March 08, 2023 File No.: PLDP20230051

Attention: Adjacent Landowners

Dear Sir/Madam:

RE: Proposed Development Permit - Proposed Development Permit - 80 Vehicle Storage Units (five buildings) including Accessory Use – wash bays and washroom; Utility Services, Minor Infrastructure (one building) and additional sound mitigation including – Berm and Fence for the Motorsports Racetrack.

Landowner: **ROCKY MOUNTAIN MOTORSPORTS CORP.**
Applicant: **BCW ARCHITECTS c/o Sophia Juan**
Legal: **W 12-30-1-5 Plan 2011755 Block 1 Lot 1**

The applicant is proposing the development of 80 vehicle storage units within five buildings of which one building will include wash bays and a washroom. A separate mechanical building is proposed for utilities. Additional sound mitigation is proposed and include a berm and a fence along with other solutions.

As you are an adjacent landowner within 1.6 km (1 mile) and in accordance with the Direct Control District we are notifying you of this proposed Discretionary Use Development Permit and invite you to provide comment. The proposal can be viewed or downloaded from our website at https://www.mountainviewcounty.com/p/file-circulations.

You can also contact the File Manager to request a copy of the proposal be mailed or emailed to you or you may view the information at the County Office during office hours. **A request for a copy to be mailed will not result in an extension of the deadline date for written comment.**

If you would like to provide comments regarding this proposal, a written submission can be submitted any time prior to 4 pm on March 29, 2023. Comments may be sent to:

Email: mbloem@mvcounty.com; or
In Person: 10-1408 Township Road 320 (Bergen Road); or
Mail: Postal Bag 100, Didsbury AB T0M 0W0

Please include your contact information including your address, telephone number, and email address so that we can provide you with notice of meetings regarding this file. Your letter will be submitted to the Approving Authority when it considers this application as it becomes part of the public record for this file and it will be shared with the applicant and/or landowner.

As this application proposes additional sound mitigation it is our intent to schedule a Special Council Meeting in order for Council, as the Approving Authority, to hear from the applicant, affected Landowners and to gather information and ask questions of the Applicant and affected Landowners. The debate and the decision on the application will be deferred to the following Council meeting. It is too early in the application process to determine the Special Council Meeting date and the subsequent Regular Council Meeting, Administration will communicate the dates once the file review concludes, and the application is ready to be submitted to Council for a decision.

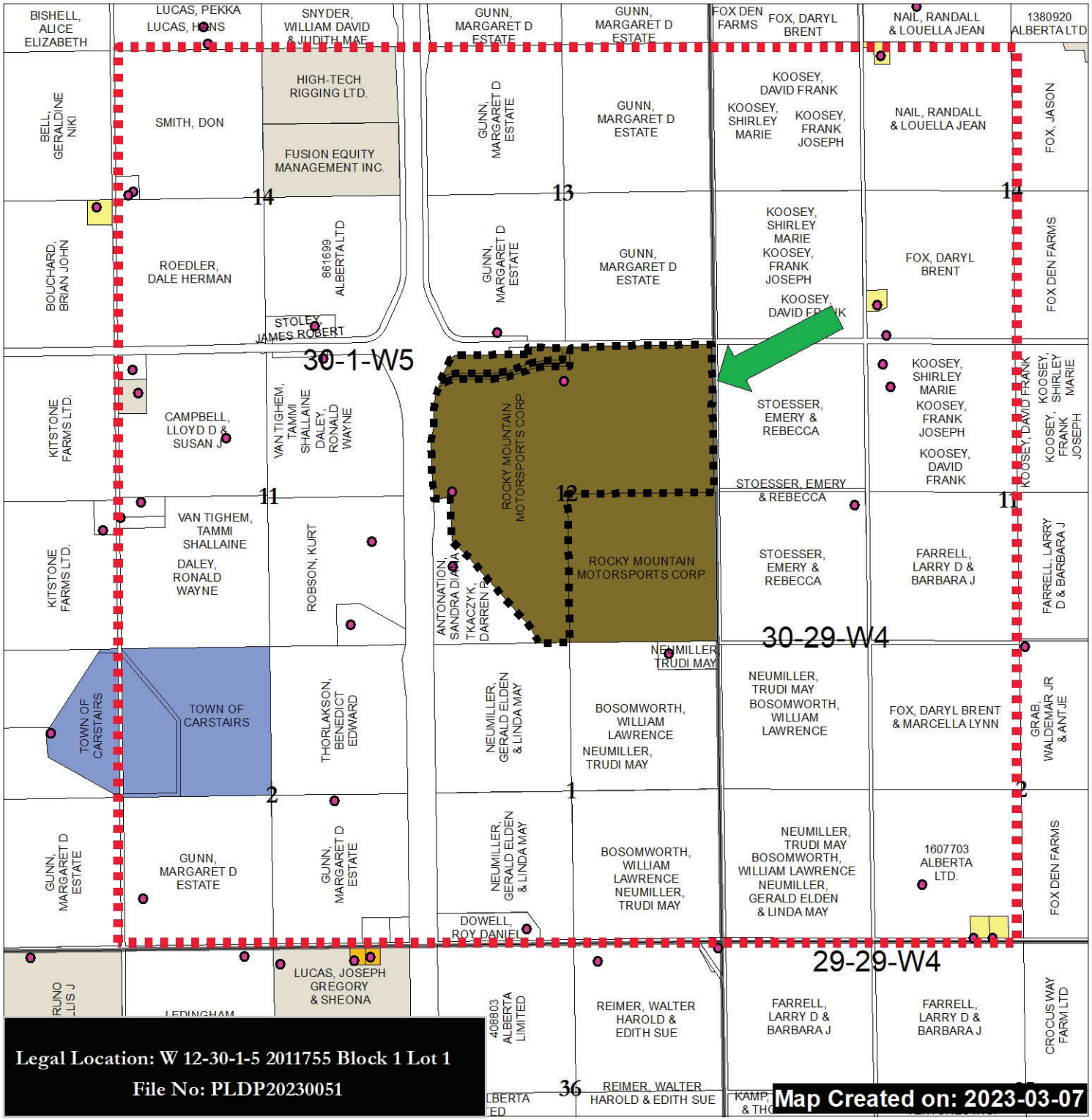
If you require any clarification on this file, or the collection of personal information for the purposes outlined below, contact me at 403-335-3311 ext. 166 or via email at mbloem@mvcounty.com.

Sincerely,

Margaretha Bloem, Director of Planning and Development
Planning and Development Services

Enclosure

Please note:
Any personal information submitted as a part of this circulation is collected under the authority of Section 33(c) of the Alberta Freedom of Information and Protection of Privacy Act (FOIP) and will be used to review and evaluate this application. By providing the above personal information, **the applicant consents to the information being made available to the landowner and/or applicant, the public and Approving Authority in its entirety** under Section 17(2) of the Alberta Freedom of Information and Protection of Privacy Act.



Legal Location: W 12-30-1-5 2011755 Block 1 Lot 1

File No: PLDP20230051

Map Created on: 2023-03-07

Mountain View COUNTY

Location, Land Use, Ownership & Circulation

Legend

- Rural Address
- Proposed Development Permit Boundary

Land Use Zoning

- Agricultural District (A)
- Agricultural (2) District (A(2))
- Country Residential District (R-CR)
- Country Residential (1) District (R-CR1)
- Residential Farmstead District (R-F)
- Local Commercial District (C-LC)
- Business Park District (I-BP)
- Heavy Industrial District (I-HI)
- Aggregate Extraction/Processing District (AEP)
- Parks and Conservation District (P-PC)
- Parks and Recreation District (P-PR)
- Parks and Comprehensive Recreational District (P-PCR)
- Institutional,Educational and Cultural District (S-IEC)
- Airport District (S-AP)
- Direct Control

Subject Land

Landowners Circulated

0 250 500 1,000 1,500 Meters

Scale: 1:30,000

Mountain View County

NAD_1983_CSRS_10TM_AEP_Forest

Projection: Transverse_Mercator

DEVELOPMENT PERMIT APPLICATION

Mountain View COUNTY

10-1408 Twp. Rd. 320, Postal Bag 100, Didsbury, AB Canada T0M 0W0
T 403.335.3311 F 403.335.9207 Toll Free 1.877.264.9754
www.mountainviewcounty.com

Application Date: 01/25/2023

PLDP _____
Discretionary Permitted

Submission Requirements

- [x] Application form
- [x] Development Permit fees
- [x] Certificate of Title - current within 30 days
- [x] Site Plan (site plans on aerials not accepted)
- [x] Abandoned Oil/Gas Well Information from AER
- [x] Applicant's signature
- [x] Registered Landowner's signature(s) (if required)
- [ ] Supplemental Forms - for Secondary Dwellings or Business Uses (if required)

Contact Details

NAME OF APPLICANT(s): Sophia Juan

Address: Suite 300, 1717 10 Street NW Town/City: Calgary Postal Code: T2M 4S2

Phone #: 403-283-1591 Alternate Phone #: -403-283-1779

Email: sjuan@bcw-arch.com

LANDOWNER(s) (if applicant is not the landowner): Rocky Mountain Motorsports Corp.

Address: 180 Quarry Park Blvd SE Town/City: Calgary Postal Code: T2C 3G3

Phone #: 587-350-5412 Alternate Phone #: 587-350-5425

Email: dominic@rockymotorsports.com

Site Information & Development Details

RURAL ADDRESS: 30145 Range Rd 10A, Carstairs, AB T0M 0N0

LEGAL: Section: Township: Range: West of Meridian

Plan: 2011755 Block: 1 Lot: 1 Parcel Size: 8.94 Acres

Is property adjacent to a developed County or Provincial Road? Yes

Existing BUILDINGS: N/A

Number of Existing DWELLINGS: N/A

PROPOSED DEVELOPMENT: (what are you applying for)

Proposed Development Permit (New construction) - 80 Vehicle Storage Units (five buildings - 20,775.95m2 total SF) including Accessory Use – wash bays and washroom; Utility Services, Minor Infrastructure (one building) and additional sound mitigation including – Berm and Fence for the Motorsports Racetrack

Proposed and Existing Setbacks

Indicate distance from Property Lines: [x] Metres [ ] Feet

Front: South +/- 590 Rear: North +/- 115

Side: West +/- 65 Side: East +/- 436

Proposed Construction Details

Type of STRUCTURE: Commercial/Industrial Bldg If Dwelling, what type:

If Other, describe: Foundation/Basement:

Square Footage: +/- 8,140.70m2 (6 buildings tota Building Height: +/- 8.2 metres

*If Mobile Home: Year: Size: Model:

Serial Number: Name/Make of Unit:

*If "Move-On" Home: - submit photographs of the dwelling Year Built:

Name of Mover: Present Location of Dwelling:

Abandoned Oil/Gas Well Information

Have you contacted the AER (Website) to determine if you have an abandoned oil and/or gas well? Yes

- Is there an abandoned oil/gas well on the property? No
- If yes, identify it on your site sketch and provide the Name of Licensee:

We require a printout of the mapping from the AER Website. To get this information go to the following website:

https://extmapviewer.aer.ca/AERAbandonedWells/Index.html

Other Details

Are any of the following uses within one (1) mile of the proposed development:

- Gas Facilities/Pipelines Yes Distance: 200 m
- Confined Feeding Operations: No Distance:

Sewage System: Proposed Type: Holding Tank If other:

Water Supply: Proposed Type: Cistern If other:

Has proposed development started? No

Estimated start date: Apr 17, 2023 Estimated completion date: Apr 30, 2024

Estimated cost of project: $20 million

Right of Entry Agreement

I hereby grant approval for Mountain View County staff to access the property for a Site Inspection: Yes

Please note: there may be additional forms required for your proposal. Once your proposal has been reviewed by County staff, you may receive an email requesting more information.

Signature & Authorization Form

I, Sophia Juan

confirm that the above information accurately describes the Development Permit proposal for:

LEGAL: Section: Township: Range: West of Meridian

Plan: 2011755 Block: 1 Lot: 1

- ( ) I am the registered landowner(s) of the property as identified above
- (•) I am authorized by the registered landowner(s) of the property to obtain a Development Permit as identified in this application

Date	Signature of Landowner
Date	Signature of Landowner
January 20, 2023 Date	Sophia Juan Digitally signed by Sophia Juan DN: C=CF, E=sjuan@bcw-arch.com, O=BCW Architects, CN="Sophia Juan " Date: 2023.01.20 13:19:04-07'00' Signature of Applicant

Additional Information

- A Building Permit may be required for development of structures. Contact Planning and Development for information at 403-335-3311.

The personal information on this form is being collected under the authority of Section 33(c) of the Alberta Freedom of Information and Protection of Privacy Act (FOIP) for the purpose of reviewing and evaluating an application for Home Office Business. By providing the above personal information, the applicant consents to the information being made available to the public and Approving Authority in its entirety under Section 17(2) of the Alberta Freedom of Information and Protection of Privacy Act. Any inquiries relative to the collection or use of this information may be directed towards to:
Mountain View County FOIP Coordinator 10-1408 – Twp Rd 320 Postal Bag 100 Didsbury AB T0M 0W0
Ph: 403-335-3311

Date January 20 2023

Mountain View County
10 – 2509 Twp Rd 320
P.O. Bag 100
Didsbury, AB T0M 0W0

Subject: 30145 Range Road 10A, Carstairs, AB T0M 0N0 (property address)

Rocky Mountain Motorsports (project name, if applicable)

Rocky Mountain Motorsports Corp. (registered owner(s) as on land title)

Please be advised that, as owner(s) of the above mentioned property, I/we authorize

BCW Architects (agent name) and/or it's

Sophia Juan (applicant, consultant, contractor)

to apply for any and all Development & Building Permits (permit type) for the above mentioned property.

I/We further agree to immediately notify Mountain View County, in writing, of any changes regarding the above information.

Date signed 2023/02/09 (yyyy/mm/dd)

Contact name Dominic Young.

Contact address 180 Quarry Park Blvd. SE
Calgary AB T2C 3G3

Contact phone number(s 587-350-5412

Contact email dominic@rockymotorsports.com

Authorized signature of owner (print) Dominic Young per: Rocky Mountain Motorsports. Corp.

(sign)

Site Plan of Proposed Development

The Site Plan shall include:

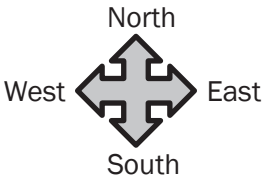
- ❑ Property dimensions (all sides)
- ❑ Location and labels of **all** structures including proposed structures including dwellings, sheds, signs, etc
- ❑ Setback measurements, from all sides of the property lines, for all structures, new and existing
- ❑ Identify roadways and indicate existing and/or proposed access to the site
- ❑ Identify the location of oil & gas wells, pipelines & facilities - if applicable
- ❑ Indicate the location of water wells and septic tank/sewage disposal systems
- ❑ Location of all easements such as utility right of way, caveat, etc. - if applicable

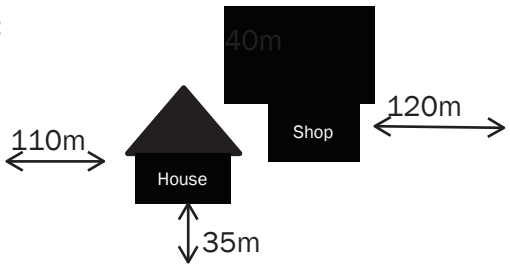
NOTE: For clarity of the details on the sketch, site plans on aerials are not accepted

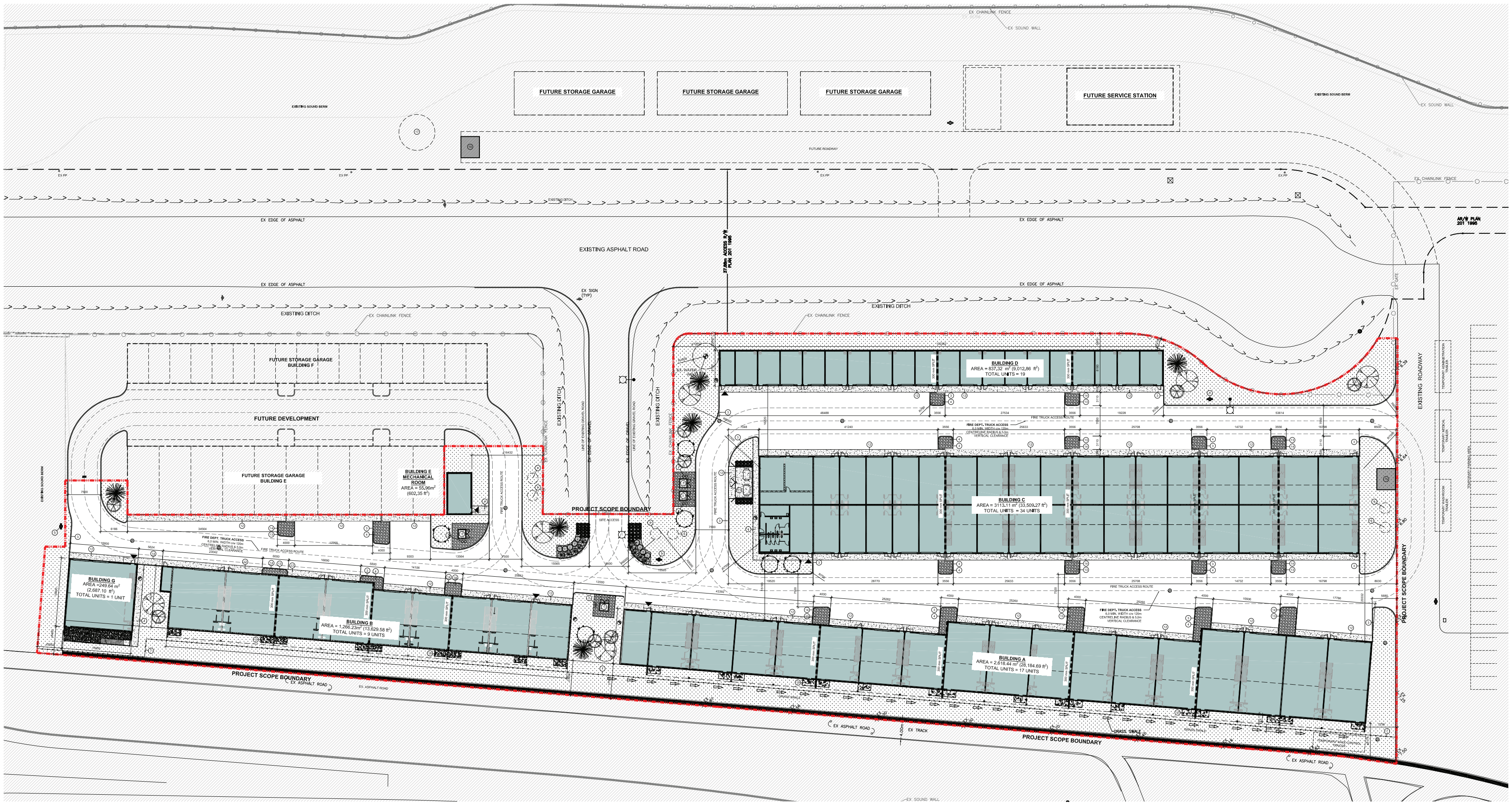
The below square represents the subject parcel

	Name of ROAD (if applicable)	
Name of ROAD (if applicable)		Name of ROAD (if applicable)
	Name of ROAD (if applicable)	

Indicate the distances from the closest structure(s) to all property lines:
For Example:

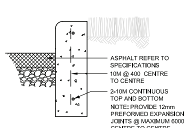




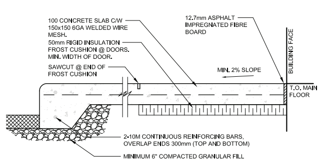


N

1 OVERALL SITE PLAN
DP1 1:400



2 LANDSCAPE CONC. CURB
DP1 1:10



3 TYP' CONC. SIDEWALK
DP1 1:10

SITE PLAN KEY NOTES

1. TRANSFORMER LOCATION. ALL UTILITY EQUIPMENT, PEDESTALS, AND PROTECTIVE BOLLARDS BY OTHERS. REFER TO ELEC.
2. TELECOMMUNICATIONS BOX LOCATION, PEDESTALS AND SERVICES BY OTHERS. REFER TO ELEC.
3. 150mm WIDE CONC. CURB. SEE DETAIL 3/DP1.
4. CONCRETE SIDEWALK, BROOM FINISH.
5. FIRE HYDRANT. REFER TO CIVIL.
6. PROPOSED RETAINING WALL. REFER TO CIVIL.
7. PROPOSED FENCE LOCATION. NOT IN SCOPE, FINAL LOCATION AND WORK BY OTHERS.
8. NOT USED.
9. UNDERGROUND HOLDING TANK FOR POTABLE WATER. REFER TO CIVIL.
10. CONCRETE PAD.
11. WASTE AND RECYCLING ENCOSURE c/w CONCRETE PAD. SEE DETAIL 2/DP2.
12. CONCRETE APRON.
13. SOFT LANDSCAPE ISLAND w/ LANDSCAPE RETAINING WALL. REFER TO CIVIL.
14. 150mm WIDE CONC. LANDSCAPING CURB. SEE DETAIL 1/DP1.
15. PRE-ENGINEERED SANITARY BUILDING LOCATION. REFER TO CIVIL.
16. PRE-ENGINEERED PUMP HOUSE BUILDING LOCATION. REFER TO CIVIL.
17. WATER HOLDING TANK LOCATION. REFER TO CIVIL.

SITE PLAN LEGEND

- PROPOSED HEAVY DUTY ASPHALT MIN. 38,556kg/85,000lbs LOAD SUPPORT
- PROPOSED CONCRETE PAD OR SIDEWALK.
- SOD ON 150mm DEPTH TOPSOIL. SOD TO BACK OF CURB AND EDGE OF SIDEWALKS.
- 100mm DEPTH, 40mm Ø LIMESTONE ROCK MULCH INSTALLED WITH HD LANDSCAPE FABRIC
- 100mm DEPTH SHREDDED, SELF-BINDING WOOD MULCH ON 350mm DEPTH TOPSOIL TO BE PLACED LEVEL WITH ADJACENT SURFACES.
- AREA NOT IN SCOPE
- PROJECT SCOPE BOUNDARY
- PRINCIPAL ENTRANCE
- MAN HOLE
- CATCH BASIN
- GAS METER LOCATION
- LIGHTPOLE. REFER TO ELECTRICAL SITE PLAN.

