENANT:

LOCATION:

The Landlord has completed the following at its own expense:

- The Shopping Centre and common areas,

and supplied and installed the following leasehold improvements:

- HVAC unit complete with thermostat controls and distribution system
- five gallon hot water heater, hot and cold water supply and complete two piece bathroom $\,$
 - poured concrete floor with smooth trowelled finish
- primary electric service and main disconnect switch with supply to the demised premises, existing distribution system and fluorescent lighting
 - natural gas supply through a meter and connected to HVAC
- all exterior aluminum storefront, windows and doors complete with hardware $% \left(1\right) =\left(1\right) +\left(1\right$
 - T-bar ceiling with lay-in panels, some partitions and doors

All "as is" and "where is".

SCHEDULE "D"

TENANT:

LOCATION:

The Tenant agrees to complete the following at its own expense and in conformity with all municipal and local building code requirements.

Plans

The Tenant will provide all necessary interior plans to the Landlord (all plans to have sufficient detail to obtain a building permit) within ten (10) days of receipt of the accepted offer. The Tenant will pay for their own building permit.

Signs

Tenant will be responsible for paying for its own signs, through monthly rental payments, and permits. The Tenant will also be responsible to pay for any designated space on the pylon sign, through monthly rental payments, and for the graphics on all signs directly to the sign contractor, which shall be designed subject to the Landlord's approval, and supplied by the Landlord's sign contractor.

All Other Works

The Tenant will be responsible for any other works not itemized on Schedule $\hbox{\tt "C".}$

SCHEDULE "E"

TENANT :

LOCATION:

- 1. The grossed up Area of the Leased Premises is approximately .
- 2. The Fixed Minimum Rent is calculated at the annual rate of .
- 3. The <u>Deposit</u> of shall apply to the first and last month's rent under this lease.
- 4. Schedule of Monthly Payments of Fixed Minimum Rent
- 5. For the 2002 calendar year the $\underline{Additional\ Rent}$ is estimated to be at the rate of per square foot per annum pro rated and adjusted to the commencement date of the lease.
- 6. The Tenant shall have the Option to Renew the Term of the Lease for one (1) further term of five (5) years, provided that written notice is given to the Landlord at least six (6) months prior to the expiry of the Term. The renewal term shall be upon the same terms and conditions as contained in this Offer and the Lease, except that (i) any rent free periods, rental concessions, inducements, allowances and other similar items applicable during the initial Term will not apply during any renewal term, (ii) the Tenant will accept the leased premises on an "as is" basis at the commencement of the renewal term, and (iii) the Minimum Rent shall be based upon the then current fair market value for similar premises in similar vicinities and shall be agreed upon between the parties by no later than three (3) months prior to the expiry of the initial Term, and failing agreement by that date, the Minimum Rent will be determined by arbitration in accordance with the applicable arbitration legislation for the Province of Ontario. In no event, however, shall the Minimum Rent payable during the renewal term be less than the Minimum Rent payable during the last year of the Initial Term. The renewal option will apply so long as the Tenant which signed this Offer is the occupant of the Leased Premises, and the Tenant has duly and regularly performed its obligations under this Offer and the Lease.
- 7. The Tenant shall pay <u>GST</u> and/or any other tax on rental imposed by any governmental authority at any time during the leasehold.

SCHEDULE "F"

RULES AND REGULATIONS

THESE RULES AND REGULATIONS APPLY TOGETHER WITH SUCH OTHER PROVISIONS AS ARE INCORPORATED IN THE LEASE.

- 1. The Tenant shall not allow any undue accumulation of any debris, garbage, trash or refuse in or outside of the Leased Premises, except at locations and times as arranged for pickup. Any cost for this service shall be paid by the Tenant.
- 2. The sidewalks, entrances, passages, and staircases shall not be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than ingress to and egress from the Leased Premises.
- 3. The Tenant, its agents, servants, contractors, invitees or employees, shall not bring in or take out, position, construct, install or move any safe, business machinery or other heavy machinery or equipment or anything liable to injure or destroy and part of the Leased Premises, without first obtaining the consent in writing of the Landlord. In giving such consent, the Landlord shall have the right in its sole discretion, to prescribe the weight permitted and the position thereof, and the use and design of planks, skids or platforms, to distribute the weight thereof. All damage done to any part of the Leased Premises shall be repaired at the expense of the Tenant. The moving of all heavy equipment shall occur only by prior arrangement with the Landlord.
- 4. The water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting from misuse shall be borne by the Tenant by whom or by whose agents, servants, or employees the same is caused. The Tenant shall not (1) let the water run unless it is in actual use, (2) deface or mark any part of the Leased Premises, (3) drive nails, spikes, hooks or screws into the walls or woodwork of the Leased Premises, or (4) bore, drill or cut into the walls or woodwork of the Leased Premises, in any manner or for any reason; except to effect the leasehold improvements as approved by the Landlord.
- 5. No one shall use the Leased Premises for sleeping apartments or residential purposes, or for the storage of personal effects or articles other than those required for business purposes.
- 6. The Tenant shall not permit any cooking or any heating of any foods or liquids in the Leased Premises except for personal use of staff without the consent of the Landlord.
- 7. It shall be the duty of the Tenant to assist and cooperate with the Landlord in preventing injury to the Leased Premises.
- 8. No inflammable oils or other inflammable, dangerous or explosive materials save those approved in writing by the Landlord's insurers shall be kept or permitted to be kept in the Leased Premises.
- 9. The Tenant shall not cause or permit any action or lack thereof which will result in the insurance premium on the building being higher than what is normally assessed for a food store.
- 10. No vehicles shall be brought within the Leased Premises without the consent of the Landlord.
- 11. No animals or birds shall be brought into the Leased Premises without the consent of the Landlord.
- 12. If the Tenant desires telegraphic or telephonic or other utility connections, the Landlord will direct the contractors as to where and how the wires or pipes are to be introduced. No outside radio or television aerials shall be allowed on the Leased Premises without authorization in writing by the Landlord.
- 13. The Tenant shall not cover or obstruct any lights and windows that reflect or admit light into any part of the Leased Premises except for the proper use of approved blinds and drapes.
- 14. The Tenant shall not place or maintain any supplies, merchandise or other articles in any vestibule or entry of the Leased Premises, on the footwalks adjacent thereto or elsewhere on the exterior of the Leased Premises.
- 15. No signs of any kind, including mobile signs may be displayed by the Tenant without the specific approval in writing by the Landlord. Whether or not the Landlord grants approval for any sign, it shall be the Tenant's responsibility to obey the Municipal Signs By-laws, and any penalty for any infraction thereof shall be the sole responsibility of the Tenant.