BCW Architects
Suite 300, 1717 - 10 Street NW, Calgary, AB T2M 4S2
T: (403) 283-1591 www.bcw-arch.com

Professional Seal of Architect or Engineer: Valid only when properly signed and sealed

Consultant

In Collaboration

Revisions

No.	Description	Date
1.	ISSUED FOR DP	2023.02.13

Client

Project

ROCKY MOUNTAIN MOTORSPORTS

30145 RANGE RD 10A
CARSTAIRS, AB

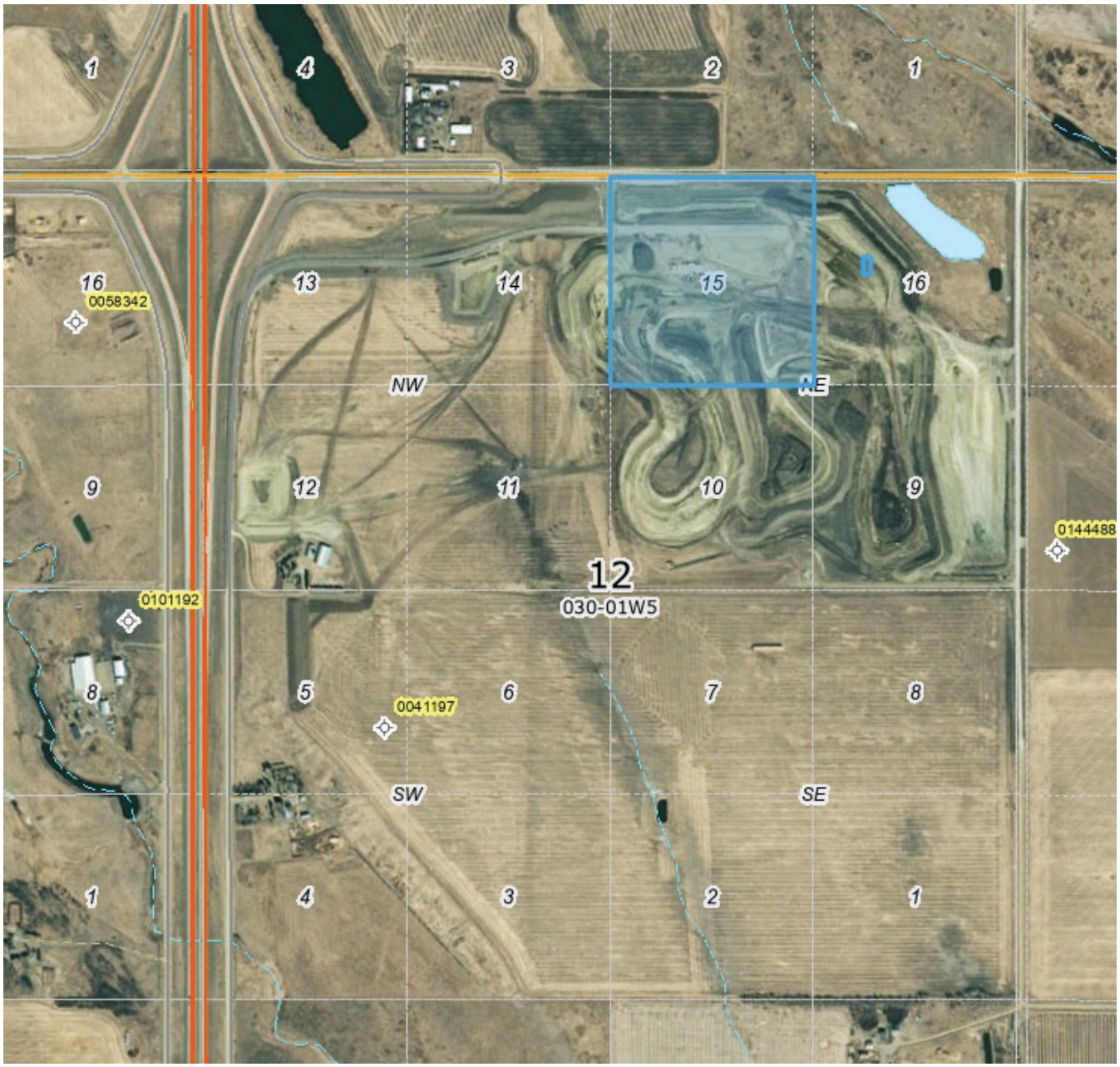
Drawing

OVERALL SITE PLAN

Drawn by: SJ Checked by: PW
Scale: 1:500 Approval by: PW

Date:	Project No.:
JAN. 2021	21062

DP1



Abandoned Well Map - Rocky Mountain Motorsport

Base Data provided by: Government of Alberta

Author XXX

Printing Date: 9/20/2022

Date Date (if applicable)

Legend

- Abandoned Well (Large Scale)
- Revised Well Location (Large Scale)
- Revised Location Pointer

Paved Road (20K)

- Primary Divided
- Primary Undivided 4L
- Primary Undivided 2L
- Primary Undivided 1L
- Interchange Ramp
- Secondary Divided
- Secondary Undivided 4L

Scale: 18,055.95

0.28 Kilometers 0

Projection and Datum:

WGS84 Web Mercator Auxiliary Sphere

Alberta Energy Regulator

Rocky Mountain Motorsports – Storage Garage Development

Overview of the Application

The purpose of this application is to proceed with the second phase of the development as contemplated in the approved Master Plan for the site. This application includes the development of approximately 80 storage garages contained within five larger building structures and constitutes an estimated $24 million of additional investment in the development. RMM is also proposing some additional sound mitigation measures in conjunction with this application.

The garage units are intended to be used as storage facilities and will be a single level construction. Twenty-seven of the units will front the track and will have a mezzanine that provides a viewing and entertainment area that overlooks the track facility. The balance of the units will not have mezzanines. The lease agreement with the tenants precludes the following activities:

- The garage units may not be used as residences.
- The garage units may not be used to conduct a commercial business. This includes that the tenant may not undertake repairs of third-party vehicles within the unit.
- Bulk fuel storage is not permitted within the garage units.

If the garage development is approved, RMM proposes that it will implement additional sound mitigation measures, briefly described as follows:

- RMM will construct a berm and sound wall 5.5 meters in height around the southern-most Turn 3 of the racetrack.
- RMM will amend its hours of track operations to close the track on Saturday and Monday evenings, providing three consecutive evening over the weekend and public holidays where there is no track activity, provided that it is permitted to operate on the paddock area for slightly extended hours.
- RMM will implement new sound suppression technology between the northeast and east berms at the east side of the paddock.
- RMM will agree to revise the reporting sound measurement interval to one-half hour from the current one-hour period.
- RMM will implement specific track-side vehicle sound limits within its Noise Management Plan.

March, 01, 2023 File No.: PLDP20230051

Mountain View County
1408 Twp Rd. 320, Didsbury, AB, T0M 0W0
Planning and Development Services

To Margaretha Bloem,

Re: Outstanding items for PLDP20230051 (RMM)

Development Permit Number:	PLDP20230051
Project Scope:	Proposed Development Permit - 80 Vehicle Storage Units (five buildings) including Accessory Use – wash bays and washroom; Utility Services, Minor Infrastructure (one building) and additional sound mitigation including – Berm and Fence for the Motorsports Racetrack
Site Address:	Legal: W 12-30-1-5 Plan 2011755 Block 1 Lot 1

Your application has been reviewed and it has been noted that the following information is required before your application can be deemed complete:

1. Drawings (Full set)
   Setbacks of all building needs to be shown from the property boundaries. Suggestion: add the setbacks to the Overall Site Plan DP 0.

   Overall Site Plan DP0 revised to show 40m building front yard setback shown from the property line adjacent to a paved or hard surface country road as outlined in Bylaw No. 14/16 Direct Control.

   Sour gas facilities and pipeline setbacks
   Please confirm that setbacks from offsite sour gas facilities are met (and if applicable suggestion is to add to the Overall Site Plan DP 0 and the and Overall Site Plan); Please confirm that no onsite pipelines and right of ways exists or add to the Overall Site Plan.

   Overall Site Plan DP0 revised to show pipeline setback requirements are met. The applicable setback is 100m from the level 2 offsite sour gas facility pipeline (shown on revised site plan) and 500m from the level 3 sour gas facility pipeline which are located on the west side of highway 2 (not shown).

   Access Easement and Restrictive Covenant 201 217 540 and Right of Way Plan 201 1994
   Please confirm that no landscaping, waste and recycling enclosures or telecoms boxes are located within the Right of Way Plan. If there any encroachment, please identify the Right of Way on the Overall Site Plan.

   Overall Site Plan DP0 revised to show that no landscaping, waste and recycling enclosures or telecom boxes are located within the identified Restrictive covenant and Right of Way Plan.

Condominium

Please confirm that the application is not to create and register Condominium units within the 5 buildings. If Condominium units are proposed, please submit the Condominium Plan(s)

No, the application is not intended to create Condominium units within the 5 buildings.

Sublease Template

For my understanding please explain who is the Rocky Mountain Motorsports Owner's Association and RMP Holdings Inc.

RMP Holdings Inc. is a related party to Rocky Mountain Motorsports and is the entity that will enter into the master lease of the land for the garage development. Rocky Mountain Motorsports Owners' Association is the entity that will hold the individual subleases with the unit tenants and will be the "landlord".

4 sets of Drawings submitted

4 sets of drawings were submitted: 1) a Full set (32 pages); 2) the Architectural drawings (25 pages); 3) Electrical drawing (2 pages); and 4) Civil Set (5 pages). Please confirm that all 4 sets are to be used for the DP circulation.

Only the full set (includes architectural, civil, and electrical) will be used for DP Circulation. Re-submission of full set includes updated Overall Site Plan DP0.

Grading Plans

Please confirm if topsoil will be imported for the grading of the site for the 6 buildings; and the hard surfaces between the buildings providing access to the storage units. If topsoil is to be imported provide the location of where the topsoil is to be sourced, the volume and information on the topsoil content and any testing of the soils. If topsoil is to be imported but the source is unknown at this time, you may be required to provide details as a condition of the development permit.

No, topsoil will not be imported onto the site. RMM has sufficient existing site topsoil stockpiled on site.

2. **Servicing for Water and Wastewater Water**

Please confirm if the water will be potable. AHS and AEP approvals may be required for the system. Please confirm the capacity of the total water storage and the type of treatment proposed. Please confirm the status of Provincial applications, if submitted.

Yes, there will be potable water that is the trucked in. Potable water cisterns that have been certified are an accepted form of water supply that does not involve AEP of AHS approvals. There are two tanks for the east side and two tanks for the west side for a total of four holding tanks. In discussion with the Mechanical Engineer, they have been sized at 5,000 gallons each. This should be sufficient for a long weekend scenario. No potable water treatment is proposed.

Wastewater

Please confirm and provide details of the proposed wastewater treatment system type and the total capacity of the system. A summary of the projected water usage and wastewater production (all 80 storage units in all 5 buildings, wash bays and washroom in Building C). Please confirm the status of Provincial applications, if submitted.

There is no flow value in the Standard which relates to the site use. It is noted the site is accessed by members only and members have storage units or garages for their vehicles. As such, this type of use is closer to service

stations. The USEPA publication "Onsite Wastewater Treatment Systems Manual", February 2002 was used to generate flow estimates.

Flow estimates were based on the current 80 units assuming these units are similar to service stations. It was further assumed 4 occupants per unit with a further 4 visitors to account for weekend population where additional visits from members may be used during events. The comparison to service stations results in a significant excess relative to expected actual occupancy (typically 1 – 2 persons), however, for conservatism this approach was maintained.

Future units and storage buildings are also included in the calculation of maximum flows. The additional units were assumed to have 4 occupants while the storage units were assumed to be storage only with little or no occupancy.

The calculated flow estimates – Maximum per Day – based on full occupancy of all units for one day is 29,876 L. To determine daily design flows, it was assumed peak occupancy occurred on weekends for both days while weekday occupancy was much less. For weekdays, it was assumed 15% of the units were occupied. This results in an average daily flow rate of 11,737 L/d (11.73 m3/d).

Alberta Environment and Protected Areas (EPA) is the authority having jurisdiction for daily flows greater than 25 m3/d or where there are more than two service connections on individually owned lots. RMM is wholly owned single title land and there are no individual lots. Since the daily flow value is less than EPA values and there are no individual lots, EPA has indicated an Approval under the Environmental Protection and Enhancement Act is not required.

The wastewater system for the initial operation of the development will be holding tanks serviced by private wastewater haulers with ultimate disposal to an Approved facility. The future wastewater treatment system will be an advanced wastewater treatment plant designed to meet requirements of "Public Health Guidelines for Water Reuse and Stormwater Use" as published by Alberta Health Services (AHS), January 2021. The holding tanks will be incorporated into the reclaimed water system design.

The reclaimed water system will be designed to use reclaimed water for non-agri turf irrigation within the RMM site on lands owned and controlled by RMM. There will be no irrigation of public lands or lands outside the site. Preliminary discussions have been undertaken with AHS and EPA with EPA indicating an Approval is not required.

3. Additional Sound Mitigation measures

Noise mitigation technology. Please provide the noise mitigation technology details identified as "Mitigating Sound in the "Gap" p3.

Proposed Berm and sound wall – please provide the location of where the topsoil is to be sourced, the volume and information on the topsoil content and any testing of the soils. If it is unknown at this time, you may be required to provide details as a condition of the development permit. The last page of the Proposal to Address Sound Issues includes a sound map from BeSB dated 2019-01-17 Scenario 4. I could not find reference to this map in the written portion, but I assume it was included for a reason. Please update.

Changes have been noted in the Sound Mitigation submission. Please refer to separate attached document "2023.02.09 MVC Sound amendments v4" (outlines revisions made to the original document) and "2023.02.09 MVC Sound amendments v4 clean" (clean version).

- The specific technology has been noted.
- The soil (approximately 8,900 M3) will be sourced on site.
- The reference to the BeSB map is included on page 2 of the proposal.

4. Administrative

Please add Drawing numbers to all pages of the 4 sets of Drawings for easy reference.

Noted, drawing numbers revised.

Please correct the description on the front page of the Application form: "…Six buildings in total includes: private storage garages (~~4~~5 Buildings), and a mechanical room for future storage garage (1 Building)."

Noted, application form updated.

Please add in the description on the front page of the Application form "Additional sound mitigation measures for the Motorsports Racetrack – see additional information".

Noted, application form updated.

Please provide a written overview of the proposal (suggest you use a separate page with a few paragraphs) that we can include with the circulation (neighbours and referral agencies) that would describe the proposed uses and buildings how it is to be serviced with water and wastewater; as well as a summary of the proposed five additional sound mitigation measures being proposed for the racetrack.

Please refer to separate attached document "RMM_Overall Application Statement".

5. Penalties for exceedance of noise limits or the muffler management policy.

Do you have any suggestions for penalties that you would like to include with your application?

RMM does not propose to impose financial penalties on participants who violate the proposed 98 dB limit for modified exhaust/muffler systems. Those vehicles will be removed from the track despite the amount they may have paid to participate in the track day. The reason that additional financial penalties are not appropriate include the following:

- The regulation governing RMM sound under this proposed amended Development Permit remains the DC Bylaw as amended for a reduced measurement period. We presume that the County has a Bylaw enforcement mechanism, including potential financial fines, for infractions of the sound regulation.
- RMM has clearly shown that a peak or spike at the track-side meter does not result in a corresponding peak or spike at the perimeter, nor based on the Patching Associates data, at the neighbouring property. The proposed specification of the limit within the sound management plan is to provide RMM and its participants with more clear direction and mechanism based on experience gained in 2022. RMM will be publishing the requirement in its regulations, within its rental agreement and on its website.
- As we have previously noted, multiple vehicles passing by the meter in close proximity can result in readings that exceed a single vehicle threshold. Accordingly, the 98 dB could be exceeded, but there may not be a violation of RMM's regulation.

Sophia Juan, Intern Architect
BCW Architects

ROCKY MOUNTAIN MOTORSPORTS
180 Quarry Park Blvd. SE, Calgary AB T2C 3G3

"WITHOUT PREJUDICE"

Mountain View County
1408 – TWP Rd 320
Postal Bag 100
Didsbury, AB T0M 0W0

RE: Proposal to Address Sound Issues

This letter is to follow up on our conversations regarding the activities of Rocky Mountain Motorsports Corp. ("RMM") in Mountain View County.

Background

In 2017, the County adopted the Direct Control Bylaw that governs RMM's property. RMM's project on this property includes multiple stages.

The first stage was the racetrack and supporting facilities. These were approved by a development permit and have been completed. The next stage is the development of garages: this is the stage that RMM wants to move forward with now. In the future, RMM plans to add a first responder training facility and a commercial zone.

RMM has already invested $34 million to complete the first stage of the development. If the garages are approved, this would mean a further $24 (est.) million being invested into the County.

The Issues

There are two issues which RMM intends to address in this letter.

First, nearby residents have brought up concerns about sound generated by the racetrack portion of RMM's facility with RMM and the County.

Second, the County has taken the position that RMM's reporting of sound is not consistent with its development permit. The development permit contains an internally inconsistent clause: it directs that sound must not exceed the levels indicated in the Direct Control Bylaw, but then it says that sound averaging will not be an acceptable method of reporting. This condition creates a reporting problem: how else would RMM report sound other than using the method by which it is directed to measure it?

To RMM's great disappointment, RMM has been informed that the County will not consider any new development permit applications by RMM until this issue has been resolved, despite the County's statutory obligations.

The Proposed Solution

As a starting point, it is RMM's position that it has been and continues to be in compliance with the restrictions relating to sound generation. It was known that RMM's development would not be silent, and there was never an expectation or requirement that it would be. The Sound Impact Assessment adopted within the DC Bylaw indicated that the impact on neighbouring properties would be in the range of 55 dB for the average of hour (see attachment – SIA Jan2017 Neighbour Residence Impacts). Actual noise levels from operations as measured by the County's sound consultant have been considerably lower.

While RMM's operations are within the limits of the Direct Control Bylaw, RMM is prepared to make certain concessions in the interests of being a good neighbour and a good citizen of Mountain View County.

RMM is in the process of making its application for its next stage of development, being the development of garages on its property. In conjunction with that application, RMM is prepared to include some changes to its development relating to sound issues. If a development permit is issued that is satisfactory to RMM, then it would be prepared to proceed on that basis.

The development permit would speak to 5 things relating to sound coming from the track:

- Berming;
- Mitigating sound in the "gap";
- Hours of operation;
- Sound measurement; and
- Revisions to RMM's Noise Management Plan.

<u>Extended Sound Berm</u>

The neighbour to the south of the RMM property has informed RMM that they have a line of sight to a section of track (Turn 3), and that they believe this is causing sound concerns at their property. The neighbour to the east has also expressed the view that they are being impacted by sound from this location on the track.

While RMM does not necessarily agree, in order to address these individuals' concerns RMM is willing to include a sound mitigation berm at the south end of the track in its development permit application by extending the existing berm to cover this area. The berm is in the process of being engineered and will have a height of approximately 5.5m. It will be a combination of earth and constructed wall. The required 8,900 M3 of soil will be sourced from stockpiles or new excavation on site. RMM has estimated the cost of this berm at $200,000.00.

RMM envisions that this would be achieved by way of a clause in the new development permit as follows:

> The applicant will construct an additional sound mitigation berm around Turn 3 of the racetrack in accordance with the attached plans. The applicant will make reasonable efforts to complete the berm construction within 3 months of issuance of this development permit. In the event the construction is not completed by such date, the

applicant's racetrack operations shall be limited to a maximum of 20 vehicles utilizing the track in any track session, until the berm construction is complete.

Mitigating Sound in the "Gap"

There is a space between two berms on RMM's property on the east side of the paddock area where RMM was required to construct a secondary access exiting to RR10. Some neighbours have suggested that this gap acts as a conduit for sound leaving the site and have asked if it could be filled in.

RMM explored this with County Administration. The gap is required to provide emergency access and there is no other location for such access as Alberta Transportation would not permit another access to Hwy 581. Filling in this gap with a berm is not possible.

Based on the SIA, while RMM again does not necessarily agree that this gap is the source of significant sound issues, it has explored other mechanisms to address these concerns of the neighbours. RMM has engaged a local company (Zero Sound) with new sound suppression technology (ZS Active Digital Noise Suppression Panel) https://zerosound.com/ . This technology is designed for use in the oil and gas industry, and the company has informed RMM that its technology and equipment would be effective to mitigate the level of sound in these circumstances. The Zero Sound typically achieves a suppression of sound within the range of 6 – 10 dB in oil field services applications. While RMM has not yet had the opportunity to conduct a full set of tests, initial tests have shown the technology to be effective for engine sound frequencies.

The breadth of coverage of the technology expands as distance from the panels increases. The specific placement location and number of panels is to be tested over the ensuing month. This technology would be incorporated into the plans for the new development permit.

RMM envisions that this would be achieved by way of a clause in the new development permit as follows:

> The applicant will implement sound mitigation technology to supress sound passing through the gap that exists between the berms at the point of the emergency access road as shown in the applicant's application. The technology shall be implemented within 3 months of issuance of this development permit. In the event the technology is not implemented by such date, the applicant's racetrack operations shall be limited to a maximum of 20 vehicles utilizing the track in any track session until the equipment is operational.

Hours of Operation

RMM's neighbours have requested additional time when RMM's track should be closed. Specifically, they asked that the track be closed two days per week. RMM considered this request, but it would result in too great a reduction in revenues (approximately 28%) for RMM to accommodate. However, RMM did explore other ways of achieving a reduction in hours of operation.

The neighbours' complaints about sound relate to RMM's track, not the paddock area which is more of a staging and social area. If RMM can make more effective use of the paddock it could reduce the hours that the track is open. This would mean extending the paddock hours at both ends of the day. It should

be noted that there are locked gates between the paddock area and the racetrack to ensure that the racetrack is not used outside of its appointed times.

Allowing the paddock to be open before 9am would mean that RMM could use that area for administration related to registration and vehicle checks. It would also help eliminate the queuing lines that typically form well before 9am at the paddock entry gate.

Additional time at the end of the day would allow the paddock to be used for socializing by members without imposing any inconvenience on the neighbours.

The changes to hours could be achieved by including a revised condition in the new development permit. This would differ from the current condition hours of operation clause in RMM's existing permit as follows:

> Hours of operation for the Motorsports Park (Motorsports Facility Phase 1, Administrative Trailer, Medical Trailer, Washroom Trailer, Race Control Trailer, Staging/Viewing/Paddock Area) shall be ~~between 9 am to 9 pm Monday through Saturday, and between 9 am and 6 pm Sunday and Statutory Holidays~~ in accordance with the following table:

	Track Operations	Paddock Access
Sunday and Statutory Holidays	9:00 - 17:30	8:30 - 19:00
Monday	9:00 - 16:30	8:30 - 19:00
Tues - Fri	9:00 - 20:30	8:30 - 21:30
Saturday	9:00 - 17:30	8:30 - 19:00

With these changes, RMM's track would be closed Saturday evenings and Monday late afternoons and evenings. With the current Sunday evening closures, the track would be closed for 3 evenings in a row.

This is a significant concession on the part of RMM given that the hours of operation are set out in the Direct Control Bylaw, and RMM hopes that the County appreciates that this will result in lost revenue of up to $280,000 annually for RMM.

Sound Measurement

RMM has been asked whether an instantaneous sound limit could be imposed instead of an average sound limit. This would be contrary to the science behind sound measurement as it would not realistically reflect the impact of sound on people.

The averaging approach is used by authorities such as the World Health Organization, Health Canada, and American authorities. Even the City of Calgary uses averages in its bylaw relating to sound within its boundaries. The science behind this is based on the impact of sound on human hearing.

When Council approved the Direct Control Bylaw, one of its major considerations was sound. RMM's acoustical engineer and the County's own consultant (Patching Associates Acoustical Engineering or "Patching Associates") worked together to identify the best approach to this issue.

It was the County's consultant, Patching Associates, which directed RMM's engineer to take the approach of averaging sound over a one-hour period in the Sound Impact Assessment. The Direct Control Bylaw then set the limits on sound at the property line generated by RMM's development measured using this method.

Usually, sound limits are based on daytime and nighttime averages, but shorter periods can be used. The shortest duration that is typically used is one hour. This was the basis for RMM's sound experts and Patching Associates to agree and recommend that the sound limit should be specified as an average over one hour.

RMM would be prepared to reduce the sound measurement periods from one hour to 30 minutes. This could be achieved by including the following revised clause in the new development permit:

> The Applicant shall provide Mountain View County's Planning and Development Department with a Noise Generation Report, once per month. Noise generated by the Motorsports Park (Motorsports Facility Phase 1, Administrative Trailer, Medical Trailer, Washroom Trailer, Race Control Trailer, Staging/Viewing/Paddock Area) shall not exceed the specified levels indicated within Direct Control District Section 17:18 except that rather than being measured on Laeq 1-hour, the sound measurement, monitoring and reporting shall be conducted on Laeq 30 minutes and the associated limit for the perimeter for such averages will be 65dB. ~~Sound averaging will not be an acceptable method of reporting.~~

It is highly unusual to regulate continuous sound based on a time interval of less than one hour and this goes beyond what was contemplated in the Direct Control Bylaw. Nevertheless, RMM is prepared to make this concession to resolve this issue. This will require amendments to RMM's systems and software and there will be a significant cost to RMM in doing so.

The deletion of the final statement regarding sound averaging eliminates the reporting confusion that was created when RMM's original development permit was issued.

RMM's Noise Management Plan

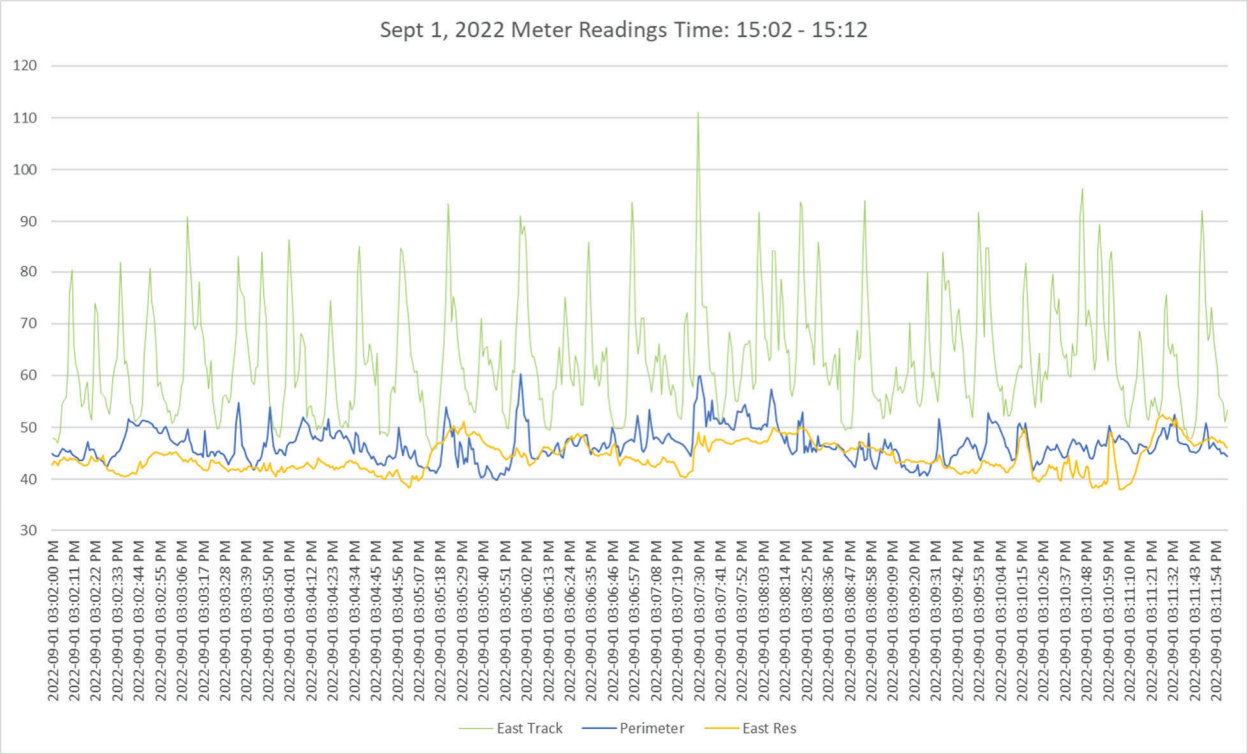
RMM has been asked about certain changes relating to its Noise Management Plan. The current plan was approved by the County as part of RMM's development permit. However, now that RMM has been operating for a period of time it is prepared to make some amendments based on its experience, which amendments would be captured in a new development permit. The amendments must be reasonable, though.

Two changes were suggested which relate to RMM's Noise Management Plan:

- It has been suggested that the actual sound measurement should take place at the property-line instead of track-side. This does not work because of interference by highway and range road traffic (an issue which Patching Associates also noted in their report). It is better to measure track-side and then use a model to predict sound levels at the property line. This approach has been tested and demonstrated to be accurate to within 1%.

- It has been suggested that there should be a maximum sound limit set for track-side meters, but this is not appropriate for a number of reasons including:

    - Individual sound peaks at the track do not translate to sound peaks off of RMM's property. This was unintentionally put to the test one day when a vehicle on the track generated more noise than is acceptable for RMM. The track-side measure showed that the sound from the vehicle peaked at 111dB (over a one-second interval). The vehicle and driver were immediately removed, but this gave an opportunity to review the impacts of that sound. RMM's perimeter meter showed a much lower sound peak at 60dB and Patching Associates' meter at the residence to the east experienced no peak at all and remained below 50dB. This is mainly because of the millions of dollars RMM has invested in sound mitigation berms, sound walls, etc. The following chart shows the incident at the respective meters.



    - Since the initial Bylaw application, RMM has always stated that the majority of the vehicles used on the track will be street-legal. Even a street-legal vehicle with a factory stock exhaust and muffler has the potential to generate readings at the track-side meter between 90 – 98 dB. A suggestion of 92dB that was made for a track-side meter limit would destroy RMM's business model as it would not allow street-legal vehicles to race on its track.

RMM is not prepared to agree to an arbitrary limit, particularly one that will undermine its entire business model, but it is prepared to consider options that are more reasonably based in science.

RMM proposes to include a revision to its Noise Management Plan as part of its development permit application. That plan would incorporate the following changes which would be implemented if the development permit is approved:

- A "muffler management policy" addressing the volume of sound generated by individual vehicles as follows:

  > Vehicles that have modified exhaust or muffler systems and all non-street legal vehicles must comply with pass-by sound levels as recorded on the track-side meters of less than 98dB.

  Please note that it is impossible to regulate types of mufflers as they are highly variable between vehicles and manufacturers. Therefore, this policy is focused on the outcome (sound mitigation) rather than the design.

- The use of systems that track and accumulate the sound over 5 minute periods and use a forecasting tool that will issue an alarm if the sound generated will come within 5dB of the 30 minute average limit (It has been suggested that a 10 minute duration could be used. Please note that this type of tool does not work based on durations shorter than 30 minutes. In addition, shorter durations become less accurate in the prognosis model).

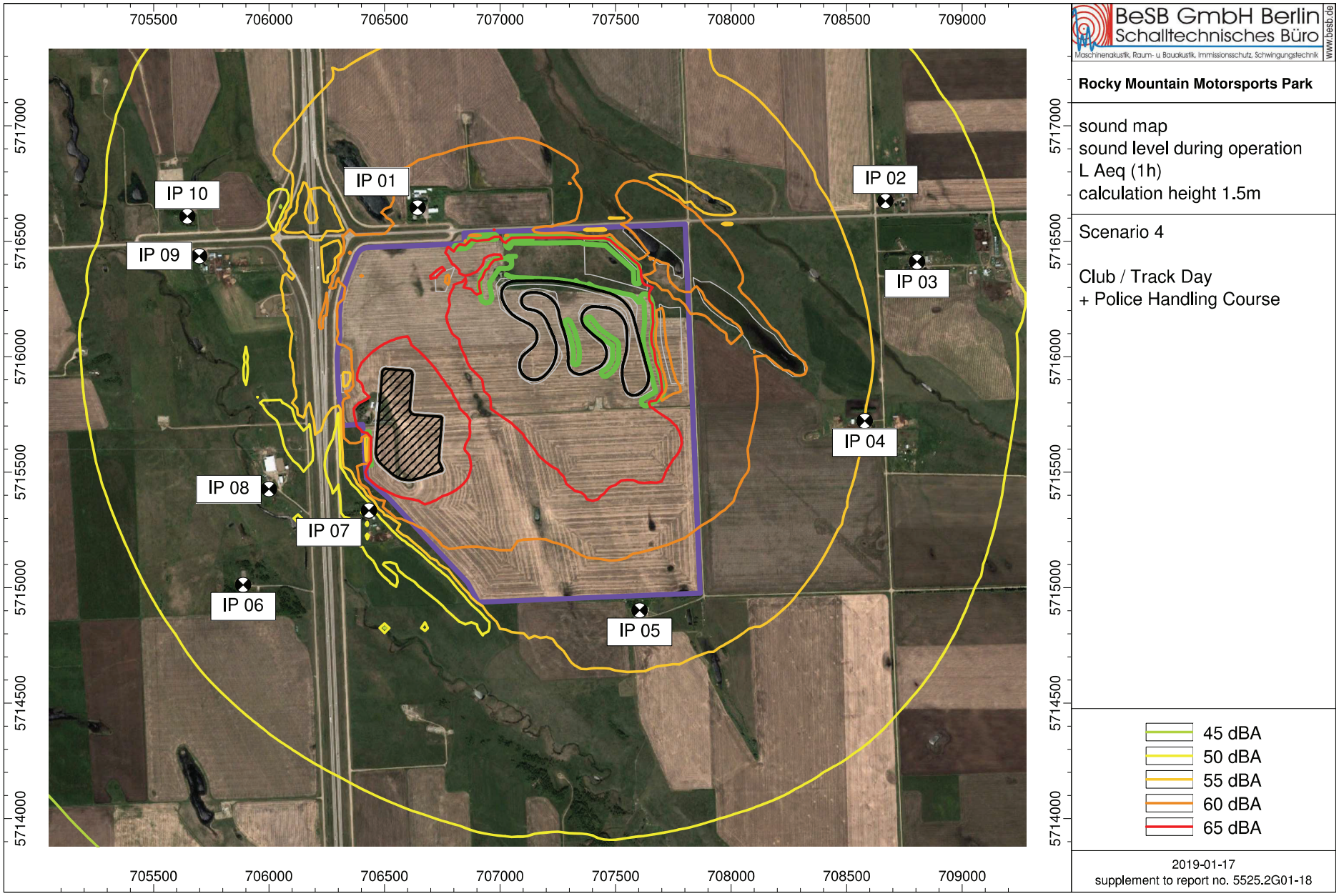
County Participation – Property Taxes

The entire disagreement over the basis of sound measurement and reporting was caused by the County amending DP condition #26 in a manner that resulted in confusion.

- RMM has demonstrated clear compliance with the sound conditions of the DC Bylaw. Administrations position that Council "**intended**" to make the sound regulations more restrictive meant that RMM had an unclear path forward.
- The County has refused to accept any additional applications until the confusion was clarified.

While RMM completely disagrees with the County Administration's interpretation of condition #26 of the Development Permit, the applicant was presented with only two options – one confrontational or one collaborative. RMM chose to participate in the collaborative option. The resulting application changing physical and operating parameters has significant costs to RMM over an indefinite number of years. As the confusion was the result of the County's imprecise and contradictory language in modifying condition #26 of the DP, RMM believes that the County should share some of the cost of the modifications through a reduction in property taxes of the motorsport facility.

RMM requests that the County provide the applicant with property tax relief in relation to the Motorsports Park (Motorsports Facility Phase 1, Administrative Trailer, Medical Trailer, Washroom Trailer, Race Control Trailer, Staging/Viewing/Paddock Area) in the amount of fifty percent (50%) of its assessed property taxes for the taxation years 2023 and 25% for the subsequent four taxation years.



BeSB GmbH Berlin
Schalltechnisches Büro
Maschinenakustik, Raum- u. Bauakustik, Immissionsschutz, Schwingungstechnik
www.besb.de

Rocky Mountain Motorsports Park

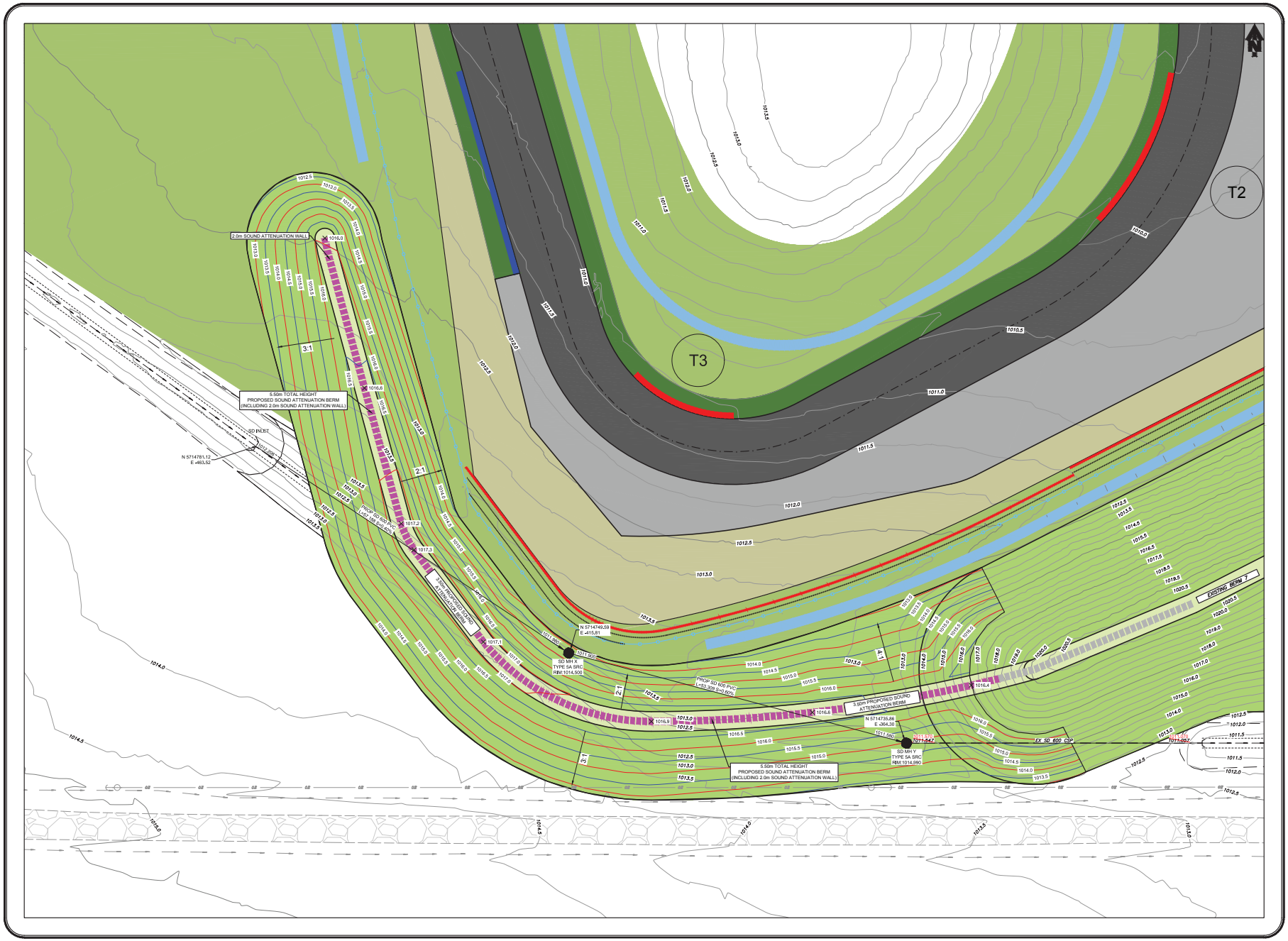
sound map
sound level during operation
L Aeq (1h)
calculation height 1.5m

Scenario 4

Club / Track Day
+ Police Handling Course

45 dBA
50 dBA
55 dBA
60 dBA
65 dBA

2019-01-17
supplement to report no. 5525.2G01-18



LEGEND:

- 2.0m PROPOSED SOUND ATTENUATION WALL
- PRE-CAST CONCRETE BARRIER
- 2 ft CAST-IN-PLACE CONCRETE BARRIER
- 2-ROW TIRE BARRIER (SEE TILKE DWG C-CI 5-TD-100)
- 4-ROW TIRE BARRIER (SEE TILKE DWG C-CI 5-TD-100)
- RUNOUT/ALLIGATOR CONCRETE CURB
- APEX CONCRETE CURB
- SAND CRASH BARRELS
- DRAINAGE SWALE
- FINISHED GRADE CONTOURS
- EXISTING (AS-BUILT) GRADE CONTOURS

1:1250 0 25 50 m

DIMENSIONS & SCALING
The contractor shall verify and be responsible for all dimensions. Do not scale the drawing - any errors and/or omissions shall be reported to IDEA Group Inc.

NO.	REVISIONS DESCRIPTION	DATE	BY
1	ISSUED FOR REVIEW	23/02/28	MA

PROJECT
ROCKY MOUNTAIN MOTORSPORTS PARK
PHASE 1
MOUNTAIN VIEW COUNTY, ALBERTA
ROCKY MOUNTAIN MOTORSPORTS

DRAWING TITLE
PROPOSED SOUND ATTENUATION BERM

CLIENT
ROCKY MOUNTAIN MOTORSPORTS

CONSULTANT
4034 4th Street SE
Calgary, AB T2G3W3
t(403.274.4555
f(403.208.7295

DESIGNED BY	MA	CHECKED BY	JS
DRAWN BY	MA	CHECKED BY	
SCALE	1:250	DATE	23/02/28
		REVISION NO.	1

PROJECT No. 18062
DRAWING No.

ROCKY MOUNTAIN MOTORSPORTS

SUBLEASE TO UNIT OWNER

ROCKY MOUNTAIN MOTORSPORTS OWNERS' ASSOCIATION

(the "LANDLORD")

-and-

X NTD

(the "UNIT OWNER")

Date: _____, 202_

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SCHEDULES

SUBLEASE TO UNIT OWNER

This Sublease (hereinafter referred to as the "**Lease**") is dated effective as of the **_____, 202_.** The Landlord and Unit Owner agree as follows:

ARTICLE 1
BASIC TERMS, DEFINITIONS AND INTERPRETATION AND RECITALS

1.1 Basic Terms

(a) (i) Landlord: ROCKY MOUNTAIN OWNERS' ASSOCIATION

(ii) Address: 180 Quarry Park Blvd SE Calgary, AB T2C 3G3

(iii) Project Address:

(b) (i) Unit Owner:

(ii) Address:

(c) (i) Rentable Area of the Unit: Approximately ____ sq. ft.

(ii) Unit: Unit # __

(d) Term: The period commencing on the Commencement Date and expiring on the Expiry Date

(e) (i) Commencement Date: ____

(ii) Expiry Date: ____ [NTD: TBC - 99 years]

(f) (i) Basic Rent: See Section 4.1.

(ii) Additional Rent: See Section 4.2.

The foregoing basic terms are hereby approved by the parties and each reference in this Lease to any of the basic terms shall be construed to include the provisions set forth above as well as all of the additional terms and conditions of the applicable sections of this Lease where such basic terms are more fully set forth.

1.2 Recitals

(a) The Landlord has leased the Project from Rocky Mountain Motorsports Corp. (the "**Head Landlord**") pursuant to a head lease dated _____ (the "**Head Lease**"), which includes the right to create the Project upon the Lands. [NTD: TBC - update with head lease particulars once finalized]

(b) The Landlord, as sublandlord, has sublet its interest in the Project to RMP Holdings Inc. (the "**Developer**"), as subtenant, pursuant to a developer sublease dated _____ (the "**Developer Sublease**"), and the Developer is constructing the Project upon the Lands. [NTD: TBC - update with particulars once finalized]

(c) Pursuant to the Developer Sublease, the Developer has developed or is in the process of developing high-end racing garages and Common Areas (as such

term is defined in the Head Lease), including those certain buildings forming the Project.

(d) The Developer, as subtenant, under the Developer Sublease is entitled to partially assign its interest in the Project on a unit-by-unit basis, in accordance with the terms of the Developer Sublease and the Head Lease.

(e) The Landlord has agreed and hereby consents that the Unit Owner may accept the assignment from Developer of its interest in the Unit under the Developer Sublease, and to sublease, use, occupy and enjoy the Unit, all upon terms and conditions and subject to the provisos herein contained.

(f) The Landlord, the Developer, and the Unit Owner have agreed to the concurrent surrender of the portion of the Developer Sublease assigned to the Unit Owner and enter into this Lease in replacement thereof, with the intent that this Lease govern from and after the date hereof.

(g) The Landlord, as sublandlord, hereby accepts the partial surrender of the Developer Sublease from the Developer, as subtenant, to the extent of the Developer's interest in the Unit thereunder, and hereby releases and forever discharges the Developer from and against any claims arising thereunder, and confirms that this Lease shall govern from and after the date hereof.

1.3 Definitions

Schedule "D" attached hereto contains definitions of capitalized terms used herein unless the context expressly or by necessary implication otherwise requires.

ARTICLE 2
GENERAL COVENANTS

2.1 Unit Owner's Covenants

The Unit Owner covenants with the Landlord:

(a) to pay Rent;

(b) to observe and perform all the covenants and obligations of the Unit Owner herein; and

(c) to perform, observe, and be bound by all of the Landlord's covenants, obligations, and agreements in the Head Lease with respect to the Unit and occupancy thereof by the Unit Owner (including any Person for whom the Unit Owner is responsible for at law).

2.2 Landlord's Covenants

The Landlord covenants with the Unit Owner:

(a) for quiet enjoyment, subject to and except as otherwise provided under the provisions of this Lease;

(b) provided the Unit Owner pays the Rent, observes and performs all of its covenants and obligations under this Lease and there has not been a default under this Lease, to observe and perform all the covenants and obligations of the Landlord herein; and

(c) provided the Unit Owner pays the Rent, observes and performs all of its covenants and obligations under this Lease and there has not been a default under this Lease, to use commercially reasonable efforts to take all necessary steps and do and perform all requisite acts, on behalf of the Unit Owner, at the expense of the Unit Owner, in order to enforce the performance of the terms, covenants, and conditions contained in the Head Lease on the part of the Head Landlord with respect to the Unit. If the Landlord makes a written demand on Head Landlord or brings an action against Head Landlord to enforce Head Landlord's obligations under the Head Lease with respect to the Unit, all costs and expenses (including, without limitation, legal fees and expenses on a solicitor and his own client full indemnity basis) so incurred by Landlord in connection therewith shall be deemed Additional Rent and shall be due and payable by Unit Owner promptly upon demand.

2.3 Deemed Covenants

Each obligation or agreement of the Landlord or the Unit Owner expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

ARTICLE 3
DEMISE AND TERM

3.1 Demise of Unit

(a) The Landlord hereby leases to the Unit Owner the Unit for the Term and subject to the provisions of this Lease. The Unit Owner hereby leases and accepts the Unit from the Landlord and covenants to pay the Rent and to observe and perform all the covenants and obligations to be observed and performed by the Unit Owner pursuant to this Lease. The Unit Owner agrees that, except as may be specifically set out herein, the Unit and the Project are accepted on an "as is" basis and subject to the liens, charges, and encumbrances and all rights thereunder registered against title to the Lands and except as may be expressly provided to the contrary in this Lease, there is no promise, representation or undertaking binding upon the Landlord with respect to any alteration, remodelling, or decoration of the Unit, the Project, or the Lands or with respect to the installation of equipment or fixtures in the Unit, the Project, or the Lands.

(b) The boundaries of the Unit is the finishing material that is in the interior of the Unit's exterior walls and the ceiling, including any lath and plaster, panelling, gypsum board, panels, flooring material or coverings or any other material that is attached, laid, glued or applied to the floor, wall or ceiling, as the case may be. The upper surface of the floor is the lower boundary of the Unit; provided the Unit includes all utility lines and building equipment that exclusively serve the Unit. The Owner is responsible for the maintenance, repair, and replacement of the boundary.

3.2 License Over Certain Common Facilities

The Landlord hereby grants to the Unit Owner, its agents, employees, guests, and invitees, in common with all others entitled thereto, a license to have the use of certain of the Common Facilities as designated from time to time by the Landlord; provided, however, that such use shall be subject to all other provisions contained in this Lease and to the Rules and Regulations.

3.3 Term

The Term of Lease shall be for the period of time described in Section 1.1(e), commencing at noon on the Commencement Date and ending at noon on the Expiry Date.

3.4 Delayed Possession

If the Landlord is delayed in delivering possession of all or any portion of the Unit to the Unit Owner on the Commencement Date, then unless such delay is principally caused by or attributable to the Unit Owner, its directors, officers, servants, agents, or independent contractors the date on which the Unit are to be made available to the Unit Owner and the obligation of the Unit Owner to pay Additional Rent shall be postponed for a period equal to the duration of the delay. This Lease shall not be void or voidable nor shall the Landlord be liable to the Unit Owner for any loss or damage resulting from any delay in delivering possession of the Unit to the Unit Owner, and the deferment of the obligation of the Unit Owner to pay Additional Rent shall be accepted by the Unit Owner as full compensation for any such delay. If any delay is attributable to the Unit Owner, its servants, agents, or independent contractors, the obligation of the Unit Owner to pay Basic Rent and Additional Rent shall not be deferred and the time period for completion of the Landlord's Work, if any (but not the Expiry Date) shall be extended for a reasonable period which shall not in any event be less than a period corresponding to such delay.

3.5 Option to Extend

The Unit Owner hereby acknowledges and agrees that it shall not be entitled to exercise any options to extend or renew the term of the Head Lease, and any such options to extend or renew are expressly retained by Landlord and may be exercised or waived by Landlord in its sole and absolute discretion. So long as the Landlord has exercised any option to extend or renew the term under the Head Lease, and so long as there has not been an Event of Default under this Lease, the Unit Owner shall have an option to extend the initial Term of this Lease for a further period of time equal to the extended or renewed term under the Head Lease less one (1) day, and upon the same terms and conditions as set out under this Lease. The Unit Owner will accept the Unit "as is, where is" for the extension term and Landlord shall have no responsibility for any work or improvements to the Unit. This option to extend must be exercised by Unit Owner no later than one (1) month after notice is given to Unit Owner by Landlord that it has exercised an option to extend or renew the term of the Head Lease, and in any event prior to expiry of the initial Term, failing which this option shall be null and void.

ARTICLE 4
RENT

4.1 Basic Rent

Basic Rent for the Term is the sum of $1.00 in lawful Canadian currency, the receipt of which is hereby acknowledged by the Landlord.

4.2 Additional Rent

The Unit Owner shall pay to the Landlord , during the Term, when due, as Additional Rent:

(a) all Unit Owner's Taxes not paid directly to the taxing authorities;

(b) Real Estate Taxes payable by the Unit Owner under this Lease;

(c) the Unit Owner's Proportionate Share of Operating Costs;

(d) the Unit Owner's Proportionate Share of any Utilities not paid directly to the appropriate billing authority; and

(e) all other amounts payable by the Unit Owner pursuant to this Lease.

4.3 Payment of Additional Rent

The Additional Rent specified in subsections 4.2(b) and 4.2(c) shall be paid and adjusted with reference to the Fiscal Year. From time to time throughout the Term, the Landlord shall give notice to the Unit Owner of the Landlord's estimate of such Additional Rent to be paid by the Unit Owner during the next ensuing Fiscal Year. Such Additional Rent payable by the Unit Owner shall be paid in equal monthly instalments in advance at the same time as payment of Basic Rent is due hereunder and shall be based on the Landlord's estimate as aforesaid. From time to time the Landlord may re-estimate, on a reasonable basis, the amount of such Additional Rent for any Fiscal Year in which case the Landlord shall give notice to the Unit Owner of such re-estimate and fix new equal monthly instalments for the remaining balance of such Fiscal Year so that, after giving credit for the instalments paid by the Unit Owner on the basis of the previous estimate or estimates, all the Additional Rent as estimated or re-estimated will have been paid during such Fiscal Year. The parties will make adjustment for shortfalls in previous amounts paid on the next payment after such notice.

4.4 Adjustment of Additional Rent

Within a reasonable period of time after the end of each Fiscal Year referred to in section 4.3, the Landlord shall deliver to the Unit Owner a statement (the "**Statement**") of the Landlord as to the actual Additional Rent payable to the Landlord pursuant to subsections 4.2(b) and 4.2(c) in respect of such Fiscal Year and a calculation of the amount by which such Additional Rent payable by the Unit Owner varies from the aggregate instalments paid by the Unit Owner on account of such Additional Rent for such Fiscal Year. Within thirty (30) days after the receipt of the Statement, either the Unit Owner shall pay to the Landlord any amount by which the amount found payable by the Unit Owner with respect to such Fiscal Year exceeds the aggregate of the monthly payments made by it on account thereof or the Landlord shall credit to the Unit Owner any amount by which the amount found payable as aforesaid is less than the aggregate of such monthly payments. The Unit Owner shall have the right, exercisable by notice to the Landlord given within thirty (30) days after receipt of the Statement of such Additional Rent submitted by the Landlord as aforesaid, to verify the accuracy of any amount shown on the Statement by requiring the Landlord to give to the Unit Owner appropriate explanations related to the Statement, which need not include receipts.

Failure of the Landlord to render any Statement shall not prejudice the Landlord's right to render such Statement thereafter or with respect to any other Fiscal Year. The Landlord may render amended or corrected Statements. The Unit Owner shall not claim a re-adjustment in respect of Operating Costs or Real Estate Taxes or other items of Additional Rent estimated by the Landlord or the share payable by the Unit Owner on account thereof for any Fiscal Year except

by notice given to the Landlord within six (6) months after delivery of the Statement, stating the particulars of the calculation error. To be effective any claim or dispute by the Unit Owner as to the accuracy of the any Statement shall be made to the Landlord in writing. A Person who has assigned this Lease will also have assigned its right to any adjustment.

If the Unit Owner disputes the accuracy of any Statement within the period permitted under this section as set above and the Landlord and the Unit Owner fail to settle the matter by the thirtieth (30th) day following notice by the Unit Owner to the Landlord disputing the accuracy of the Statement, the matter shall be referred by the Landlord to an Expert for prompt decision. The Unit Owner shall pay any Rent due in accordance with the Statement until such decision is rendered and the Expert determines otherwise. The Expert's signed determination shall be final and binding on both the Landlord and the Unit Owner. Any adjustment required to any previous payment made by the Unit Owner or the Landlord by reason of any such determination shall be made within fourteen (14) days thereof, and the party required to pay such adjustment shall bear all costs of the Expert, except that if the amount to be paid is ten (10%) percent or less of the amount to be paid for the year, the Unit Owner shall pay all such costs.

4.5 Apportionment of Rent

Rent shall be considered as accruing from day to day hereunder. If it is necessary to calculate Rent for a period of less than one (1) year or less than one (1) calendar month, an appropriate apportionment and adjustment on a pro rata daily basis shall be made. Where the calculation of Rent cannot be made until after the expiration or earlier termination of this Lease, the obligation of the Unit Owner to pay such Rent shall survive the expiration or earlier termination hereof, and such amount shall be paid by the Unit Owner to the Landlord forthwith upon demand. If the Term commences on any day other than the first (1st) day of the month, Rent for such fraction of a month shall be adjusted, as aforesaid, and paid by the Unit Owner on the Commencement Date.

4.6 No Right of Set-off

The Unit Owner expressly waives the benefits of any present or future enactment of Canada or the Province in which the Project is located permitting the Unit Owner to claim a set-off against Rent for any cause whatsoever.

4.7 Additional Rent Deemed Rent

All Additional Rent shall be deemed to be Rent and the Landlord shall have all rights against the Unit Owner for default in payment of Additional Rent as for default in the payment of Basic Rent.

4.8 Interest on Arrears

If the Unit Owner fails to pay Rent when due, the Unit Owner shall pay interest on the unpaid amount at the Stipulated Rate from the date due until the date paid, without prejudice to and in addition to any other remedy available to the Landlord under this Lease or at law.

4.9 Net Lease to Landlord

This Lease and the Rent payable hereunder shall be absolutely net to the Landlord, except as expressly provided herein. It is the intention of this Lease that the Unit Owner will be responsible for its proportionate share of all expenses and expenditures of the Landlord, absolutely. Any obligation which is not stated to be that of the Landlord shall be deemed to be that of the Unit Owner. The Unit Owner hereby acknowledges and agrees that it is the intention of this Lease that all costs and expenses, whether or not anticipated, of Landlord, including those incurred in

the administration, operation, management, maintenance, repair, or replacement of the Project (including the Common Facilities), and including reserves, lawsuits, and judgments and/or fines or penalties against it, are to be fully recovered from unit owners (including the Unit Owner) in accordance with the terms of their respective subleases (including this Sublease). Such expenses fully include all expenses of the Landlord, including administrative, taxation, audit, capital, and other expenses whether or not of a kind normally charged by landlords.

4.10 Electronic Funds Transfer

The Unit Owner shall make all payments of Additional Rent under this Lease by way of automatic withdrawals or e-transfer or any other method as directed by Landlord from time to time, and deliver either concurrently with this Lease or from time to time within three (3) Business Days following request such documents as may be required by the Landlord and its bank in order to effect such payments.

ARTICLE 5
TAXES

5.1 Unit Owner's Taxes and GST

(a) The Unit Owner shall pay when due to the taxing authority or authorities having jurisdiction, or to the Landlord if so directed, all Unit Owner's Taxes.

(b) The Unit Owner shall pay to the Landlord, if so directed, when due all GST.

5.2 Unit Owner's Contribution to Real Estate Taxes

(a) The Unit Owner shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord as required by section 4.3 an amount equal to the Unit Owner's Proportionate Share of the Real Estate Taxes. Such amount will be determined by the Landlord acting reasonably. If there are separate assessments (or, in lieu thereof, calculations made by authorities having jurisdiction from which separate assessments may, in the Landlord's opinion, be readily determined) for the Unit for tax purposes, the Landlord shall have regard thereto for purposes of determining the amount payable by the Unit Owner pursuant to this subsection 5.2(a). The Unit Owner shall provide the Landlord with a copy of any separate notices of assessment for the Unit which the Unit Owner has received. The Unit Owner shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the taxes imposed on the Landlord which are attributable to personal property, furnishings, fixtures, or Leasehold Improvements installed within the Unit. Whenever requested by the Landlord, the Unit Owner shall deliver to the Landlord receipts for payment of all the Unit Owner's Real Estate Taxes and furnish such other information in connection therewith as the Landlord may reasonably require.

(b) The Unit Owner shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord the amount by which Real Estate Taxes are increased above the Real Estate Taxes which would have otherwise been payable as a result of the Unit or the Unit Owner or any other occupant of the Unit being taxed or assessed in support of separate schools.

5.3 Assessment Appeals

The Unit Owner shall not appeal any governmental assessment or determination of the value of the Project or any portion of the Project whether or not the assessment or determination affects the amount of Real Estate Taxes or other taxes, rates, duties, levies or assessments to be paid by the Unit Owner.

ARTICLE 6
SERVICES, RETAIL COMMON FACILITIES

6.1 Heating, Ventilating and Air-Conditioning

The Landlord shall operate and regulate the heating, ventilating, and air-conditioning system and equipment (the "**HVAC System**") exclusively serving the Common Facilities (if any) in such a manner as to maintain such reasonable conditions of temperature and humidity as are determined by the Landlord. The Landlord's costs of maintenance, repair, and replacement of the HVAC System shall be charged to the Unit Owner as an Operating Cost in accordance with this Lease.

The Landlord shall maintain, repair, and (if necessary) replace the heating, ventilating and air-conditioning system and equipment in or which exclusively serves the Unit, including any variable air volume valve or thermostat in the Unit and items (including, but not limited to, booster units and make-up air units) that are located outside the Unit, (collectively, the "**Unit HVAC System**"), in each case at the sole cost and expense of the Unit Owner, which shall be charged to the Unit Owner as part of Operating Costs, provided that 100% of such costs are to be recovered entirely from the Unit Owner and not on a Proportionate Share basis. Such costs and expenses shall include, without limitation, depreciation or amortization on such Unit HVAC System including interest on the undepreciated or unamortized portion of the costs of such Unit HVAC System. The Unit Owner shall regulate the Unit HVAC System within the Unit in such a manner as to maintain such reasonable conditions of temperature and humidity as are determined by the Landlord. If the Unit is served by an HVAC System which serves more than one (1) Unit in the Project, then the Unit Owner shall be obligated to pay a share only of the foregoing costs and expenses as equitably determined by the Landlord upon the advice of a qualified engineer and such costs or expenses shall be allocated amongst the Unit Owners served by such HVAC System. The foregoing costs and expenses shall exclude the cost of fuel and electricity consumed in the use of such HVAC System to the extent only that such costs and expenses are charged separately to and paid by the Unit Owner pursuant to other provisions of this Lease. Such costs and expenses shall be subject to annual estimate and adjustment following the end of the Fiscal Year or more frequently if required by the Landlord and in the same manner as Operating Costs.

The Tenant acknowledges that the Head Landlord may charge an administrative fee of 5% of the above amounts for services provided under the Head Lease in respect of the above.

6.2 Electricity and Other Utilities

The Unit Owner shall be solely responsible for and promptly pay all charges for Utilities used or consumed in the Unit. Such charges shall be determined by the Landlord or its agent using a reasonable method of calculation which has been communicated to the Unit Owner. The Landlord may, at the Unit Owner's sole cost, install separate meters or other measuring devices for measuring consumption of any Utility consumed in the Unit and may use an Expert to assist in determining such consumption.

The Unit Owner acknowledges and agrees that any one or more of Utilities for the Project and Unit may be provided by Landlord, and Landlord may provide such Utilities on a metered or sub-metered basis, at is sole discretion. If any Utilities are provided by Landlord, then the Landlord will be entitled to charge the cost thereof to the Unit Owner based on Landlord's reasonable allocation thereof to the Unit, or if meters or sub-meters are available then on the basis of consumption of Utilities at the Unit based on such metered usage multiplied by the cost of the applicable Utility as charged to Landlord by any Utility provider or the Head Landlord, as the case may be.

The Tenant acknowledges that the Head Landlord may charge an administrative fee of 5% of the above amounts for services provided under the Head Lease in respect of the above.

6.3 Interruption in Services

The Landlord and/or Head Landlord has the right to stop the use of any facilities and the supply of any services when necessary by reason of accident or during the making of repairs, replacements, alterations, or improvements, in the judgment of the Landlord necessary or desirable to be made, until the repairs, replacements, alterations, or improvements have been completed to the satisfaction of the Landlord, provided that all reasonable steps shall be taken to minimize any interference with the Unit Owner's use and enjoyment of the Unit, both as to the extent and duration of such interference. The Landlord shall have no responsibility or liability for failure to operate any facilities or supply any services when the use of the facility is stopped as aforesaid or when the Landlord is prevented from using the facility or supplying the service by strike, or by orders or regulations of any governmental authority or agency or by failure of the electric current, gas, steam, or water supply necessary to the operation of any facility or by the failure to obtain such a supply or by any other cause beyond the Landlord's reasonable control.

6.4 Energy Conservation

The Unit Owner shall comply with any measures the Landlord or any legislative authority may from time to time introduce to conserve or to reduce consumption of energy or to reduce or control other Operating Costs or pay as Additional Rent the cost, to be estimated by the Landlord acting reasonably, of the additional energy consumed by reason of any non-compliance. The Unit Owner shall also convert to whatever system or units of measurement of energy consumption the Landlord may from time to time adopt.

6.5 Pest Control by Unit Owner

The Unit Owner agrees to institute and carry out and maintain, at its own expense, such pest control measures in the Unit as the Landlord reasonably requires.

ARTICLE 7
USE AND OCCUPANCY OF UNIT

7.1 Use of Unit

(a) The Unit Owner shall, continuously throughout the Term, use the Unit solely for, and the Unit Owner will not use or permit any part of the Unit to be used for any purpose other than **a suite for motorsport related activities such as gatherings and events and year-round or seasonal storage of first class motorsport vehicles owned by the Unit Owner** (the "**Use**");

(b) The Unit Owner shall not be permitted to use and/or occupy the Unit for any other use other than as set out above in subsection 7.1(a), except with the Landlord's prior written consent which may be arbitrarily and unreasonably withheld; and

(c) The Unit Owner hereby acknowledges and agrees that Landlord may, from time to time, in its sole and unfettered discretion (which may be exercised arbitrarily), designate or restrict the type or class of Person(s) permitted to attend, visit, or occupy the Project, and Unit Owner shall not permit nor allow to be permitted any such restricted Person(s) from attending, visiting, or occupying the Unit.

7.2 Prohibited Activities

(a) Without in any way extending the permitted use of the Unit in accordance with subsection 7.1(a) the Unit or any part thereof will not be used or occupied for any of the following uses:

(i) any commercial activity or business, whether for-profit or not-for-profit;

(ii) a residential unit;

(iii) a vehicle repair shop or body shop, excepting minor maintenance or repairs to the Unit Owner's exclusively owned vehicles;

(iv) a storage facility for parts or equipment, excepting temporary or seasonal storage of first class motorsport vehicles in accordance with this Lease;

(v) a rental or a short term rental such as, by way of example only, an "AirBnB";

(vi) any training or educational facility that has not been approved in writing by the Landlord;

(vii) any gatherings or parties at the Unit that are likely to cause a nuisance to the Landlord or other owners or occupants at the Project, as determined by the Landlord, acting reasonably;

(viii) the bulk storage of fuels of any kind; and

(ix) the storing, manufacturing or selling of any explosive, flammables, or other inherently dangerous substance or chemical.

(b) The Unit Owner will not park nor allow its guests or employees to park in any areas designated by the Landlord from time to time as restricted parking.

(c) Upon the Landlord providing written notice to the Unit Owner, the Unit Owner shall thereupon forthwith discontinue the carrying on of any use, activity, or practice which does not in Landlord's opinion fall within the Use.

7.3 Waste and Nuisance

(a) The Unit Owner shall not carry on or cause or permit to be carried on any act or thing which may constitute or result in a nuisance to the Landlord or to other Unit Owners of the Project or the Lands, or do or suffer any waste or damage to the

Unit, the Project, or the Lands. Without limiting the generality of the foregoing, the Unit Owner shall be liable for any cost or damages suffered or incurred by the Landlord or any other Unit Owner or occupant of Project as a result of any false fire, security, or other alarm with respect to the Unit or the Project arising from the use of the Unit by the Unit Owner or caused by the Unit Owner or its directors, officers, employees, agents and any other Person for whom the Unit Owner is legally responsible and the Unit Owner shall pay any such cost or damages promptly on demand. For certainty, the Unit Owner shall not emit and shall not permit to be emitted from the Unit any noise exceeding levels prescribed under Applicable Laws.

(b) The Unit Owner hereby acknowledges and agrees that the Project is adjacent to a motorsports facility and racetrack, and that vibration, noise, and odours associated with the adjoining racetrack will be present (whether continuously or from time to time) and Unit Owner hereby releases the Landlord Indemnified Parties from and against any claims or damages it may suffer or sustain as a result of any use of the Lands or any portion of the Lands, whether or not forming part of the Project and whether or not caused by any of the Landlord Indemnified Parties or any other owner or occupant at the Project.

7.4 No Overloading of Unit or Common Use Equipment

The Unit Owner shall not permit or allow any overloading of the floors of the Unit or the bringing into any part of the Unit of any articles or fixtures that by reason of their weight or size might damage or endanger the structure of the Unit or the Project. The Unit Owner shall not permit or allow anything that might result in any overloading of any of the Common Use Equipment.

7.5 Insurance Cancellation or Cost Increase

The Unit Owner shall not do or omit to do or permit to be done or omitted to be done in the Unit anything which would cause any policy of insurance on the Project or the Lands to be subject to cancellation or non-renewal or which would cause an increase in the cost of any insurance which the Landlord may maintain or which is otherwise maintained from time to time. If any insurance policy is cancelled or threatened by the insurer to be cancelled or the coverage thereunder is altered in any way because of the use or occupation of the Unit by the Unit Owner or by any Person permitted to be in the Unit by the Unit Owner or any other Person for whom the Unit Owner is at law responsible, and if the Unit Owner fails to remedy the condition giving rise to the cancellation, threatened cancellation, or alteration in coverage within forty eight (48) hours after notice thereof is given to the Unit Owner (or such lesser period as the Landlord, acting reasonably, may determine, having regard to the urgency of the situation), the Landlord may, but shall not be obligated to, without further notice or any liability to the Unit Owner or any other occupant of the Unit, enter the Unit and attempt to remedy such condition or obtain or attempt to obtain insurance coverage in replacement of the coverage cancelled, threatened to be cancelled, or altered in coverage, and the Unit Owner shall pay, forthwith upon demand, the cost thereof.

7.6 Observance of Law by Landlord and Unit Owner

(a) The Landlord shall promptly comply with and conform to the requirements the Applicable Laws at any time or from time to time in force during the Term affecting the Project other than as to those matters which are the obligation of the Unit Owner as provided in subsection 7.6(b) or the obligation of any other Unit Owner under its lease.

(b) The Unit Owner shall use and occupy the Unit in compliance with all Applicable Laws and in a safe, careful, and proper manner. It is the Unit Owner's responsibility to ensure that its use from time to time is permitted by all Applicable Laws. The Unit Owner shall comply with any request of any governmental authority, Landlord's insurer or in respect of any energy conservation, waste management, safety, security, or other matter relating to the occupancy and use of the Unit or of the Project. If any improvements or changes are necessary to the Unit or the Project to effect compliance with any Applicable Laws or to effect compliance with a request of a Governmental Authority, Landlord's insurer, or the Landlord, then the cost of effecting such compliance shall be at the Unit Owner's expense and the Unit Owner shall carry out such work necessary to effect such compliance as soon as reasonably possible after becoming aware of such requirement and in any event such compliance shall be effected forthwith within three (3) Business Days of written notice. Any such work shall be done in accordance with the provisions of this Lease governing Alterations.

7.7 Rules and Regulations

The Unit Owner shall observe and perform, and shall cause its employees, agents, invitees. and others over whom the Unit Owner can reasonably be expected to exercise control to observe and perform, the Rules and Regulations attached hereto as Schedule C and such other rules and regulations or amendments as may be made from time to time by the Landlord of which notice is given to the Unit Owner.

The Unit Owner acknowledges that the Rules and Regulations, as from time to time amended or replaced, are not necessarily of uniform application but may be waived in whole or in part in respect of other Unit Owners without affecting their enforceability with respect to the Unit Owner and the Unit, and may be waived in whole or in part with respect to the Unit without waiving them as to future application to the Unit, and the imposition of such Rules and Regulations shall not create or imply any obligation or liability on the part of the Landlord to enforce the Rules and Regulations or on the part of any Unit Owner who, by the terms of its lease, is not required to comply with such Rules and Regulations.

In any conflict between a provision of this Lease and any of the Rules and Regulations, the provision of this Lease shall govern.

7.8 Environmental Covenants

The Unit Owner agrees that throughout the Term:

(a) the Unit Owner will comply with all Environmental Laws including those relating to its use of the Unit;

(b) the Unit Owner will not store any Hazardous Substance on the Project or the Unit;

(c) if any Hazardous Substance is brought onto or created upon the Project or the Unit at any time during the Term, then as between the Landlord and the Unit Owner, such Hazardous Substance shall be the sole and exclusive property of the Unit Owner and not of the Landlord, notwithstanding the degree of affixation of the Hazardous Substance or the thing containing the Hazardous Substance to

the Project or the Unit and notwithstanding the expiry or sooner termination of this Lease;

(d) the Unit Owner will take all necessary precautions so as to ensure that the Project and the Unit and any area adjoining any part of the Project or the Unit do not become and are not likely to become Contaminated by any Hazardous Substances;

(e) the Unit Owner will permit the Landlord at all reasonable times to enter the Unit and to carry out thereon and therein such inspections and Environmental Site Assessments, as the Landlord considers appropriate, but carried out so as to cause as little interference with the operations and activities of the Unit Owner as is reasonably possible;

(f) if the presence of any Hazardous Substance or any other substance results in any Contamination:

(i) the Unit Owner shall be responsible to report any release of a Hazardous Substance relating to such Contamination to the applicable Government Authority, to the extent required by Environmental Laws; and

(ii) the Unit Owner shall promptly take all actions as are necessary to return the Unit or in the case the Hazardous Substance or Contamination relate to the Unit, the activities thereon or the act or omission by the Unit Owner or any Person for whom it is legally responsible, any other part of the Lands or any other lands to the condition in which the same existed prior to the introduction of any such Hazardous Substance or other substance onto or in the Project, the Unit, the Lands, or any other lands, all in accordance with any reasonable directions given by the Landlord and in accordance with any directions, recommendations or equivalent of a Government Authority pursuant to Environmental Laws;

(g) the Unit Owner will promptly advise the Landlord forthwith of any Hazardous Discharge into or upon any part of the Project or the Unit or migration of any Hazardous Discharge from the Project or the Unit into or upon any other part of the Project or the Unit or the Lands or into or upon any property adjacent to the Project or the Unit or the Lands, of which it has any knowledge and will promptly provide the Landlord with all information, notices, reports, and other documents the Unit Owner from time to time possesses or controls regarding such Hazardous Discharge and the remedial action being undertaken by the Unit Owner or anyone else with respect to the Hazardous Discharge or that may reasonably be required by the Landlord;

(h) if, as a result of the Unit Owner's operations, at any time during the Term, the Project, the Unit, any other part of the Lands or any other lands is, or are found to be Contaminated by any Hazardous Discharge, or the Landlord is required by any Government Authority to determine whether the Project or the Unit or other part of the Lands is or are Contaminated by any Hazardous Discharge, or the Landlord is required to take remedial action regarding any Hazardous Discharge:

(i) the Unit Owner will promptly provide a written proposal to the Landlord, for the Landlord's approval, to prepare a Phase II Environmental Site

Assessment to determine the existence and extent of such Contamination; and

(ii) if, following the completion of a Phase II Environmental Site Assessment, it is determined there exists such Contamination, the Unit Owner will propose to the Landlord for the Landlord's approval, acting reasonably, a plan for the remedial action to be taken in respect of such Contamination, which plan shall contain a work schedule for the remedial action set forth therein (upon approval, the "**Approved Remediation Plan**");

(iii) upon the receipt of the Landlord's approval pursuant to section 7.8(h)(ii), the Unit Owner shall promptly proceed to complete the Approved Remediation Plan in accordance with its terms;

(iv) the Unit Owner shall complete such Approved Remediation Plan in accordance with Environmental Laws, including obtaining any requisite Authorizations to commence or complete such Approved Remediation Plan including, to the extent applicable, any reclamation certificate required under Environmental Laws. Following the completion of such Approved Remediation Plan the Unit Owner shall, at its sole cost and expense, make reasonable commercial efforts to obtain a remediation certificate with respect to the remedial action, taken under the Approved Remediation Plan, pursuant to Environmental Laws within ninety (90) days of the completion of such remedial action;

(v) in the event the Unit Owner fails to complete the Approved Remediation Plan in accordance with the work schedule set forth therein for the remedial action pursuant to subsection 7.8(h)(ii), the Unit Owner shall permit the Landlord, its employees, agents, consultants and contractors, access to the Unit and shall permit the Landlord to carry out the Approved Remediation Plan. Within ten (10) days after demand by the Landlord, the Unit Owner shall pay to the Landlord the amount which is equal to the actual costs incurred by the Landlord in so carrying out the Approved Remediation Plan together with interest thereon at the Stipulated Rate calculated monthly not in advance from the date of the demand;

(i) notwithstanding the foregoing, if as a result of the Unit Owner's or any Person for whom it is legally responsible's act or omission, at any time during the Term, the Project, the Unit, any other part of the Lands or any other lands is, or are found to be Contaminated by any Hazardous Discharge, or the Landlord is required by any Government Authority to determine whether the Project or the Unit or other part of the Lands is or are Contaminated by any Hazardous Discharge, or the Landlord is required to take remedial action regarding any Hazardous Discharge, the Landlord may, in its sole discretion, elect to remedy the situation at the Unit Owner's expense, in which case section (h) above will not apply; and

(j) on or before the expiration or sooner termination of this Lease, the Unit Owner shall remove all Hazardous Discharges and all Hazardous Substances which have been brought onto or created upon the Lands, the Project or the Unit during the Term by any occupant, and shall carry out any remedial action with respect to any Contamination to the extent necessary to ensure compliance with Environmental Laws.

The provisions of this section 7.8 shall survive any termination or expiration of this Lease.

7.9 Environmental Liability of Landlord

The Landlord shall only be liable for those Hazardous Substances upon the Project or the Unit during the Term, any Contamination of the Project or the Unit relating to the release of Hazardous Substances during the Term, and any breach of Environmental Laws with respect to the Project or the Unit which occur during the Term, in each case, only to the extent attributable to the acts or omissions of the Landlord and its employees, servants, agents, contractors and those for whom it is at law responsible, which for the purposes of this section is agreed to exclude other unit owners and their employees, servants, agents, contractors, and other persons for whom they are responsible.

7.10 Environmental Liability of Unit Owner

(a) The Unit Owner shall be liable for any Hazardous Substances upon the Lands or the Project or the Unit during the Term, any Contamination relating to the release of Hazardous Substances onto the Lands, the Project, or the Unit during the Term, and any breach by the Unit Owner of Environmental Laws with respect to the Lands, or the Project or the Unit during the Term, only to the extent attributable to the negligence, or any acts or omissions of the Unit Owner and its employees, servants, agents, contractors, invitees, and those for whom it is at law responsible (collectively, the "**Unit Owner's Environmental Liabilities**").

(b) The Unit Owner shall indemnify and save harmless the Landlord Indemnified Parties from and against any and all manner of actions, causes of action, suits, administrative proceedings, damages, losses, costs (including, without limitation, legal costs on a solicitor and his own client basis), charges, expenses, claims, and demands of any nature whatsoever incurred or suffered by any of the Landlord Indemnified Parties with respect to the Unit Owner's Environmental Liabilities. The indemnity set forth in this subsection 7.10(b) shall survive any termination or expiration of this Lease.

7.11 Signs

(a) The Unit Owner shall not erect any sign or advertising material or inscribe anything upon any part of the Project, or upon the exterior or the interior surfaces of any exterior window or door to the Unit or upon the exterior of any demising walls, or upon any part of the Common Facilities.

7.12 Name of Project

The Unit Owner shall, in referring to the Project, use only the name designated from time to time by the Landlord.

7.13 Control of the Project

Except for portions of the Project comprising Rentable Units, the Landlord will have exclusive control, management, and operation of the Project. In its control, management, and operation, the Landlord will have, among its other rights, the right to:

(a) close parts of the Common Facilities to prevent their dedication or the accrual of rights in them in favour of third parties or the public; grant, modify, and terminate easements and other agreements pertaining to the use and operation of the

Project or any part of it; and temporarily obstruct or close off parts of the Project for maintenance, repair, or construction;

(b) employ personnel, including supervisory personnel and managers for the operation, promotion, maintenance, and control of the Project. The Project may be managed by the Landlord or by another Person that the Landlord designates in writing from time to time;

(c) use parts of the Common Facilities for display, decorations, entertainment and structures, permanent or otherwise, designed for special features or promotional activities;

(d) regulate, acting reasonably, all aspects of loading and unloading, delivery and shipping of fixtures, equipment, and merchandise, and all aspects of garbage storage, collection, and disposal, including but not limited to instituting a recycling program which the Unit Owner shall adhere to. If the Landlord designates a commercial service for the pick-up and disposal of garbage instead of, or in addition to, the service provided by the local municipality, the Unit Owner will use it at its cost;

(e) construct other buildings, structures, or improvements in the Project and make alterations of, reductions of, subtractions from, rearrangements of all or any part of the Project, build additional floors or stories on any buildings, structures, or other improvements erected or to be erected in the Project, and construct additional buildings, structures, or other improvements and facilities in or on, the Project, the Common Facilities, and the Unit, or any of them, or adjoining or near the Project;

(f) install installations, permanent or otherwise, in or on the Common Facilities;

(g) diminish, alter, relocate or rearrange the locations, sizes, and dimensions of: (A) the Project, including but not limited to the Common Facilities; and (B) the buildings, structures, and other improvements, areas, and facilities, and other parts of the Project.

(h) Notwithstanding anything contained in this Lease to the contrary, the Landlord has no liability for diminution or alteration of the Common Facilities and the Unit Owner will not be entitled to compensation, or a reduction or abatement of Rent.

7.14 Inspection and Repair

On reasonable notice to the Unit Owner and without notice in the case of emergency, the Landlord and its authorized agents and employees shall have the right, at any time and from time to time, to enter the Unit for the purpose of inspection, maintenance, making repairs, alterations, or improvements to the Unit or the Project or to have access to Utilities and services, and the Unit Owner shall provide free and unhampered access for such purpose and shall not be entitled to compensation for any inconvenience, nuisance, or discomfort caused thereby. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Unit Owner’s use and enjoyment of the Unit.

ARTICLE 8
ALTERATIONS

8.1 Alterations by Unit Owner

(a) The Unit Owner shall not, without the prior written consent of the Landlord, make, erect, alter, or install any Leasehold Improvements or other alterations or installations in or to or about the Unit (the "**Alterations**").

(b) If the Unit Owner wishes to make any Alterations, the Unit Owner shall apply for the Landlord's consent and furnish such plans, specifications, and designs as shall be necessary to fully describe the Alterations or as may otherwise be required by Landlord. The Landlord's consent thereto shall not be unreasonably withheld or delayed except that any refusal to grant consent based on grounds that such Alterations are not in compliance with the Building Standard, that the Unit Owner has not posted security with the Landlord, or the proposed Alterations are prohibited by any instrument registered on title to the Lands, shall be conclusively deemed not to be an unreasonable withholding of consent. In no case shall the Unit Owner make, permit to make, or be permitted to make any Alterations to the exterior of the Unit or the building containing the Unit or any structural elements and/or base building systems.

(c) Any Alterations shall, if the Landlord so elects, be performed by employees or contractors who have been designated by the Landlord and who have contracted directly with the Unit Owner and agreed to carry out such Alterations in a good and workmanlike manner and at a cost to the Unit Owner which is not unreasonable when compared with the amounts which would be charged by reputable contractors performing the same work. In the absence of any such election by the Landlord but excluding Alterations to or that may affect structural elements or base building systems of the Project and other elements of the Project the alteration of which is the exclusive jurisdiction of the Landlord under this Lease, such Alterations may be performed by contractors retained by the Unit Owner pursuant to written contracts which have been approved by the Landlord (such approval not to be unreasonably withheld) and subject to all reasonable conditions which the Landlord imposes. In either event, the Landlord shall have the right to inspect such Alterations and require any Alterations not being properly done to be corrected, and to approve on a reasonable basis the contractors, tradesmen, or the Unit Owner's own employees (as the case may be) retained or employed by the Unit Owner in connection therewith.

(d) The Unit Owner shall pay to the Landlord, within ten (10) days after the receipt of the Landlord's invoice, the Landlord's reasonable out-of-pocket costs incurred in examining and approving the Unit Owner's plans, specifications and designs and in inspecting the Alterations and any additional expenses actually incurred by the Landlord in connection with such Alterations together with a coordination and supervision fee equal to fifteen (15%) percent of the total cost to the Unit Owner of such Alterations.

(e) No Alterations for which drawings and specifications are required shall be commenced until such drawings and specifications have been approved in advance in writing by the Landlord. No Alterations shall be commenced until the Unit Owner has secured approval thereof from all Governmental Authorities having jurisdiction and submitted proof of such approval to the Landlord.

(f) Any damage to the Unit or the Project or the Lands caused by the Unit Owner or any of its employees, contractors, or workmen shall be repaired at the expense of the Unit Owner.

(g) All Alterations undertaken by the Unit Owner shall be performed by competent workmen whose labor affiliations are compatible with those of others employed by the Landlord and its contractors.

(h) The Unit Owner shall perform the Alterations or cause the Alterations to be performed: (i) in accordance with any construction methods and procedures required by the Landlord and its Architect; (ii) in accordance with the plans and specifications submitted to and approved by the Landlord; (iii) in accordance with any conditions, regulations, procedures, or rules imposed by the Landlord; (iv) in compliance with all Applicable Laws; (v) in a good and workmanlike and expeditious manner using new materials; (vi) in compliance with the requirements of the Landlord's insurer; and (vii) so as to equal or exceed the then current standard for the Project as determined by the Landlord or the Expert.

(i) Under no circumstances shall the Unit Owner or its contractor enter onto the roof of the Project or make any openings in the roof or building exterior.

(j) The opinion in writing of the Architect shall be binding on both the Landlord and the Unit Owner respecting all matters of dispute regarding any Alterations including the state of completion and whether or not such work is completed in a good and workmanlike manner.

(k) The Unit Owner or its contractor shall not impose upon the structural elements of the Project a greater working load than the design live load.

(l) No suspended loads will be permitted other than normal ceiling and lighting load from underside of floor or roof structure without written approval of the Landlord.

(m) If any proposed Alterations could affect the structural elements of the Project or the Common Use Equipment, the Landlord may require that any such Alterations be performed by either the Landlord or its contractors in which case the Unit Owner shall pay the Landlord's cost plus an administration fee of fifteen (15%) percent promptly on demand. Without limiting the foregoing, under no circumstances shall the Unit Owner or its contractor at any time be permitted to drill or cut conduit or pipe sleeves or chases or distribution equipment openings in the floors, columns, walls, or roofs of the Project. Any work of this type required by the Unit Owner shall be performed by the Landlord for the Unit Owner's account and payment shall be made by the Unit Owner to the Landlord.

(n) Prior to the commencement of any Alterations, the Unit Owner will submit to the Landlord the name of the proposed general contractor or subcontractor for the approval of the Landlord.

(o) The Unit Owner will be entirely responsible for the security of the Unit during any Alterations and shall take all necessary steps to secure the Unit, and the Landlord shall have no liability for any loss or damage including theft of building materials, equipment, or supplies.

(p) Prior to the commencement of any Alterations, the Unit Owner shall furnish to the Landlord proof of compliance with the insurance requirements under this Lease including, without limitation, proof of liability, fire, general workmen's compensation, and such other insurance as the Landlord may reasonably require has been effected by the Unit Owner, with such insurers, to such limits and on such terms as the Landlord may reasonably approve. Where the Landlord requires, the Landlord shall be named and protected as an additional insured in the Unit Owner's insurance.

(q) If the Unit Owner fails to complete the Alterations on a timely basis or in accordance with the standard required under this section 8.1, in the reasonable opinion of the Landlord, the Landlord may, in addition to any other rights or remedies the Landlord may have under this Lease or at law, at its option require the Unit Owner to remove or cause to be removed from the Unit all installation, work, materials, and equipment which are not in accordance with the requirements of this section and may require the Unit Owner to correct or may itself cause the correction of any Alterations which are in the course of completion or has been completed but are not in compliance with any requirement of this section, and all expenses incurred by the Landlord in so doing plus an administration fee of fifteen (15%) percent of such costs shall be reimbursed to it by the Unit Owner promptly upon demand.

(r) Where the Landlord exercises any of its rights or remedies under this section 8.1, the Landlord will not be liable for loss or damage to the Leasehold Improvements or to any of the Unit Owner's property or to the Unit Owner's use by reason of the Landlord's actions. The Landlord's performance or removal of any work pursuant to this section is not a re-entry or a breach of the Landlord's covenant for quiet enjoyment contained in this Lease or implied by law.

(s) As part of any Landlord consent for Alterations, the Landlord may require that the Unit Owner provide additional security in respect thereof either (but without limitation) by cash, bond, or additional insurance coverage, all as determined and upon conditions imposed by Landlord, acting reasonably.

8.2 Air-Balancing

The Unit Owner agrees that it will, at the commencement of the Term and periodically throughout the Term including, without limitation, whenever any alterations are made to the Unit, balance the air movement in the Unit at the Unit Owner's expense and for this purpose use the air-balancer designated by the Landlord.

8.3 Financing of Leasehold Improvements

The Unit Owner shall not create any lien, mortgage, charge, conditional sale agreement, or other encumbrance in respect of any Leasehold Improvements or with respect to its trade fixtures except as expressly agreed to in writing by the Landlord in each instance, which agreement is in the Landlord's sole discretion. The Unit Owner shall not take any action as a consequence of which any such prohibited lien, mortgage, charge, conditional sale agreement, or other encumbrance would attach to the Lands, the Unit or to the Project. In no event shall the Unit Owner or its lender be permitted to register any encumbrance, security interest, or notice on title to the Lands or the Project.

8.4 Liens

(a) In connection with the making, erection, installation, or alteration of Leasehold Improvements and trade fixtures and all other work or installations or alterations made by or for the Unit Owner in the Unit, the Unit Owner shall comply with every applicable statute, law, by-law, regulation, ordinance, and order affecting the same and affecting the Project as a result of the actions of the Unit Owner including, without limitation, the construction lien legislation of the Province in which the Project is located, and any other statutes from time to time applicable thereto (including any provision requiring or enabling the retention by way of holdback of portions of any sums payable) and, except as to any such holdback, the Unit Owner shall promptly pay all accounts relating thereto.

(b) Whenever any construction or other lien for work, labour, services, or materials supplied to or for the Unit Owner or for the cost of which the Unit Owner may be in any way liable or claims therefor shall arise or be filed or any prohibited lien, mortgage, charge, conditional sale agreement, or other encumbrance shall attach, the Unit Owner shall within five (5) days after receipt of notice thereof procure and register the discharge thereof, including any certificate of action registered in respect of any lien, by payment or in such other manner as may be required or permitted by law, and failing which the Landlord may make any payments required to procure and register the discharge of any such liens or encumbrances, including any certificate of action registered in respect of any lien, and the Unit Owner shall pay all such costs incurred or suffered by Landlord plus an administration fee of fifteen (15%) percent of all of such costs and expenses, which shall be paid by the Unit Owner to Landlord on demand, plus interest as provided in section 14.3, and its right to reimbursement shall not be affected or impaired if the Unit Owner shall then or subsequently establish or claim that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement, set-off, or other defence.

(c) The Landlord and the Unit Owner agree that any work done in the Unit during the Term by or on behalf of the Unit Owner shall not be done and shall be deemed not to have been done at the request of the Landlord.

8.5 Alterations by Landlord

The Landlord may from time to time at its own expense make alterations to the Project or any part thereof including the Unit and alterations to or relocations of the Common Facilities provided that:

(a) the Unit shall not be altered or interfered with in any material way;

(b) the Common Facilities shall not be altered or relocated to such an extent as to materially reduce their convenience to the Unit Owner;

(c) access and services to or benefiting the Unit shall not be reduced or interrupted (except to the minimum extent which is temporary, reasonable, and unavoidable during the making of repairs or renovations); and

(d) any alteration shall be such that a reasonably prudent owner of the Project would make having regard to the type and age of the Project.

8.6 Leasehold Improvements

(a) All Leasehold Improvements and any trade fixtures brought onto the Unit by the Unit Owner (or any of the Unit Owner's agents, contractors, invitees, or any Person for whom the Unit Owner is legally responsible) shall remain the exclusive property of the Unit Owner.

(b) In the event that the Unit Owner elects to effect removal of its trade fixtures or any portion thereof, then:

(i) the Unit Owner shall, at its expense, repair any damage caused to the Project by such removal;

(ii) the Unit Owner shall effect such removal and restoration by the later of: (A) the end of the Term; and (B) fifteen (15) days after the Landlord's notice, provided that in the event of termination of this Lease prior to the expiry of the Term, such removal and restoration shall be completed no later than fifteen (15) days after the date the Landlord recovers possession of the Unit, and the Landlord shall provide the Unit Owner access to the Unit for the purposes of the said removal.

(c) If the Unit Owner does not remove its trade fixtures or Leasehold Improvements at the expiration or earlier termination of this Lease, the Landlord may, without liability on the Landlord's part, and without notice to the Unit Owner, enter the Unit and remove such trade fixtures and repair any damage to the Project caused by such removal at the Unit Owner's expense, which shall be paid by the Unit Owner to the Landlord on demand, and such trade fixtures and Leasehold Improvements may, without notice to the Unit Owner or to any other Person and without obligation to account for them, be sold, destroyed, disposed of, or used by Landlord in such manner as Landlord determines, or may be stored in a public warehouse or elsewhere, all at the Unit Owner's expense, plus an administration fee of fifteen (15%) percent of all of such costs and expenses, which shall be paid by the Unit Owner to Landlord on demand.

(d) Notwithstanding the foregoing or any law to the contrary, if the Unit Owner or any of the Unit Owner's agents, contractors, invitees, or any Person for whom the Unit Owner is legally responsible creates or is permitted to bring to the Lands, the Project or the Unit any Hazardous Substances or if the conduct of the Unit Owner's use shall cause there to be any Hazardous Substances in or at the Lands, the Project or the Unit, such Hazardous Substances shall be and shall remain the sole and exclusive property of the Unit Owner and shall not become the property of the Landlord regardless of the degree of affixation to the Unit or the Project or the Lands of the Hazardous Substances or the goods containing the Hazardous Substances.

ARTICLE 9
REPAIRS

9.1 Landlord's Repairs

Subject to section 9.5 and except as provided in section 9.2, the Landlord shall repair and maintain and may, if it so chooses, replace:

(a) the Project including all the external and structural parts of the Project but excluding any parts thereof (except as specified in subsection (b) of this section) which comprise the whole or a part of the Unit or Unit leased to others;

(b) Insured Damage; and

(c) the Common Facilities;

all with reasonable dispatch and in a good and workmanlike manner, and so as to keep the same in good condition and repair. The Landlord is responsible for replacement of windows and exterior doors. The Unit Owner is responsible to reimburse the Landlord of all damage caused by the Unit Owner or the persons for whom it is responsible whether or not the maintenance, repair, or replacement is the responsibility of the Landord.

9.2 Unit Owner's Repairs

Subject to section 9.5, the Unit Owner shall, at its expense and throughout the Term, keep the Unit and the Leasehold Improvements and trade fixtures therein and all electrical and telephone outlets and conduits and all mechanical and electrical equipment within the Unit in good condition and repair, Insured Damage and repairs which the Landlord is otherwise obliged to repair only excepted. The Unit Owner shall also make good any damage to the Project or the Lands caused by the Unit Owner or any Person for whom the Unit Owner is at law responsible and which is not Insured Damage. All repairs to be performed by the Unit Owner shall be subject to section 8.1.

9.3 Entry by Landlord to View State of Repair

Upon 72 hours' prior notice to the Unit Owner, except in the case of emergency (in which case no notice will be required), the Landlord shall be entitled to enter and view the state of repair of the Unit. The Unit Owner will repair, according to notice, as specified in section 9.2.

9.4 Notice of Defects

The Unit Owner shall give to the Landlord prompt notice of any defect in any Utility systems and equipment or any damage to the Unit or any part thereof or any Common Use Equipment providing services to the Unit howsoever caused; provided that nothing herein shall be construed so as to require repairs to be made by the Landlord except as expressly provided in this Lease.

9.5 Unit Owner to Leave Unit in Good Repair

The Unit Owner shall leave the Unit and (subject to section 8.6) the Leasehold Improvements, at the expiration or other termination of the Term, in the condition and repair required of the Unit Owner under section 9.2, reasonable wear and tear excepted.

ARTICLE 10
INSURANCE AND LIABILITY

10.1 Landlord's Insurance

The Landlord shall carry insurance as required under the Head Lease, and may carry such additional insurance with respect to its interest in the Project as it may from time to time determine, in its sole and unfettered discretion, to be required or desirable. Upon written

request, the Landlord shall within a reasonable time thereof make available to Unit Owner copies of its insurance certificate.

10.2 Unit Owner's Insurance

The Unit Owner shall, at its own expense, take out and keep in force during the Term:

(a) inclusive limits commercial general liability insurance, which shall include coverage for personal injury, contractual liability, non-owned automobile liability insurance and owned automobile insurance covering bodily injury, death and property damage, all on an occurrence basis with respect to the Unit Owner's use and occupancy of the Unit and its use of the Common Facilities or of any other part of the Project, with coverage for any one (1) occurrence or claim of not less than five million dollars ($5,000,000) or such other amount as the Landlord may from time to time reasonably require upon not less than thirty (30) days' notice at any time during the Term; and

(b) Unit Owner's legal liability on an "all risk" format in an amount not less than the full replacement cost of the Unit including Leasehold Improvements plus an additional $2 million dollars (or higher amount elected by the Landlord or Head Landlord from time to time);

(c) "all risks" insurance including earthquake, flood and sewer back-up perils covering all property owned by the Unit Owner, or for which the Unit Owner is legally liable, located within the Project, including, but not limited to, Leasehold Improvements, trade fixtures, furniture and equipment, merchandise, stock-in-trade and insurance upon all glass and plate glass forming part of the Unit, against breakage and damage from any cause, and burglary insurance with respect to the Unit, for not less than the full replacement cost thereof, and which insurance shall include a by-law endorsement and shall provide that any proceeds recoverable with respect to Leasehold Improvements shall be payable to the Landlord (but the Landlord agrees to make available such proceeds toward the repair or replacement of the insured property if this Lease is not terminated pursuant to any other provisions hereof);

(d) when applicable, comprehensive boiler and machinery insurance with limits for each accident in an amount not less than full replacement cost of all Leasehold Improvements and of all boilers, pressure vessels, heating, ventilating and air-conditioning equipment and miscellaneous electric apparatus owned or operated by the Unit Owner or by others (other than the Landlord) on behalf of the Unit Owner in the Unit, or relating to or serving the Unit;

(e) insurance against such other perils and in such amounts as the Landlord, Mortgagee of Landlord, or Head Landlord may from time to time reasonably require.

10.3 Form of Unit Owner's Insurance

(a) All policies of insurance required to be maintained by the Unit Owner hereunder:

(i) shall be on terms and with insurers to which the Landlord has no reasonable objection;

(ii) shall be primary and non-contributing with, and not in excess of, any other insurance available to the Landlord, Head Landlord or any Mortgagee;

(iii) shall name as additional insured the Landlord, Head Landlord, and anyone else with an interest in the Project from time to time designated in writing by the Landlord;

(iv) shall name as an additional insureds such other Persons from time to time designated in writing by the Landlord and/or Head Landlord, and shall contain provisions for cross liability and severability of interest clauses; and

(v) shall contain a waiver of any rights of subrogation which the insurer may have against the Landlord and those for whom the Landlord is at law responsible (including the Head Landlord) whether the damage is caused by the act, omission, or negligence of the Landlord or Head Landlord or anyone for whom the either is at law responsible.

Each policy shall also contain an undertaking by the insurer that no material change adverse to the Landlord or the Unit Owner will be made and the policy will not lapse or be cancelled or not be renewed, except after not less than thirty (30) days' prior written notice to the Landlord of the intended change, lapse, cancellation or non-renewal.

(b) The Unit Owner shall furnish to the Landlord certificates as to the insurance from time to time effected by the Unit Owner and its renewal or continuation in force. If the Unit Owner fails to take out, renew or keep in force such insurance, or if the certificates submitted to the Landlord pursuant to the preceding sentence are unacceptable to the Landlord (or no such certificates are submitted within a reasonable period after request therefor by the Landlord), the Landlord may give to the Unit Owner notice requiring compliance with this section and specifying the respects in which the Unit Owner is not then in compliance with this section. If the Unit Owner does not, within seventy two (72) hours (or such lesser period as the Landlord may reasonably require having regard to the urgency of the situation), provide appropriate evidence of compliance with this section the Landlord may (but shall not be obligated to) obtain some or all of the additional coverage or other insurance which the Unit Owner shall have failed to obtain, without prejudice to any other rights of the Landlord under this Lease or otherwise, and the Unit Owner shall pay all premiums and other costs incurred by the Landlord forthwith upon demand.

10.4 Release of the Landlord

The Unit Owner hereby releases the Landlord Indemnified Parties from any and all claims, actions, causes of action, damages, demands for damages, and other liabilities, howsoever arising, that may be made by the Unit Owner against the Landlord Indemnified Parties under the provisions of this Lease to the extent of all insurance proceeds paid under the policies of insurance maintained by the Unit Owner or which would have been paid if the Unit Owner had maintained the insurance required under this Lease and had diligently processed any claims thereunder. In addition and without limitation, the Unit Owner agrees that the Landlord Indemnified Parties, regardless of negligence or alleged negligence on the part of the Landlord Indemnified Parties or any breach of the Lease by the Landlord Indemnified Parties and,

notwithstanding anything else herein contained, shall not be liable for and hereby releases the Landlord Indemnified Parties from:

(a) any and all claims, actions, causes of action, damages, demands for damages, and other liabilities:

(i) for or related to any bodily injury, personal injury, illness, or discomfort to or death of the Unit Owner or any of its agents, officers, contractors, employees, invitees, licensees, visitors, or guests and any other Person for whom the Unit Owner is legally responsible in or about the Project or the Unit; and

(ii) for or related to any loss or damage to property owned by the Unit Owner or by others and for which property the Unit Owner is responsible in or about the Project or the Unit, and, without limiting the foregoing, the Landlord shall not be liable for any damage caused by steam, water, rain, or snow which may leak into, issue or flow from part of the Project, including the Unit, or from the Common Use Equipment, including without limitation the HVAC System or from any other pipes or plumbing works or for any damage caused by or attributable to the condition or arrangement of any other mechanical, plumbing, or electrical system or the component parts thereof;

(b) any loss or damage caused as a result of any damage, destruction, construction, alteration, expansion, expropriation, reduction, repair, or reconstruction from time to time of the Project, any parts or components of the Project or of improvements on adjoining properties or by anything done or omitted to be done by any other Unit Owner or occupant;

(c) any act or omission (including theft, malfeasance or negligence) on the part of any agent, contractor, or Person from time to time employed by Landlord to perform janitorial services, security services, supervision, or any other work in or about the Unit or the Project;

(d) any loss or damage, however caused, to books of account, records, files, money, securities, negotiable instruments, papers, computer disks, tapes, software, data, and other electronic files and their storage media of any kind or to other valuables of the Unit Owner including art, artworks, statuary, antiques, gems, and precious metals of the Unit Owner and of others;

(e) any loss or damage arising from obstruction of deliveries to or from the Unit or interruption, cessation, faulty operation, breakdown or failure of any Common Use Equipment, including but not limited to, the supply of any Utilities, telecommunication services (whether controlled or owned by the Landlord or not) or other services in, to or serving the Project or the Unit, whether they are supplied by the Landlord or by others; and

(f) any indirect or consequential damages including, but not limited to, loss of profit.

10.5 Release of Unit Owner by Landlord

The Landlord hereby releases the Unit Owner and those for whom the Unit Owner is at law responsible from all claims or liabilities in respect of any damage which is Insured Damage to

the extent of the insurance proceeds actually received by the Landlord and for clarity excluding any deductible.

10.6 Indemnification of the Landlord

The Unit Owner shall indemnify the Landlord and save each one harmless from and against all loss (including loss of Rent) claims, actions, damages, liability, costs, and expense (including legal fees and disbursements on a solicitor and own client full indemnity basis) in connection with loss of life, personal injury, damage to property, or any other loss or injury whatsoever arising out of:

(a) any failure by the Unit Owner to perform its obligations under the Lease;

(b) any occurrence in, upon or at the Unit;

(c) the occupancy or use by the Unit Owner of the Unit or any part thereof; or

(d) occasioned wholly or in part by any negligence, act or omission of the Unit Owner or by anyone permitted to be on the Unit by the Unit Owner.

If the Landlord shall, without fault on its part, be made a party to any litigation commenced by or against the Unit Owner, then the Unit Owner shall protect, indemnify and hold the Landlord harmless in connection with such litigation. Where the Unit Owner, in the Landlord's opinion, acting reasonably, fails to adequately deal with any such litigation, the Landlord or Head Landlord may, at its option, participate in or assume carriage of any litigation or settlement discussions relating to the foregoing or any other matter for which the Unit Owner is required to indemnify the Landlord under this Lease. Alternatively, the Landlord may require the Unit Owner to assume carriage of and responsibility for all or any part of such litigation or discussions. The provisions of this section are subject to any waiver of subrogation granted by the Unit Owner's insurers in favour of the Landlord and those persons for whom the Landlord is legally responsible.

ARTICLE 11
TRANSFERS BY UNIT OWNER AND LANDLORD

11.1 Assignment, Subleases, Charges by Unit Owner

(a) In this Lease, "**Transfer**" means:

(i) an assignment, sale, conveyance, sublease, or other disposition of this Lease or the Unit, or any part of them or any interest in this Lease (whether by operation of law or otherwise);

(ii) a mortgage, charge, or debenture (floating or otherwise) or other encumbrance of this Lease or the Unit or any part of them; or

"**Transferor**" and "**Transferee**" have meanings corresponding to the definition of Transfer set out above.

(b) Except in case of a Permitted Assignment pursuant to Section 11.4 below, the Unit Owner shall not effect or permit a Transfer without the consent of the Landlord and the Head Landlord which consent may not be unreasonably withheld or delayed, but may be reasonably conditioned. It shall be reasonable for the Landlord or Head Landlord to withhold their respective consent to a

Transfer if such Transfer is not for the entire estate, interest, right and title of the Unit Owner hereunder.

(c) The Landlord shall have the right of approval of any marketing of space by the Unit Owner.

(d) If any requested Transfer is in respect of a mortgage, charge, or debenture (floating or otherwise) or other encumbrance of this Lease or the Unit or any part of them, or of any interest in this Lease or of a partnership, or partnership interest, where the partnership is a Unit Owner under this Lease, then the Landlord shall be entitled to withhold its consent, in its sole and unfettered discretion, which discretion may be exercised arbitrarily, excepting the granting by the Unit Owner of a security interest in its Leasehold Improvements as contemplated under Section 8.3, above.

(e) If the Landlord's consent is given, the Unit Owner shall complete the Transfer, within ninety (90) days after the Unit Owner's request for consent and only upon any Transferee and the Unit Owner entering into an agreement directly with the Landlord and Head Landlord and in a form satisfactory to the Landlord and Head Landlord, each acting reasonably. Such agreement, where the Transfer is an assignment of the Lease, shall provide, amongst other things, that the Transferee shall perform the Unit Owner's obligations under this Lease to be performed, including payment of Rent. Where the Transfer is a sublease, such agreement shall be the Landlord's then current consent to sublease agreement.

(f) All reasonable costs of the Landlord and Head Landlord incurred with respect to any Transfer by the Unit Owner shall be paid by the Unit Owner forthwith after demand.

(g) Notwithstanding the effective date of any permitted Transfer as between the Unit Owner and the Transferee, all Rent for the month in which such effective date occurs shall be paid in advance by the Unit Owner so that the Landlord will not be required to accept partial payments of Rent for such month from either the Unit Owner or the Transferee.

11.2 Continuing Obligations of Unit Owner

(a) Where the Transfer is an assignment of the Unit Owner's entire estate, right, and title hereunder, upon execution and delivery of the aforementioned agreement in form satisfactory to Landlord and Head Landlord, the Unit Owner will be released from its obligations hereunder arising from and after the date of such assignment, provided its Transferee agrees to be bound by the terms hereof and indemnify and save harmless the Landlord and Head Landlord from and against any claims, actions, damages, or costs resulting from any default by the Unit Owner, whether known or unknown, and whether arising prior to or after the effective date of said assignment.

(b) No consent by the Landlord to any Transfer shall be construed to mean that the Landlord has consented or will consent to any further Transfer which shall remain subject to the provisions of this Article.

11.3 No Advertising of the Unit

The Unit Owner shall not print, publish, post, mail, display, broadcast, or otherwise advertise or offer the whole or any part of the Unit for the purposes of a Transfer, and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer shall first have received the Landlord's written consent, which shall not be unreasonably withheld. In no event shall any such notices or advertisement contain any reference to the Rent payable in respect of the Unit. The foregoing will not apply to advertising for a Permitted Transfer.

11.4 Permitted Assignment

Notwithstanding anything to the contrary under Section 11.1(b), the Unit Owner may, without having to obtain the Landlord's consent, but upon not less than thirty (30) days' prior written notice to Landlord assign this Lease and Unit Owner's entire interest hereunder to a third party (the "**Permitted Assignment**" and such person a "**Permitted Assignee**") provided that any such Permitted Assignee, as Transferee, shall enter into an agreement on Landlord's form prior to finalization of the Permitted Assignment whereby the Permitted Assignee agrees directly with Landlord to be bound by the terms hereof and indemnify and save harmless the Landlord and Head Landlord from and against any claims, actions, damages, or costs resulting from any default by the Unit Owner, whether known or unknown, and whether arising prior to or after the effective date of said Permitted Assignment. Upon execution of the Landlord' agreement regarding the Permitted Transfer to the satisfaction of Landlord and Head Landlord, the Unit Owner, as Transferor, shall be released from any further obligations and liabilities occurring under the Lease from and after the effective date of such Permitted Assignment.

11.5 No Transfers Until Completion of Sales

Notwithstanding anything to the contrary under this Article 11, the Unit Owner shall not be permitted to undertake or permit a Transfer (including a Permitted Assignment and including the sale of any shares in the Unit Owner) and Landlord will be entitled to withhold its consent thereto, until such time as all of the Rentable Units at the Project have been sold or transferred by the Developer and same is confirmed in writing by the Landlord upon any application for a Transfer by the Unit Owner.

11.6 Agreement

No Transfer, including a Permitted Assignment, is effective without the Unit Owner and its transferee having first delivered a written acknowledgment to the Head Landlord and in form satisfactory to Head Landlord, with such delivery having been acknowledged by Head Landlord in writing, that the Head Landlord is released to the extent of any release or limitation on liability contained in the Head Lease. The Unit Owner hereby agrees to be bound by the same. It is agreed that this covenant is obtained in trust for the Head Landlord, and the Head Landlord may rely on the same.

ARTICLE 12
SUBORDINATION, ESTOPPEL CERTIFICATES AND REGISTRATION

12.1 Subordination

This Lease is and shall be subject and subordinate in all respects to the Head Lease and any and all Mortgages and leasehold interests now or hereafter placed on the Project or the Lands, and to all renewals, modifications, consolidations, replacements, and extensions thereof. The

Landlord shall obtain a non-disturbance agreement in respect of this Lease from the Head Landlord in favour of itself.

12.2 Execution of Instruments

The subordination provision of this Article shall be self-operating and no further instrument shall be required. Nevertheless the Unit Owner, on request by the Landlord or any successor in interest, shall execute and deliver any and all instruments further evidencing such subordination and (where applicable hereunder) attornment.

12.3 Estoppel Certificates

The Unit Owner and Landlord each agrees that it will at any time and from time to time upon not less than ten (10) days' notice, execute and deliver a certificate in writing to the other as to the status at that time of this Lease, including as to whether this Lease is unmodified and in full force and effect (or, if modified, stating the modifications and that the same is in full force and effect as modified), the amount of the Rent then being paid hereunder, the date on which the same, by instalments or otherwise, and other charges hereunder, have been paid, whether or not there is any existing default on the part of the other of which it has notice, and any other matters pertaining to this Lease as to which the other shall request a statement.

If any such certificate requested is not returned to the Landlord within ten (10) days after its request therefor, the Landlord shall have the right and is hereby appointed by the Unit Owner as its agent and attorney to prepare and execute such certificate.

12.4 Registration on Title

(a) The Unit Owner shall not register this Lease against title to the Lands and shall not, in any circumstance, register a caveat in respect of this Lease.

(b) The Landlord hereby agrees not to permit any discharge of a caveat with respect to the Head Lease from title to the Lands during the Term of this Lease.

ARTICLE 13
DAMAGE AND DESTRUCTION

13.1 Limited Damage to Unit

If all or part of the Unit are rendered unoccupiable by damage from fire or other casualty which, in the reasonable opinion of the Landlord's Architect, can be substantially repaired under Applicable Laws within one hundred eighty (180) days from the date of such casualty (employing normal construction methods without overtime or other premium), the Landlord and the Unit Owner, as the case may be, according to the nature of the damage and their respective obligations to repair, shall repair the damage with all reasonable diligence.

13.2 Major Damage to Project

If all or a substantial part (whether or not including the Unit) of the Project is rendered unoccupiable by damage from fire or other casualty to such a material extent that in the reasonable opinion of the Landlord the Project must be totally or partially demolished or reconstructed whether or not to be reconstructed in whole or in part, the Landlord may elect to terminate this Lease as of the date of such casualty (or on the date of notice if the Unit is unaffected by such casualty) by written notice delivered to the Unit Owner, in which event the

Unit Owner shall deliver up possession of the Unit to the Landlord within thirty (30) days after delivery of the notice of termination but otherwise, the Landlord or the Unit Owner, as the case may be, according to the nature of the damage and their respective obligations under this Lease, shall repair such damage with all reasonable diligence. In the event the Lease is so terminated, a portion of the insurance proceeds will be paid to the Unit Owner based on the winding-up of the Landlord. It is agreed that the same is consideration for the termination of this Lease.

13.3 Limitation on the Landlord's Liability

There shall be no reduction of Rent and the Landlord shall have no liability to the Unit Owner by reason of any injury to or interference with the Unit Owner's use or property arising from fire or other casualty, howsoever caused, or from the making of any repairs resulting therefrom in or to any portion of the Project or the Unit.

13.4 Expropriation

If all or any portion of the Unit or any substantial part of the Project or portion affecting the Unit shall be taken for public or quasi-public use under any statute or right of expropriation, or is purchased by the expropriation authority under threat of such taking, this Lease shall, at the option of the Landlord terminate on the date on which the expropriating authority takes possession. Upon notice of the exercise of such option, the Unit Owner shall immediately surrender to the Landlord the Unit and all interest under this Lease.

If any portion of the Unit (but less than the whole is taken), and the Landlord does not exercise its option, above, the Term will expire in respect of the portion taken (and all options to renew or extend, if any, will not be exercisable in respect of such portion).

Upon any such taking or purchase, the Landlord and Unit Owner shall cooperate and provide reasonable assistance to the other (at their respective sole cost) such that each may receive the maximum award or consideration for their respective interests so expropriated.

ARTICLE 14
DEFAULT

14.1 Events of Default

An event of default ("**Event of Default**") shall occur whenever:

(a) any Rent is in arrears and is not paid within thirty (30) days after the Final Rent Default Notice from the Landlord. The Landlord shall give the Unit Owner an initial notice of a default under this paragraph (the "**Initial Rent Default Notice**") and if the Rent (or any portion thereof) remains unpaid within thirty (30) days after the Initial Rent Default Notice from the Landlord, then Landlord shall be entitled to give the Unit Owner a final notice of a default under this paragraph (the "**Final Rent Default Notice**").

(b) the Unit Owner has breached any of its obligations in this Lease (other than the payment of Rent) and such breach is capable of being remedied and is not otherwise listed in this section and the Unit Owner after written notice from the Landlord:

(i) fails to remedy such breach within thirty (30) days (or such shorter period as may be provided in this Lease); or

(ii) if such breach cannot be reasonably remedied within thirty (30) days or such shorter period, the Unit Owner fails to commence to remedy such breach within such thirty (30) days or shorter period or thereafter fails to use best efforts and proceed diligently to remedy such breach;

(c) the Unit Owner becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any Person for the dissolution, winding-up, or other termination of the Unit Owner's existence or the liquidation of its assets;

(d) a trustee, receiver, receiver and manager, or like Person is appointed with respect to the use or assets of the Unit Owner;

(d) this Lease or any of the Unit Owner's assets are taken under a writ of execution;

(e) the Unit Owner purports to make a Transfer other than in compliance with the provisions of this Lease;

(f) any insurance policies covering any part of the Project or any occupant thereof are actually or threatened to be cancelled or adversely changed as a result of any use or occupancy of the Unit and same is not cured within 72 hours;

(g) the Unit Owner defaults on any credit facility in relation to which the Unit Owner has granted a security interest in its Leasehold Improvements; or

(h) the Unit Owner (or any Person for whom the Unit Owner is responsible) causes a default under the Head Lease.

14.2 Default and Remedies

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

(a) to terminate this Lease by notice to the Unit Owner;

(b) to remedy or attempt to remedy any default of the Unit Owner under this Lease for the account of the Unit Owner and to enter upon the Unit for such purposes. No notice of the Landlord's intention to perform such covenants need be given the Unit Owner unless expressly required by this Lease. The Landlord shall not be liable to the Unit Owner for any loss, injury or damage caused by acts of the Landlord in remedying or attempting to remedy such default and the Unit Owner shall pay to the Landlord all expenses incurred by the Landlord in connection with remedying or attempting to remedy such default; or

(c) to recover from the Unit Owner all damages and expenses incurred by the Landlord as a result of any breach by the Unit Owner.

14.3 Costs

The Unit Owner shall pay to the Landlord upon demand: (a) interest at the Stipulated Rate calculated monthly not in advance on all Rent required to be paid hereunder from the due date for payment until fully paid and satisfied; and (b) the Landlord's then current reasonable administration charge for each notice of default given by the Landlord to the Unit Owner under this Lease. The Unit Owner shall pay to the Landlord all damages and costs (including, without limitation, all legal fees on a solicitor and own client full indemnity basis) incurred by the Landlord in connection therewith or in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Unit Owner to perform under this Lease, or in respect of which the Unit Owner has agreed to insure, or for which the Unit Owner has agreed to indemnify the Landlord under this Lease or otherwise.

14.4 Allocation of Payments

The Landlord may, at its option, apply sums received from the Unit Owner against any amounts due and payable by the Unit Owner under this Lease in such manner as the Landlord sees fit.

14.5 Survival of Obligations

If the Unit Owner has failed to fulfil its obligations under this Lease with respect to the maintenance, repair, or alteration of the Unit and removal of improvements and fixtures from the Unit during or at the end of the Term, such obligations and the Landlord's rights in respect thereto shall remain in full force and effect notwithstanding the expiration or sooner termination of the Term.

14.6 Remedies Cumulative

All rights and remedies of the Landlord in this Lease shall be cumulative and not alternative.

ARTICLE 15
GENERAL PROVISIONS

15.1 Schedules

The schedules to this Lease form a part of this Lease. The schedules are as follows:

Schedule A	FLOOR PLAN SHOWING UNIT OUTLINED
Schedule A.1	SITE PLAN OF THE PROJECT
Schedule B	LANDS
Schedule C	RULES AND REGULATIONS
Schedule D	DEFINITIONS

15.2 Overholding

The Unit Owner shall surrender possession of the Unit immediately upon the expiration or earlier termination of this Lease. If the Unit Owner remains in possession of all or any part of the Unit after the expiry of the Term with the consent of the Landlord and without any further written agreement, or without the consent of the Landlord, there shall be no tacit renewal or extension of this Lease and, despite any statutory provision or legal presumption to the contrary,

the Unit Owner shall be deemed conclusively to be occupying the Unit as a monthly tenant if the Landlord did consent to the Unit Owner remaining in possession, or as a tenant at will if the Landlord did not consent to the Unit Owner remaining in possession, in either case on the same terms as set forth in this Lease as far as such terms would be applicable to a monthly tenancy, and except for any right of renewal, pre-emptive rights and any indemnity granted by the Landlord to the Unit Owner, at a monthly basic rent payable in advance and equal to two (2) times the monthly Operating Costs and Real Estate Taxes payable immediately prior to the overholding. The Unit Owner shall promptly indemnify and hold harmless the Landlord from and against any and all claims incurred by the Landlord as a result of the Unit Owner remaining in possession of all or any part of the Unit after the expiry of the Term. The Unit Owner shall not make any counterclaim in any summary or other proceeding based on such overholding by the Unit Owner.

15.3 Survival of Obligations

Any obligation of a party which is unfulfilled on the termination of this Lease shall survive until fulfilled.

15.4 Severability of Illegal Provisions

If any provision of this Lease is or becomes illegal or unenforceable, it shall during such period that it is illegal or unenforceable be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though the said provision had never been included.

15.5 Governing Law

This Lease shall be governed by the laws applicable in the Province in which the Project is located.

15.6 No Partnership

Nothing contained herein shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and Unit Owner.

15.7 Reasonableness

Except as otherwise specifically provided, whenever consent or approval of the Landlord or the Unit Owner is required under the terms of this Lease, such consent or approval shall not be unreasonably withheld or delayed. The Unit Owner's sole remedy if the Landlord unreasonably withholds or delays consent or approval shall be an action for specific performance, and the Landlord shall not be liable for damages. If either party withholds any consent or approval, such party shall on written request deliver to the other party a written statement giving the reasons therefor. Unless otherwise expressly noted, reasonable notice shall mean seventy-two (72) hours' notice.

15.8 Unavoidable Delay

(a) Whenever and to the extent that: (a) the Landlord or Unit Owner is prevented from fulfilling or unable to fulfill its obligations under this Lease as a result of events beyond its control; (b) the Unit Owner loses the its ability to carry-on the Use from the Unit (lawfully or otherwise); or (c) the Landlord or Unit Owner is delayed or restricted in the fulfillment of any of its obligations under this Lease, the Landlord or Unit Owner, as applicable, shall be relieved from the fulfillment of

such obligation under the Lease so long as such inability, delay, prevention, or restriction (collectively, "**Unavoidable Delay**") continues and for a commercially reasonable period thereafter, to overcome such Unavoidable Delay and difficulties and/or delays related, whether directly or indirectly, to the cause of the Unavoidable Delay. The Lease shall not be terminated or suspended, and notwithstanding the occurrence of such Unavoidable Delay, the Unavoidable Delay will not terminate the Lease, frustrate the Lease, or be a re-entry under this Lease or a breach of the Lease (including but not limited to the clause of quiet enjoyment), and the Unavoidable Delay will not extend the Term, will not entitle the Unit Owner to any compensation, and will not cause Rent to abate. The party so delayed shall use commercially reasonable efforts to overcome such Unavoidable Delay. Events that are beyond the reasonable control of the Landlord or Unit Owner include but are not limited to: (i) one or more of being unable to obtain the material, goods, equipment, service, Utility, or labour required to enable it to fulfill such obligation; (ii) the existence of one or more of any statute, law, by-law, order in council, regulation, order passed or made pursuant thereto, or by reason of the order or direction of any legislative, administrative, or judicial body, controller or board, or any governmental officer, other authority having jurisdiction, or any other Government Authority, or by reason of its or anyone else's inability to procure any license or permit required therefor, or by reason of not being able to obtain any permission or authority required therefor (including but not limited to as enacted in the face of a public crisis such as war, terrorism, or pandemic (such as by way of example only the COVID-19 pandemic)); (iii) by reason of one or more of strike, lockout, slowdown, or other combined action of workmen, or shortages of material; and (iv) any other cause beyond its control whether or not of the character of the preceding list or not, all other than any insolvency, lack of funds, or other financial cause of delay, and difficulties or delays associated with the Unavoidable Delay do not include insolvency, lack of funds or other financial difficulty. The foregoing shall not excuse the Unit Owner from paying Rent.

(b) The Unit Owner will promptly notify the Landlord in writing of the Unavoidable Delay or any reasonably anticipated Unavoidable Delay and the event or events that resulted in or may result in the Unavoidable Delay, and in any event within ten (10) days following the Unit Owner learning of the Unavoidable Delay or potential Unavoidable Delay. The Unit Owner will include with the written notice regarding the Unavoidable Delay sufficient documentation to establish to the reasonable satisfaction of the Landlord the impact of the Unavoidable Delay, the estimated end date of the Unavoidable Delay and a description of the proposed steps and measures the Unit Owner proposes to take to end the period during which the Unit Owner is prevented or delayed in performing its obligations as a result of such Unavoidable Delay. The Unit Owner will provide the Landlord with regular updates, at least once every ten (10) days regarding the Unavoidable Delay and the status thereof, including any change in the estimated end date of the period during which the Unit Owner is prevented or delayed in performing its obligations as a result of such Unavoidable Delay.

15.9 Jurisdiction and Construction of Lease

This Lease shall be governed by and construed under the laws of the Province of Alberta and the laws of Canada applicable therein (the "**Jurisdiction"**), and its provisions shall be construed as a whole according to their common meaning and not strictly for or against the Landlord or the Unit Owner. Time is of the essence of the Lease and each of its provisions. Except as

otherwise expressly provided or unless the context otherwise requires, the following provisions shall govern the interpretation of this Lease:

(a) the terms "this Lease", "hereof", "herein", "hereunder" and similar expressions refer, unless otherwise specified, to this Lease taken as a whole and not to any particular section, paragraph, or clause;

(b) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(c) all references to articles and Schedules refer, unless otherwise specified, to articles of and Schedules to this Lease;

(d) all references to sections refer, unless otherwise specified, to sections, paragraphs, or clauses of this Lease and reference to paragraphs or clauses refer to paragraphs in the same section as the reference or clauses in the same paragraph as the reference;

(e) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of, their context or the words or phrases which precede or succeed them;

(f) the captions, section numbers, article, numbers, and the table of contents appearing in this Lease are inserted only as a matter of convenience and do not affect the interpretation or substance of this Lease;

(g) all references to time in this Lease shall be to the time in the jurisdiction in which the Project is located unless otherwise stated herein;

(h) unless otherwise stated, all dollar amounts in this Lease are in Canadian dollar amounts and are exclusive of GST; and

(i) all references to federal or provincial statutes (which include regulations) in this Lease include amendments to such statutes and include successor or replacement statutes unless otherwise stated.

15.10 Entire Agreement

There are no terms and conditions which at the date of execution of this Lease are additional or supplemental to those set out in this Lease, excluding in respect of the membership in the HOA and the terms of the Head Lease. This Lease and bylaws of the HOA contain the entire agreement between the parties hereto with respect to the subject matter of this Lease; provided the terms of the Head Lease are included herein as reasonably applicable. The Unit Owner acknowledges and agrees that it has not relied upon any statement, representation, agreement, or warranty of the Landlord except such as are set out in this Lease.

15.11 Amendment or Modification

Unless otherwise specifically provided in the Lease, no amendment, modification, or supplement to this Lease shall be valid or binding unless set out in the writing and executed by the parties hereto in the same manner as the execution of this Lease. This Lease may not be amended or modified without the prior written consent of the Head Landlord or Developer.

15.12 Covenants and Severability

All of the provisions of the Lease are to be construed as covenants and agreements as though the word importing such covenants and agreements were used in each separate Article hereof. Should any provision of this Lease be or become invalid, void, illegal, or not enforceable, it shall be considered separate and severable from the Lease and the remaining provisions shall remain in force and be binding upon the parties hereto as though such provision had not been included.

15.13 No Implied Surrender or Waiver

No provision of this Lease shall be deemed to have been waived by the Landlord unless such waiver is in writing signed by the Landlord. The Landlord's waiver of a breach of any term or condition of this Lease shall not prevent a subsequent act, which would have originally constituted a breach, from having all the force and effect of any original breach. The Landlord's receipt of Rent with knowledge of a breach by the Unit Owner of any term or condition of the Lease shall not be deemed a waiver of such term or condition. No act or thing done by the Landlord, its agents, or employees during the Term shall be deemed an acceptance of a surrender of the Unit, and no agreement to accept a surrender of the Unit shall be valid, unless in writing and signed by the Landlord. The delivery of keys to any of the Landlord's agents or employees shall not operate as a termination of the Lease or a surrender of the Unit. No payment by the Unit Owner, or receipt by the Landlord, of a lesser amount than the Rent due hereunder shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque, or payment as Rent, be deemed an accord and satisfaction, and the Landlord may accept such cheque or payment without prejudice to the Landlord's right to recover the balance of such Rent or pursue any other remedy available to the Landlord.

15.14 Successors Bound

Except as otherwise specifically provided, the covenants, terms and conditions contained in this Lease shall apply to and bind the heirs, successors, executors, administrators, and assigns of the parties hereto.

15.15 Joint and Several Liability

In the event there is more than one (1) entity or Person which or who are parties constituting the Unit Owner under this Lease, the obligation imposed upon the Unit Owner under this Lease shall be joint and several.

15.16 Decisions of Experts

The decision of any Expert whenever provided for under this Lease and any certificate of an Expert shall be final and binding on the parties and there shall be no further right of dispute or appeal.

15.17 Power, Capacity and Authority

The Landlord and the Unit Owner covenant, represent, and warrant to each other that they have the power, capacity, and authority to enter into this Lease and to perform its obligations hereunder and that there are no covenants, restrictions, or commitments given by it which would prevent or inhibit it from entering into this Lease.

15.18 Liability of Landlord

Any liability of the Landlord under this Lease and any other agreement with the Unit Owner shall be limited to the Landlord's interest in the Project. If the Landlord consists of more than one (1) Person, the liability of each such Person shall be several and be limited to its percentage interest in the Project. The Unit Owner acknowledges and agrees that it may not and shall not seek any recourse or claim any damages as against any lands or property of the Landlord other than the Project.

15.19 Accord and Satisfaction

Notwithstanding any direction to the contrary, the Landlord may apply any payment received by the Landlord from the Unit Owner or another Person on the Unit Owner's behalf towards amounts then outstanding under this Lease in such manner as the Landlord determines. No payment by the Unit Owner or any other Person, or receipt by the Landlord, of a lesser amount than the Rent due hereunder shall be deemed to be other than on account of the earliest stipulated Rent unless otherwise decided by the Landlord, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque, or payment as Rent, be deemed an accord and satisfaction, and the Landlord is entitled to accept such cheque or payment without prejudice to the Landlord's right to recover the balance of such Rent or pursue any other remedy available to the Landlord.

15.20 Drafting of Lease

The Unit Owner acknowledges that it has had opportunity to participate in drafting or modifying this Lease form during negotiations prior to its execution and delivery by the Unit Owner and agrees that any rule of law which provides that ambiguities shall be construed against the "drafting" party shall be of no force or effect.

15.21 No Offer

Unit Owner acknowledges and agrees that no contractual or other right shall exist in favour of the Unit Owner with respect to the Unit until both the Landlord and the Unit Owner have executed and delivered this Lease.

15.22 Set-Off

In the event the Landlord is liable for any payment or reimbursement to the Unit Owner then unless otherwise provided for in this Lease the Landlord has the right to set-off such reimbursement or liability against liabilities of the Unit Owner to the Landlord.

15.23 Time of Essence

Time shall be of the essence of this Lease.

15.24 Landlord's Agent

The Landlord may perform any of its obligations or exercise any of its rights hereunder through such agency as it may from time to time determine and the Unit Owner shall, as from time to time directed by the Landlord, pay to any such agent any monies payable hereunder to the Landlord.

15.25 Accounting Principles

All calculations referred to herein shall be made in accordance with generally accepted accounting principles and practices applicable to the real estate industry and applied on a consistent basis.

15.26 Notices and Consents

Any notice or consent (including any invoice, statement, or request or other communication) herein required or permitted to be given by either party to the other shall be in writing and shall be delivered or sent by registered mail (except during a postal disruption or threatened postal disruption) to the applicable address set forth below:

(a) in the case of the Landlord, to the address described in section 1.1(a); and

(b) in the case of the Unit Owner, to the Unit.

Any notice delivered shall be deemed to have been validly and effectively given on the day of such delivery. Any notice sent by registered mail shall be deemed to have been validly and effectively given on the third (3rd) Business Day following the date of mailing.

If there is more than one (1) Unit Owner, any notice required or permitted by this Lease may be given by or to any one of them and has the same force and effect as if given by or to all of them.

Either party may from time to time by written notice to the other change its address for service hereunder.

15.27 Further Assurances

Each party agrees to make such further assurances as may be reasonably required from time to time by the other to more fully implement the true intent of this Lease.

15.28 Confidentiality

The Unit Owner agrees to use its best efforts to keep confidential, and to use best efforts to ensure that those for whom at law it is responsible, and its advisors, keep confidential, the provisions of this Lease. The Unit Owner may disclose this Lease to a prospective assignee or lender of Unit Owner so long as such Persons agree to be bound by confidentiality, or as may otherwise be required under Applicable Laws.

15.29 Exculpatory Provisions

In all provisions of this Lease containing a release, indemnity, or other exculpatory language in favour of the Landlord, reference to the Landlord includes reference also to the Landlord Indemnified Parties (including, without limitation, their respective nominees, managers and leasing agents) and any Person for whom each is in law responsible and the directors, officers and employees of such Person, its agents, and any Person for whom it is in law responsible and its agents while acting in the ordinary course of their employment (collectively the "**Released Persons**"), all whether or not so stated; it being understood and agreed that, for the purposes of this section, the Landlord is deemed to be acting as the agent or trustee on behalf of and for the benefit of the Released Persons solely to the extent necessary for the Released Persons to take the benefit of this section. The rights of the Released Persons and covenants in favour of the Released Persons under this Lease are held by the Landlord in trust for the such person and

may be relied upon by such person without further action. It is acknowledged this Lease is good consideration for the same.

15.30 Subdivision

The Unit Owner acknowledges and agrees that the Landlord may from time to time seek to subdivide the Lands or obtain a separate certificate of leasehold title to the Lands, the Project or any portions thereof. The Unit Owner shall execute and deliver any amending agreement provided by the Landlord amending and setting forth the legal description created by the registration of the plan of subdivision or separate leasehold title within five (5) Business Days of receipt of such agreement from the Landlord. The Landlord and not the Head Landlord will be responsible for the cost of any subdivision (inclusive of the cost of any reserves or other payments required to facilitate the same).

15.31 Rights of Head Landlord

The Head Landlord hereby approves and consents to the subletting of the Unit by the Landlord to the Unit Owner pursuant to the terms of this Lease. The Unit Owner hereby acknowledges and agrees that all rights, privileges, indemnities, and releases granted to the Landlord under this Lease are also deemed to be granted to and in favour of the Head Landlord and may be enforced or relied upon by the Head Landlord from time to time on its behalf or on the behalf of the Landlord. The rights of the Head Landlord and covenants in favour of the Head Landlord under this Lease are held by the Landlord in trust for the Head Landlord and may be relied upon by the Head Landlord without further action. It is acknowledged that the approval of this Lease is good consideration for any such covenant.

15.32 Head Lease

The Unit Owner hereby acknowledges and confirms that it has received and reviewed a copy of the Head Lease and is satisfied with same. It is agreed that the Unit Owner's rights under this Lease are subject to the terms of the Head Lease.

15.33 Acceptance of Lease

The Unit Owner and the Landlord hereby accept this Lease subject to the conditions, restrictions and covenants herein set forth.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Lease as of the date first above written.

LANDLORD

ROCKY MOUNTAIN MOTORSPORTS OWNERS' ASSOCIATION

Per: _____

Name:

Title:

I/We have the authority to bind the corporation

UNIT OWNER

Per: _____

Name:

Title:

I/We have the authority to bind the corporation

SCHEDULE A
FLOOR PLAN SHOWING UNIT OUTLINED

[NTD: insert site plan of Unit]

SCHEDULE A.1
SITE PLAN OF THE PROJECT

[NTD: insert site plan showing the Project (i.e. building area) and Common Facilities upon the Lands]

SCHEDULE B
LANDS

NEQ – S12 – T30 – 1 – W5

SCHEDULE C
RULES AND REGULATIONS

In regard to the use and occupancy of the Unit and the Common Facilities, the Unit Owner shall:

1. keep the Unit, and without limitation, inside and outside of all glass in the doors and windows of the Unit in a neat, clean, and sanitary condition and shall not allow any refuse, garbage, snow, ice or loose or objectionable or waste material to accumulate in or about the Unit;

2. promptly notify the Landlord of cracked or broken window glass or any concern with a door;

3. maintain the Unit at its expense, in a clean, orderly, and sanitary condition and free of insects, rodents, vermin and other pests;

4. keep any garbage, trash, rubbish, or refuse in rodent-proof and leak proof containers, approved of by the Landlord, within the interior of the Unit until removed. Without limiting the generality of the foregoing, no garbage, trash, rubbish, or refuse may be stored in front of the Unit or in any other part of the Common Facilities other than in areas expressly designated for such purpose by the Landlord. The Landlord will determine the time and manner of collection, removal and disposal of all such garbage, trash, rubbish, and refuse and the Unit Owner shall comply with the Landlord's directives;

5. have such garbage, trash, rubbish, and refuse removed at its expense on a regular basis as prescribed by the Landlord;

6. keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Unit;

7. comply with and adopt all recycling measures adopted by the Landlord from time to time; and

8. take all steps as reasonably required by the Landlord from time to time to ensure that no guests or invitees of the Unit Owner or others on the Unit from time to time use any Common Facilities for the purpose of smoking.

In regard to the use and occupancy of the Unit and the Common Facilities, the Unit Owner shall not:

9. permit undue accumulations of garbage, trash, rubbish, or other refuse within or outside of the Unit;

10. cause, suffer, or permit odours to emanate or be dispelled from the Unit, and upon direction of the Landlord shall forthwith, at the Unit Owner's expense, remedy any situation resulting in a breach of this provision;

11. distribute handbills or other advertising matter to Persons in the Project other than in the Unit or distribute hand bills or other advertising matter to, in or upon any automobiles parked in the parking areas or in any other part of the Project or the Lands;

12. permit the parking of delivery vehicles so as to interfere with the use of any driveway, walkway, parking area, or other area of the Project;

13. receive, ship, load, or unload articles of any kind including merchandise, supplies, materials, debris, garbage, trash, refuse and other chattels except through those service access facilities and at those times designated from time to time by the Landlord;

14. use the plumbing facilities for any other purposes than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by the Unit Owner;

15. use any part of the Unit for lodging, sleeping or any illegal purpose; and

16. cause, permit, or suffer any machines selling merchandise, rendering services, or providing, however operated, entertainment, including vending machines, to be present on the Unit unless consented to in advance in writing by the Landlord, which consent may be unreasonably withheld.

The Landlord shall have the right to make such other and further reasonable rules and regulations, not inconsistent with the provisions of this Lease, as in its reasonable judgment may from time to time be necessary for the safety, care, cleanliness and appearance of any Unit and the Project in keeping with the existing standards in and of the Project, and for the preservation of good order therein, and the same shall be kept and observed by all Unit Owners.

If the Unit Owner persistently fails to comply with any one (1) or more of the Rules and Regulations, the Landlord may, in addition to all of its other rights and remedies under this Lease and at law, take such steps as the Landlord deems necessary to ensure that all Rules and Regulations are complied with by the Unit Owner throughout the balance of the Term. All costs incurred by the Landlord, plus fifteen (15%) percent of such costs representing the Landlord's overhead, shall be paid by the Unit Owner to the Landlord on demand.

SCHEDULE D
DEFINITIONS

The following capitalized terms used in the Lease are defined below:

"**Accountant**" means an independent accountant, or other qualified professional from time to time named by the Landlord. The decision of the Accountant whenever required and any related certificate shall be final and binding on the parties.

"**Additional Rent**" means all sums of money, other than Basic Rent, which are required to be paid by the Unit Owner pursuant to any provision of this Lease, all of which are deemed to accrue on a day-to-day basis.

"**Affiliate**" has the meaning given to that term under the *Business Corporations Act* (Alberta).

"**Alterations**" has the meaning given in section 8.1(a).

"**Applicable Laws**" means all present and future laws, statutes, codes, bylaws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, approvals, authorizations, directions and requirements of all governmental or other public authorities that now or at any time in force and includes any amendments or substitutions thereto and/or any new legislation, regulations, rules or codes in force from time to time.

"**Architect**" means an independent architect, engineer, surveyor, or other qualified professional from time to time named by the Landlord. The decision of the Architect whenever required and any related certificate shall be final and binding on the parties.

"**Basic Rent**" means the rent payable by the Unit Owner pursuant to section 4.1.

"**Building Standard**" means the building standard established by the Landlord including matters of design, construction and/or installation to be observed by the Unit Owners in the Project, including the Unit Owner, in connection with Leasehold Improvements, Unit Owner fixtures and chattels, as amended from time to time by the Landlord, acting reasonably.

"**Business Day**" means a day of the week other than Saturday, Sunday, or a statutory holiday in the province where the Project is situated.

"**Capital Tax**" means an imputed amount presently or hereafter imposed from time to time upon the Landlord or the owners of the Project or Lands and payable by the Landlord or the owners of the Project or Lands (or by any owners of the Project or Lands) and which is levied or assessed against the Landlord or the owners of the Project or Lands on account of its or their interest in the Project and the Lands or any part thereof, or its or their ownership of capital employed in the Project or Lands, as the case may be. Capital Tax shall be imputed as if the amount of such tax were that amount due if the Project or Lands were the only real property of the Landlord or the owners of the Project or Lands and Capital Tax includes the amount of any capital or place of business tax levied by the federal or provincial government or other applicable taxing authority against the Landlord or the owners of the Project or Lands with respect to the Project or Lands whether or not known as capital tax or by any other name.

"**Commencement Date**" means the first day of the Term and is the date set in section 1.1(f)(i).

"**Common Facilities**" means those areas and facilities, as designed by Landlord or Head Landlord from time to time (in their sole and unfettered discretion), whether or not located in,

adjacent to, or near the Project, as may be altered, expanded, reduced, reconstructed or relocated from time to time, which serve the Project including, without limitation, parking facilities, (including interior parkades (if any)), driveways, laneways, and ramps, sidewalks and parks, utility connections and lines, and other municipal facilities for which the Landlord and/or Head Landlord, directly or indirectly, is subject to obligations in its capacity as landlord or owner of the Project, the Lands or an interest in it, and all areas which are designated from time to time by the Landlord or Head Landlord for the common use and enjoyment of the Unit Owners in the Project, including the Unit Owner, and their agents, invitees, servants, employees, and licensees, but excluding Rentable Units and other portions of the Project which are from time to time designated by the Landlord or Head Landlord for private use by one (1) or a limited group of Unit Owners, all as may be altered, expanded, reduced, reconstructed, or relocated from time to time. As of the date hereof, the Common Facilities are approximately shown and identified on the Site Plan.

"**Common Use Equipment**" means all mechanical, plumbing, electrical and heating, ventilation, and air conditioning equipment, pipes, ducts, wiring, machinery, and equipment and other integral services, Utility connections and the like providing services to the Project, including, without limitation, the HVAC System, but excluding any of the foregoing providing services exclusively in or to the Unit or any Unit of other Unit Owners.

"**Contamination**" or "**Contaminated**" means the presence of a Hazardous Substance in amounts or concentrations which exceed that allowable under Environmental Laws.

"**Contamination Notice**" means any notice issued by the Landlord setting out the Contamination on the Project.

"**Environmental Laws**" means: (i) all Applicable Laws and agreements with Government Authorities relating to public health, occupational health and safety, Contaminated sites, the regulation of Hazardous Substances (including the imposition of liability or standards of conduct) and all matters related thereto, or to the protection of the environment, and includes any amendments or substitutions thereto and/or any new legislation, regulations, rules or codes in force from time to time; and (ii) all Authorizations issued pursuant to such Applicable Laws and agreements which may be relevant to the use or occupancy of the Project or the Leasehold Improvements or any part thereof or the conduct of any use or activity therein, thereon, thereunder or thereabout or any part thereof and having the force of law.

"**Environmental Site Assessment**" means either a Phase I environmental site assessment conducted to identify potential liabilities associated with Contamination of soil, sediment, groundwater, or surface water or a Phase II environmental site assessment using intrusive testing and sampling to confirm such potential liabilities, in each case using protocols generally accepted in the environmental consulting industry including, as amended or substituted from time to time.

"**Event of Default**" has the meaning given in section 14.1.

"**Expert**" includes the Architect and the Accountant and also means any engineer, land surveyor or other professional consultant appointed by the Landlord who, in the opinion of the Landlord, is qualified to perform the function for which he or she is retained.

"**Expiry Date**" means the date set out or determined in section 1.1(f)(ii), and, for certainty, unless expressly set out otherwise in this Lease, the Expiry Date is the date that is immediately before the last day of the "Term" as defined in the Head Lease.

"**Fiscal Year**" means a twelve (12) month period or a shorter period (all or part of which falls within the Term) from time to time determined by the Landlord, at the end of which the Landlord's books in respect of the Project are balanced for auditing and/or taxation purposes.

"**Government Authority**" means any federal, provincial, municipal, or other governmental body, agency, tribunal, or authority having jurisdiction and lawfully empowered to make or impose laws, bylaws, rules or regulations with respect to the Project or the Lands and the parties obligations hereunder.

"**GST**" means all goods and services, business transfer, multi-stage sales, sales, use, consumption, value-added, or other similar taxes imposed by the Government of Canada or any provincial or local government upon the Landlord or the Unit Owner in respect of this Lease, or the payments made by the Unit Owner hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Unit and the provision of services to the Unit Owner hereunder.

"**Hazardous Discharge**" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping of any Hazardous Substance.

"**Hazardous Substance**" means any contaminant, pollutant, dangerous or potentially dangerous substance, noxious substance, toxic substance, hazardous waste or material, flammable or explosive substance, radioactive material, or any other waste, substance, or material whatsoever, which is or is deemed to be, alone or in any combination, hazardous, hazardous waste, special waste, toxic, radioactive, a pollutant, a deleterious substance, a substance capable of causing a significant adverse effect or a contaminant or a source of pollution or contamination under Environmental Laws, whether or not such substance is defined as hazardous under Environmental Laws.

"**HOA**" means the Landlord.

"**HVAC System**" is defined in section 6.1.

"**Indemnity Agreement**" means the Landlord's standard form indemnity agreement.

"**Insured Damage**" means that part of any damage occurring to the Project, including the Unit, of which the entire cost of repair (except as to any deductible amount provided for in the applicable policy or policies of insurance) is actually recovered by the Landlord under a policy or policies of insurance from time to time effected by the Landlord pursuant hereto or for which the Landlord is self-insured.

"**Landlord**" means the sublandlord named in section 1.1(a) and its successors and assigns.

"**Landlord Indemnified Parties**" means the Landlord, the Head Landlord, the Developer, including their respective members of the board of directors, officers, servants, agents, employees, contactors, licensees, successors and assigns, subsidiaries, Affiliates, and associated corporations and all others for whose conduct the Landlord, Head Landlord and/or Developer is/are responsible in law.

"**Landlord's Work**" means the work the Landlord is to perform as described in Schedule C, (as may be amended by the Landlord to accommodate the ongoing development and architectural features of the Project from time to time).

"**Lands**" means the lands legally described on the attached Schedule B (or such part as may be designated by the Landlord from time to time) as altered, expanded or reduced from time to time.

"**Lease**" means this sublease, any schedules and riders attached hereto, and every properly executed instrument which by its terms amends, modifies or supplements this lease.

"**Lease Year**" means: (i) in the case of the first Lease Year, the period beginning on the Commencement Date and ending on the last day of the twelfth (12th) consecutive full month after the expiry of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall end on the day prior to the first anniversary of the Commencement Date) and; (ii) in the case of each subsequent Lease Year, consecutive twelve (12) month periods, provided that the final Lease Year shall end on the Expiry Date.

"**Leasehold Improvements**" means all alterations, fixtures and improvements in or serving the Unit made from time to time by or on behalf of the Unit Owner or any prior occupant of the Unit including, without limitation, internal stairways, doors, hardware, partitions, however affixed and whether moveable or not, all lighting fixtures, Project standard window coverings and wall-to-wall carpeting (excluding carpeting laid over a finished floor and removable without damage to such floor), all mechanical, electrical, Utility installations including electrical, computer and telecommunications wiring, cabling, conduits, fixtures and their related components but excluding trade fixtures, furniture, unattached or free standing partitions and equipment not of the nature of fixtures.

"**Mortgage**" means any mortgage, charge or security instrument (including a deed of trust or mortgage securing bonds) and all extensions, renewals, modifications, consolidations and replacements of any such item which may now or hereafter affect the Project or any part of it.

"**Mortgagee**" means a lender under a Mortgage.

"**Operating Costs**" means the aggregate of all of the Landlord's expenses, costs, charges, and outlays of and outlays of every kind paid, payable or incurred by or on behalf of the Landlord on an accrual basis (or on a cash basis to the extent the Landlord considers appropriate), but without duplication, in the ownership, maintenance, repair, replacement, operation, administration, supervision, and management of the Project and the Lands (including the Common Facilities or any portion of the Lands serving or for the benefit of the Project, as determined by Landlord). Without limiting the generality of the foregoing:

(i) all costs and expenses incurred by the HOA (including lawsuits, disputes with other owners or the Unit Owner, capital expenses, fines, penalties, damage awards, and all other amounts whatsoever);

(ii) all costs and expenses payable by the Landlord to the Head Landlord pursuant to the terms of the Head Lease;

(iii) the cost of providing the operation, maintenance, repair, administration, and supervision, including, without limitation, wages, salaries, other compensation, fringe benefits, severance pay, termination payments and other employment costs for employees, agents, or contractors performing services rendered in connection therewith and a property manager and other supervisory personnel, in each case whether on or off site, elevator

operators, porters, cleaners and other janitorial staff, watchmen and other security personnel, carpenters, engineers, and all other personnel;

(iv) the cost of repairs to, and maintenance and the costs of supplies and equipment used in connection therewith including structural maintenance, repairs, improvements, and replacements;

(v) contributions toward any reserve fund or similar fund established from time to time by the Landlord where such fund is reasonably sufficient to provide for any major repairs and replacements of the following, where the repair or replacement is of a nature that does not normally occur annually: (A) any real or personal property of the Landlord at the Project or serving the Project; and (B) the Common Facilities;

(vi) capitalized machinery and equipment;

(vii) premiums and other charges incurred with respect to insurance, including, without limitation, fire and "All Risk" perils insurance, public liability and property damage insurance, boiler and machinery insurance, and loss of rental income insurance, elevator liability insurance, workers' compensation insurance for the employees specified in section (a)(i) of this definition and other casualties against which the Landlord may reasonably insure provided that if the Landlord shall self insure, the Landlord shall include a deemed amount equal to the amount that would have been included if the Landlord had placed insurance with a third party;

(viii) deductibles and amounts in excess of insurance proceeds;

(ix) costs incurred in connection with inspection and servicing of elevators, escalators and transportation vehicles and equipment, electrical distribution and mechanical equipment and the costs of supplies and equipment used in connection therewith;

(x) costs incurred for fuel or other energy for heating and air-conditioning and operating, maintaining, repairing and replacing the HVAC System thereof;

(xi) water, sewer and service charges, garbage and waste removal costs;

(xii) unemployment insurance expenses, pension plan and any other payments payable in connection with the employment of any of the employees specified in paragpragh (iii) of this definition;

(xiii) fees of any property manager or administrative staff;

(xiv) fees and expenses of accountants, lawyers and other professionals pertaining to services performed by them;

(xv) all costs and expenses (including legal and other professional fees) incurred in verifying the reasonableness of, or in contesting, resisting or appealing, assessments and levies for Real Estate Taxes or taxes charged against the business of the Landlord which pertains to the management, operation and maintenance;

(xvi) costs of telephone, stationery, office supplies, and the fair market rental value of space occupied by the Landlord and/or its property manager, for management, supervisory or administrative purposes and furnishing and fixtures for such space and other materials required for routine operation;

(xvii) GST payable on the purchase of goods and services included in Operating Costs;

(xviii) Real Estate Taxes;

(xix) the cost of policing, security, supervision, and traffic control;

(xx) such other operating costs, charges and expenditures of a like nature as may be incurred in respect of the proper preservation, protection, maintenance, and operation;

(xxi) the cost of complying with any registered instrument on title to the Lands including, without limitation, and home owners' association or similar instrument;

(xxii) Capital Tax;

(xxiii) without limiting the foregoing, such other expenses, costs, charges, and outlays not described above that are normally included in operating costs for a project of this nature or as otherwise exist;

(xxiv) all other direct and indirect costs and expenses of every kind, to the extent incurred in or allocable to the maintenance, repair, replacement, operation, supervision, or administration of all or any part of the Project or Lands, or any of its appurtenances including expenses incurred or contributions made in respect of off-site facilities which are utilized by or benefit the Project or Lands;

(xxv) a management fee equal to that amount paid to any managing agent engaged in respect of the management of the Project or Lands or any part thereof; and

(xxvi) any other costs or expense incurred by Landlord in its operation, management, maintenance, repair, or replacement of the Project or any portion thereof.

"**Person**" means any person, firm, partnership or corporation, or any group or combination of persons, firms, partnerships or corporations.

"**Project**" means the building situated upon a portion of the Lands and those Common Facilities at, within or appurtenant to the building or serving the building as determined or designated by Landlord or Head Landlord from time to time. The Project is approximately shown on the Site Plan.

"**Proportionate Share**" means a fraction having as its numerator the Rentable Area of the Unit, and as its denominator the Rentable Area of the Project.

"**Real Estate Taxes**" means all taxes, rates, duties, levies, fees, charges, sewer levies, local improvement rates, and assessments whatsoever, imposed, assessed, levied or charged now

or in the future by any school, municipal, regional, provincial, federal, parliamentary or other governmental body, corporate authority, agency or commission (including, without limitation, school boards and Utility commissions), against the Project and/or the Lands and/or the Landlord in connection therewith, and including business or similar taxes or licence fees in respect of any use carried on by Unit Owners and occupants (including the Unit Owner) of the Project.

"**Rent**" means Basic Rent and Additional Rent.

"**Rentable Area**" of any Rentable Unit, including the Unit, means the area calculated by the aggregate of the area expressed in square feet (as may be certified by the Architect) of all floors of the Rentable Unit (including, without limitation, any mezzanine area and storage area) measured from:

(b) the exterior face of all exterior walls, doors and windows;

(c) the exterior face of all interior walls, doors, and windows separating the Rentable Unit from the Common Facilities, if any; the centre line of all interior walls separating the Unit from adjoining Unit;

(d) the exterior edge of any floor which is not bounded by a wall; and

(e) all interior space whether or not occupied by any projections, structures, stairs, elevators, escalators, shafts or other floor openings or columns, structural or non-structural, and if a storefront or entrance is recessed from the lease line of the Unit, the area of such recess or entrance for all purposes lies within and forms part of the Rentable Area of the Unit, and the proportion of Common Facilities which the resulting area of the Rentable Unit bears to the Rentable Area of the Project.

"**Rentable Area of Project**" means the area in square feet of all Rentable Area of the Rentable Unit.

"**Rentable Unit(s)**" means those units (including the Unit), in or on the Project that are (as determined by Landlord, in its sole and unfettered discretion), or are intended from time to time to be occupied by unit owners of the Project.

"**Rules and Regulations**" means the rules and regulations, as from time to time amended or replaced, attached hereto as Schedule C.

"**Site Plan**" means the site plan of the Project attached hereto as Schedule A.1.

"**Statement**" is defined in section 4.4.

"**Stipulated Rate**" means eighteen (18%) per annum.

"**Term**" means the term of this Lease as specified in section 3.3 and includes all extensions and renewals thereof.

"**Transfer**", "**Transferee**", and "**Transferor**" are defined in section 11.1.

"**Unit**" means the Unit demised to the Unit Owner under this Lease consisting of that portion of the Project as approximately shown cross-hatched for illustrative purposes on Schedule A hereto.

"**Unit Owner**" means the Unit Owner, as subtenant, named in section 1.1(b) and its permitted successors and permitted assigns permitted under this Lease.

"**Unit Owner's Taxes**" means the aggregate of:

(f) all taxes imposed upon the Unit Owner which are attributable to the personal property, furnishings, fixtures and Leasehold Improvements installed in the Unit; and

(g) all taxes imposed upon the Unit Owner which are attributable to the use or occupancy of the Unit Owner or any other occupant of the Unit and to the use of any of the Common Facilities by the Unit Owner or other occupant of the Unit.

"**Utilities**" means all utilities servicing or consumed at the Project including, without limitation, fuel, gas, electricity, water, storm sewer, sanitary sewer, waste management, recycling, telephone, and internet service; and "**Utility**" means any one of the foregoing.